Tribes of the Warm Springs Reservation of Oregon; with amendments (Rept. No. 92–1266). Referred to the Committee of the Whole House on the State of the Union.

Mr. DANIELSON: Committee on the Judiciary. H.R. 13825. A bill to extend the time for commencing actions on behalf of an Indian tribe, band, or group; with an amendment (Rept. No. 92–1267). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONOHUE: Committee on the Judiciary. H.R. 15883. A bill to amend title 18, United States Code, to provide for expanded protection of foreign officials, and for other purposes; with amendments (Rept. No. 92–1268). Referred to he Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee or Banking and Currency. S. 2499. An act to provide for the striking of medals commemorating the 175th anniversary of the launching of the U.S. frigate *Constellation* (Rept. No. 92–1269) Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 1071. A resolution providing for the consideration of H.R. 15989. A bill to establish a Council on International Economic Act of 1969, and for other purposes (Rept. No. 92–1270). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. ABZUG (for herself and Mr. PODELL):

H.R. 16095. A bill to amend title II of the Social Security Act to provide that full old-age, wife's, and husband's insurance benefits (and medicare benefits) shall be payable at age 60 (with such benefits being payable in reduced amounts at age 55), to provide that full widow's, widower's, and parent's insurance benefits shall be payable without regard to age, and for other purposes; to the Committee on Ways and Means.

H.R. 16096. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, so that such benefits will be payable on the same basis as benefits for wives and widows; to the Committee on Ways and Means.

H.R. 16097. A bill to amend title II of the Social Security Act to reduce from 20 to 5 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on Ways and Means.

H.R. 16098. A bill to amend title II of the Social Security Act to eliminate the "family maximum" provisions which presently limit the total amount of benefits that may be paid on an individual's wage record; to the Committee on Ways and Means.

H.R. 16099. A bill to amend title II of the Social Security Act to provide that the marriage or remarriage of a beneficiary shall not terminate his or her entitlement to benefits or reduce the amount thereof; to the Committee on Ways and Means.

H.R. 16100. A bill to amend title II of the Social Security Act to eliminate the duration-of-marriage and other special requirements which are presently applicable in determining whether a person is the spouse or former spouse of an insured individual for benefit purposes; to the Committee on Ways and Means.

H.R. 16101. A bill to amend title II of the Social Security Act to provide benefits for widowed fathers with minor children on the same basis as is presently provided for widowed mothers with minor children; to the Committee on Ways and Means.

H.R. 16102. A bill to amend title II of the Social Security Act to increase to $9,000 a year the amount of outside earnings permitted without deduction from benefits thereunder, and to provide that deductions from benefits on account of outside earnings in excess of that amount shall not exceed one-half of such excess; to the Committee on Ways and Means.

H.R. 16103. A bill to amend title II of the Social Security Act to provide that an individual who resides with and maintains a household for another person or persons (while such person or any of such persons is employed or self-employed) shall be considered as performing covered services in maintaining such household and shall be credited accordingly for benefit purposes; to the Committee on Ways and Means.

By Mr. ANNUNZIO:

H.R. 16104. A bill to amend section 109 of title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. BROWN of Ohio:

H.R. 16105. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 16106. A bill to prohibit the exportation of crude petroleum and petroleum products of the United States during any time in which oil import restrictions are in effect; to the Committee on Banking and Currency.

H.R. 16107. A bill to establish the General Budget Office, and for other purposes; to the Committee on Government Operations.

H.R. 16108. A bill to deny percentage depletion in the case of oil which is exported from or imported into the United States, and to provide that intangible drilling and development deductions shall be recaptured where oil is so exported or imported; to the Committee on Ways and Means.

H.R. 16109. A bill to amend the Trade Expansion Act of 1962 in order to prohibit the sale, transfer of interest in, or exchange of allocation of imported petroleum; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:

H.R. 16110. A bill to establish the Airport Noise Curfew Commission and to define its functions and duties; to the Committee on

By Mrs. GRASSO:

H.R. 16111. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for individuals who perform voluntary public service by working for certain organizations; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. BEGICH, Mr. CONOVER, Mr. HALPERN, Mr. JOHNSON of Pennsylvania, Mrs. HICKS of Massachusetts, Mr. MCDADE, Mr. RUNNELS, and Mr. SCHNEEBELI):

H.R. 16112. A bill to create a demonstration project for the maintenance of safe Federal-aid highways, other than interstate, by the most feasible economical methods; to the Committee on Public Works.

By Mr. KOCH (for himself, Mr. BURTON, Mr. RAILSBACK, and Mr. THOMPSON of New Jersey):

H.R. 16113. A bill to amend the Education of the Handicapped Act to provide for comprehensive education programs for severely and profoundly mentally retarded children; to the Committee on Education and Labor.

By Mr. THOMPSON of Georgia:

H.R. 16114. A bill to provide for the awarding of a Medal of Honor for Policemen and a Medal of Honor for Firemen; to the Committee on Banking and Currency.

H.R. 16115. A bill to provide a penalty for unlawful assault upon policemen, firemen, and other law enforcement personnel, and for other purposes; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.R. 16116. A bill to amend the Horse Protection Act of 1970, to provide for criminal sanctions for any person who interferes with any person while engaged in the performance of his official duties under this act, and to change the authorization of appropriations; to the Committee on Interstate and Foreign Commerce.

By Mrs. ABZUG:

H.J. Res. 1266. Joint resolution authorizing the President to proclaim September 8 of each year as "National Cancer Day"; to the Committee on the Judiciary.

By Mr. GOODLING (for himself and Mr. BUCHANAN):

H. Con. Res. 655. Concurrent resolution designating October as "National Gospel-Rescue Mission Month"; to the Committee on the Judiciary.

By Mr. O'HARA (for himself and Mrs. GRIFFITHS):

H. Con. Res. 656. Concurrent resolution expressing the sense of Congress that there shall be no general pardon or amnesty for those who evaded the draft or deserted the Armed Forces during the conflict in Vietnam; to the Committee on Armed Services.

By Mr. BIESTER (for himself and Mr. DU PONT):

H. Res. 1069. Resolution authorizing employment of senior citizen interns for Members of the House of Representatives; to the Committee on House Administration.

By Mr. BOGGS (for himself and Mr. GERALD R. FORD):

H. Res. 1070. Resolution providing for printing as a House document the joint report to the House of Representatives by the majority and minority leaders on their recent mission to the People's Republic of China; to the Committee on House Administration.

SENATE—*Monday, July 31, 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, we thank Thee for the gift of this new day with its opportunities for growth in nobility of character and in service to others. May we so invest the hours as to enhance the welfare of the Nation and advance Thy kingdom on earth. Inspire us to break through and break down the barriers of prejudice and selfishness. Give us the courage to drive out all that corrupts and destroys the common life and grant us grace to preserve our own lives untarnished by evil ways. In all that we do help us to grow in the likeness of the Master of life. Be with all who work here this day and to those who travel give

journeying mercies. Let Thy goodness and mercy follow us all of our days that we may dwell in the house of the Lord forever.

We pray in the Redeemer's name. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, July 28, 1972, be dispensed with.

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

WAIVER OF THE CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the Legislative Calendar, under rules VII and VIII, be dispensed with.

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

HOUSE CONCURRENT RESOLUTION 648, RELATING TO ADJOURNMENTS IN EXCESS OF 3 DAYS AND ADJOURNMENT SINE DIE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be discharged from further consideration of House Concurrent Resolution 648 and that the Senate proceed to its immediate consideration.

The ACTING PRESIDENT pro tempore. Without objection, the committee is discharged and the resolution will be stated.

The assistant legislative clerk read as follows:

H. CON. RES. 648

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of sec. 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 198), as amended by section 461 of the Legislative Reorganization Act of 1970 (P.L. 91-510; 84 Stat. 1193), the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain, or for adjournment sine die.

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

There being no objection, the resolution (H. Con. Res. 648) was considered and agreed to.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of unobjected-to items on the calendar, beginning with No. 938 and proceeding through No. 945.

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

THOMAS JEFFERSON UNIVERSITY, PHILADELPHIA, PA.

The Senate proceeded to consider the joint resolution (S.J. Res. 199) to recognize Thomas Jefferson University, Philadelphia, Pa., as the first university in the United States to bear the full name of the third President of the United States.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The joint resolution was passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas the Jefferson Medical College of Philadelphia was founded in 1824 during the lifetime of its namesake, Thomas Jefferson;

Whereas the Jefferson Medical College of Philadelphia was given a university charter in 1838 by the State of Pennsylvania;

Whereas the Jefferson Medical College of Philadelphia has long represented and promoted the principles for which Thomas Jefferson stood;

Whereas the Jefferson Medical College of Philadelphia officially changed its name to the Thomas Jefferson University on July 1, 1969: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Thomas Jefferson University, Philadelphia, Pennsylvania, be and is hereby recognized as the first university in the United States to bear the full name of the third President of the United States.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-989), explaining the purposes of the measure.

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

PURPOSE

The purpose of the joint resolution is to provide that the Thomas Jefferson University, Philadelphia, Pennsylvania, is recognized as the first university in the United States to bear the full name of the third President of the United States.

STATEMENT

Thomas Jefferson advocated the creation of a national university near the Nation's Capital as early as 1786 and as late as 1807. Unfortunately, it never materialized. However, in 1824, the Jefferson Medical College of Philadelphia was founded and 4 years later was granted a university charter. On July 1, 1969, the college changed its name to Thomas Jefferson University.

The title, Thomas Jefferson University, was selected to honor one of the founders of our Nation and to specifically perpetuate his name. At the present time, it is the only university which bears his full name and since it stands for the principles promoted by Thomas Jefferson I felt that it is appropriate to offer my resolution today.

Jefferson University's president, Dr. Peter A. Herbut, rhetorically asked:

"What could be more fitting for such a monument that—a school which bears Jefferson's name and was created 2 years before his death—a school which is located in the City of Brotherly Love, only a stone's throw from the Graff House where he wrote the Declaration of Independence and another stone's throw from Independence Hall where the Declaration was signed, and—a school which is dedicated to the promotion of academic freedom advanced by Thomas Jefferson?"

The committee believes that this resolution has a meritorious purpose and accordingly recommends favorable consideration of Senate Joint Resolution 199, without amendment.

SUSAN A. QUILLIN

The bill (S. 2826) for the relief of Susan A. Quillin, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 301(b) of the Immigration and Nationality Act, the periods of time Susan A. Quillin has resided abroad as the dependent of a United States citizen serviceman, shall be held and considered to be continuous physical presence within the United States.

MICHELE KOTON

The bill (S. 3099) for the relief of Michele Koton was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, the periods of time Michele Koton has resided in the United States with her citizen parents shall be held and considered to meet the continuous physical presence requirement of section 301(b) of such Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-991), explaining the purposes of the measure.

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

PURPOSE OF THE BILL

The purpose of the bill is to deem the periods of time Michele Koton has resided in the United States to meet the requirements of section 301(b) of the Immigration and Nationality Act, thus preserving her U.S. citizenship.

JUANITO SEGISMUNDO

The Senate proceeded to consider the bill (S. 2101) for the relief of Juanito Segismundo, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of section 101(a)(27)(B) of the Immigration and Nationality Act, Juanito Segismundo shall be held and considered to be a returning resident alien and may be issued a visa and be admited to the United States for permanent residence notwithstanding the provisions of section 212(a)(19) of the said Act, if he is found to be otherwise admissible: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-992), explaining the purposes of the measure.

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

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to deem Juanito Segismundo, the son of a U.S. citizen, to be a returning resident alien, and to waive the excluding provision of existing law relating to one who has procured a visa by fraud or misrepresentation of a material fact in his behalf. The bill has been amended to clarify the language and delete the requirement for the posting of a bond.

STATEMENT OF FACTS

The beneficiary of the bill is a 39-year-old native and citizen of the Philippine Islands, who presently resides in that country with his wife and four children. His father is a naturalized U.S. citizen and his mother is a permanent resident alien. The beneficiary entered the United States as an immigrant on December 26, 1961, on the basis of a visa issued to him as the unmarried son of a citizen of the United States when, in fact, he had married subsequent to approval of the visa petition granting him preferred status. The beneficiary was deported on July 10, 1965, after conviction of making a false claim in an immigration document, and without the waiver provided for in the bill, he cannot apply for a visa to return to the United States.

MARC STANLEY L. KOCH

The Senate proceeded to consider the bill (S. 3155) for the relief of Marc Stanley L. Koch, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, the periods of time Marc Stanley L. Koch has resided in the United States with his citizen parents shall be held and considered to meet the continuous physical presence requirement of section 301(b) of the said Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-993), explaining the purposes of the measure.

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

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to deem the periods of time Marc Stanley L. Koch has resided in the United States to meet the requirements of section 301(b) of the Immigration and Nationality Act, thus preserving his U.S. citizenship. The bill has been amended to clarify the language in accordance with the recommendation of the Immigration and Naturalization Service.

AMENDMENT OF THE DISTRICT OF COLUMBIA POLICE AND FIREMEN'S SALARY ACT OF 1958

The Senate proceeded to consider the bill (H.R. 15580) to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

TITLE I—AMENDMENTS TO DISTRICT OF COLUMBIA POLICE AND FIREMEN'S SALARY ACTS

SEC. 101. The salary schedule contained in section 101 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4-823) is amended to read as follows:

"SALARY SCHEDULE

"Salary class and title	Service step— 1	2	3	4	5	6	7	8	9
Class 1: Fire Private, Police Private	$10,000	$10,300	$10,800	$11,300	$12,100	$12,900	$13,400	$13,900	$14,400
Class 2: Fire Inspector	11,400	12,100	12,800	13,500	14,200	14,900	15,600		
Class 3: Detective, Assistant Pilot, Assistant Marine Engineer	12,500	13,125	13,750	14,375	15,000	15,625	16,250		
Class 4: Fire Sergeant, Police Sergeant, Detective Sergeant	13,580	14,260	14,940	15,620	16,300	16,980			
Class 5: Fire Lieutenant, Police Lieutenant	15,700	16,485	17,270	18,055	18,840				
Class 6: Marine Engineer, Pilot	17,150	18,005	18,860	19,715					
Class 7: Fire Captain, Police Captain	18,600	19,530	20,460	21,390					
Class 8: Battalion Fire Chief, Police Inspector	21,560	22,640	23,720	24,800					
Class 9: Deputy Fire Chief, Deputy Chief of Police	25,300	27,015	28,730	30,445					
Class 10: Assistant Chief of Police, Assistant Fire Chief, Commanding Officer of the Executive Protective Service, Commanding Officer of the U.S. Park Police	30,000	32,000	34,000						
Class 11: Fire Chief, Chief of Police	34,700	36,800							

SEC. 102. Section 101 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4-823) is amended (1) by striking out "The" and inserting in lieu thereof "(a) Except as provided in subsection (b), the", the (2) by inserting after the salary schedule in that section the following:

"(b) Compensation may not be paid, by reason of any provision of this Act, at a rate in excess of the rate of basic pay for level F of the Executive Schedule contained in subchapter II of chapter 53 of title 5, United States Code."

SEC. 103. Section 201 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4-824) is amended to read as follows:

"SEC. 201. The rates of basic compensation of officers and members in active service on the effective date of the District of Columbia Police and Firemen's Salary Act Amendments of 1972 shall be adjusted as follows:

"(1) Each officer or member receiving basic compensation immediately prior to such effective date at one of the scheduled service step rates of subclass (a) or (b) of salary class 1 in the salary schedule in effect on the day next preceding such effective date shall be placed in and receive basic compensation in salary class 1 in the salary schedule in effect on and after such date, and each such officer or member shall be placed at the respective service step in which he was serving immediately prior to such date. Each officer or member receiving basic compensation immediately prior to such date at one of the scheduled longevity step rates of subclass (a) or (b) of salary class 1 in the salary schedule in effect on the day next preceding such effective date shall be placed in and receive basic compensation in salary class 1 in the salary schedule in effect on and after such date, and each such officer or member shall be placed in a service step as follows:

"From Class 1, subclass (a) or (b): Longevity step A—To Class: Service step 7.

"From Class 1, subclass (a) or (b): Longevity step B—To Class 1: Service step 8.

"From Class 1, subclass (a) or (b): Longevity step C—To Class 1: Service step 9.

"(2) Each officer or member receiving basic compensation immediately prior to such effective date at one of the scheduled service step rates of subclass (a) or (b) of salary class 2 in the salary schedule in effect on the day next preceding such effective date shall be placed in and receive basic compensation in salary class 2 in the salary schedule in effect on and after such date, and each shall be placed at the respective service step in which he was serving immediately prior to such date. Each officer or member receiving basic compensation immediately prior to such date at one of the scheduled longevity step rates of subclass (a) or (b) of salary class 2 in the salary schedule in effect on the day next preceding such effective date shall be placed in and receive basic compensation in salary class 2 in the salary schedule in effect on and after such date, and each such officer or member shall be placed in a service step as follows:

"From Class 2, subclass (a) or (b): Longevity step A—To Class 2: Service step 5.

"From Class 2, subclass (a) or (b): Longevity step B—To Class 2: Service step 6.

"From Class 2, subclass (a) or (b): Longevity step C—To Class 2: Service step 7.

"(3) Each officer or member receiving basic compensation immediately prior to such effective date at one of the scheduled service step rates of salary class 3, 5, 6, 7, 8, or 9 in the salary schedule in effect on the day next preceding such effective date shall receive a rate of basic compensation at the corresponding scheduled service step and salary class in the salary schedule in effect on and after such date. Each officer or member receiving basic compensation immediately prior to such date at one of the scheduled longevity step rates of salary class 3, 5, 6, 7, 8, or 9 in the salary schedule in effect on the day next preceding such effective date shall receive basic compensation at the corresponding salary class in the salary schedule in effect on and after such date, and each shall be placed in a service step as follows:

"From Class 3: Longevity step A—To Class 3: Service step 5. Longevity step B— Service step 6. Longevity C—Service step 7.

From—Class 5: Longevity steps A and B—To Class 5: Service step 5.

"From Class 6, 7, 8, or 9: Longevity steps A and B—To Class 6, 7, 8, or 9: Service step 4.

"(4) Each officer or member receiving

basic compensation immediately prior to such effective date at one of the scheduled service step rates of subclass (a), (b), or (c) of salary class 4 in the salary schedule in effect on the day next preceding such effective date shall be placed in and receive basic compensation in salary class 4 in the salary schedule in effect on or after such date, and each shall be placed at the respective service step in which he was serving immediately prior to such date. Each officer or member receiving basic compensation immediately prior to such date at one of the scheduled longevity step rates of subclass (a), (b), or (c) of salary class 4 in the salary schedule in effect on the day next preceding such effective date shall be placed in and receive basic compensation in salary class 4 in the salary schedule in effect on and after such date, and each shall be placed in a service step as follows:

"From Class 4, subclass (a), (b), or (c)— To Class 4: Longevity step A—Service step 5. Longevity steps B and C—Service step 6.

"(5) Each officer or member receiving basic compensation immediately prior to such effective date at one of the scheduled service step rates of salary class 10 or 11 in the salary schedule in effect on the day next preceding such effective date shall receive a rate of basic compensation at the corresponding scheduled service step and salary class in the salary schedule in effect on and after such date, except that any such officer or member who immediately prior to such date was serving in service step 4 of salary class 10 or in service step 3 of salary class 11 shall be placed in and receive basic compensation in a service step as follows:

From Class 10: Service step 4—To Class 10: Service step 3.

"From Class 11: Service step 3—To class 11: Service step 2."

SEC. 104. Section 202 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, 4–825) is amended to read as follows:

"SEC. 202. Each officer or member of the Metropolitan Police force, Executive Protective Service, and United States Park Police force assigned on or after the effective date of District of Columbia Police and Firemen's Salary Act Amendments of 1972—

"(1) to perform the duty of a helicopter pilot, or

"(2) to render explosive devices ineffective or to otherwise dispose of such devices.

shall receive, in addition to his scheduled rate of basic compensation, $2,100 per annum so long as he remains in such assignment. The additional compensation authorized by this section shall be paid to an officer or member in the same manner as he is paid the basic compensation to which he is entitled. No officer or member who receives the additional compensation authorized by this section may receive additional compensation under section 302."

SEC. 105. (a) Section 203 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–826) is amended to read as follows:

"SEC. 203. The aide to the Fire Marshal shall be included as a Fire Inspector in salary class 2."

(b Section 204 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–826a) is repealed.

SEC. 106. Section 302 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–828) is amended to read as follows:

"SEC. 302. (a) The Commissioner of the District of Columbia, in the case of the Metropolitan Police force and the Fire Department of the District of Columbia, the Secretary of the Treasury, in the case of the Executive Protective Service, and the Secretary of the Interior, in the case of the United States Park Police force, are authorized to establish and determine, from time to time, the positions in salary classes 1, 2, and 4 to be included as technicians' positions.

"(b) Each officer or member—

"(1) who immediately prior to the effective date of the District of Columbia Police and Firemen's Salary Act Amendments of 1972—

"(A) was in a position assigned to subclass (b) of salary class 1 or 2 or subclass (c) of salary class 4, or

"(B) was in salary class 4 and was performing the duty of a dog handler, or

"(2) whose position is determined under subsection (a) to be included in salary class 1, 2, or 4 on or after such date as a technician's position,

shall on or after such date receive, in addition to his scheduled rate of basic compensation, $680 per annum. An officer or member described in paragraph (1)(A) or (2) shall receive the additional compensation authorized by this subsection until his position is determined under subsection (a) not to be included in salary class 1, 2, or 4 as a technician's position or until he no longer occupies such position, whichever occurs first. An officer or member described in paragraph (1)(B) shall receive such compensation so long as he performs the duty of a dog handler. If the position of dog handler is included under subsection (a) as a technician's position, an officer or member performing the duty of a dog handler may not receive both the additional compensation authorized for an officer or member occupying a technician's position and the additional compensation authorized for officers and members performing the duty of a dog handler.

"(c) Each officer or member who immediately prior to the effective date of the District of Columbia Police and Firemen's Salary Act Amendments of 1972 was assigned as a detective sergeant in subclass (b) of salary class 4 shall on or after such date, receive, in addition to his scheduled rate of basic compensation, $500 per annum so long as he remains in such assignment. Each officer or member who is promoted after such date to the rank of detective sergeant shall receive, in addition to his scheduled rate of basic compensation, $500 per annum so long as he remains in such assignment.

"(d) The additional compensation authorized by subsections (b) and (c) shall be paid to an officer or member in the same manner as he is paid the basic compensation to which he is entitled."

SEC. 107. Section 303 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–829) is amended to read as follows:

"SEC. 303. (a) Each officer and member, if he has a current performance rating of 'satisfactory' or better, shall have his service step adjusted in the following manner:

"(1) Each officer and member in service step 1, 2, or 3 of salary class 1 shall be advanced in compensation successively to the next higher service step at the beginning of the first pay period immediately subsequent to the completion of fifty-two calendar weeks of active service in his service step;

"(2) Each officer and member in service step 4 or 5 of salary class 1 shall be advanced in compensation successively to the next higher service step at the beginning of the first pay period immediately subsequent to the completion of one hundred and four calendar weeks of active service in his service step;

"(3) Each officer and member in service step 6, 7, or 8 of salary class 1 shall be advanced in compensation successively to the next higher service step at the beginning of the first pay period immediately subsequent to the completion of one hundred and fifty-six calendar weeks of active service in his service step;

"(4) Each officer and member in salary classes 2 through 11 who has not attained the maximum service step rate of compensation for the rank or title in which he is placed shall be advanced in compensation successively to the next higher service step rate for such rank or title at the beginning of the first pay period immediately subsequent to the completion of one hundred and four calendar weeks of active service in his service step, except that in the case of an officer or member in service step 4, 5, or 6 of salary class 2 or 3, service step 4 or 5 of salary class 4, and service step 4 of salary class 5, such officer or member shall be advanced successively to the next higher service step at the beginning of the first pay period immediately subsequent to the completion of one hundred and fifty-six calendar weeks of active service in his service step.

"(b) As used in this title, the term 'calendar week of active service' includes all periods of leave with pay, and periods of nonpay status which do not cumulatively equal one basic workweek."

SEC. 108. Section 304 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–830) is amended to read as follows:

"SEC. 304. (a) Except as otherwise provided in subsection (b) of this section, any officer or member who is promoted or transferred to a higher salary class shall receive basic compensation at the lowest scheduled rate of such higher salary class which exceeds his existing scheduled rate of basic compensation by not less than one step increase of the next higher step of the salary class from which he is promoted or transferred.

"(b) Any officer or member receiving additional compensation as provided in section 302 of this Act who is promoted or transferred to a higher salary class shall receive basic compensation at the lowest scheduled rate of such higher class which exceeds his existing scheduled rate of basic compensation by at least the sum of one step increase of the next higher step of the salary class from which he is promoted or transferred and the amount of such additional compensation."

SEC. 109. Section 305 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–831) is amended by (1) striking out "Commissioners" and inserting in lieu thereof "Commissioner", and (2) striking out "or Subclass" immediately after "Class".

SEC. 110. Section 401 of the Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–832) is amended to read as follows:

"SEC. 401. (a) (1) In recognition of long and faithful service, each officer and member in the active service on or after the effective date of the District of Columbia Police and Firemen's Salary Act Amendment of 1972 shall receive per annum, in addition to the rate of basic compensation prescribed in the salary schedule contained in section 101 of this Act, an amount computed in accordance with the following table:

"If an officer or member has completed at least: 15 years of continuous service: he shall receive per annum an amount, fixed to the nearest dollar, equal to: 5 per centum of the rate of basic compensation prescribed for service step 1 of the salary class of such salary schedule which he occupies.

"If an officer or member has completed at least: 20 years of continuous service, he shall receive per annum an amount, fixed to the nearest dollar, equal to: 10 per centum of such compensation.

"If an officer or member has completed at least: 25 years of continuous service, he shall receive per annum an amount, fixed to the nearest dollar, equal to: 15 per centum of such compensation.

"If an officer or member has completed at least: 30 years of continuous service, he shall receive per annum an amount, fixed to the

nearest dollar, equal to: 20 per centum of such compensation.

"(2) For purposes of paragraph (1), continuous service as an officer or member includes any period of his service in the Armed Forces of the United States other than any period of such service (A) determined not to have been satisfactory service, (B) rendered before appointment as an officer or member, or (C) rendered after resignation as an officer or member.

"(3) Each officer and member shall receive additional compensation in accordance with paragraph (1) so long as he remains in the active service. Such compensation shall be paid in the same manner as the basic compensation to which such officer or member is entitled, shall be subject to deduction and withholding for retirement and insurance, and shall be considered as salary for the purpose of computing annuities pursuant to the Policemen and Firemen's Retirement and Disability Act and for the purpose of computing insurance coverage under the provisions of chapter 87 of title 5, United States Code. At such time as an officer or member for any reason retires under the provisions of the Policemen and Firemen's Retirement and Disability Act, the additional compensation he is receiving at the time of retirement by reason of the enactment of this section shall remain fixed for purposes of computing his retirement compensation and, at the time of his death, the annuity of any survivors.

"(b) Notwithstanding any other provision of this or any other law, individuals retired from active service prior to the effective date of the District of Columbia Police and Firemen's Salary Act Amendments of 1972, and who are entitled to receive a pension relief allowance or retirement compensation under the provisions of the Policemen and Firemen's Retirement and Disability Act, shall not be entitled to receive an increase in their pension relief allowance or retirement compensation by reason of the enactment of this section, except that each individual whose retirement was effective from and after December 31, 1971, but prior to such effective date shall, on the first day of the first month following such effective date, be entitled to receive the increase in his pension relief allowance or retirement compensation to which he would have been entitled by reason of the enactment of this section had such retirement occurred on or after such effective date."

SEC. 111. Section 501 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–833) is amended by (1) adding "and the Executive Protective Service" immediately after "United States Police", and (2) striking out "or Sub-Classes" at the end of such section.

SEC. 112. The Act approved May 25, 1926 (D.C. Code, sec. 4–13), is amended (1) by inserting, "(a)" immediately after "That", and (2) by adding at the end thereof the following new subsection:

"(b) The Chief of Police of the Metropolitan Police force, the Commanding Officer of the Executive Protective Service, and Commanding Officer of the United States Park Police force, are each authorized to provide a clothing allowance, not to exceed $300 in any one year, to an officer or member assigned to perform duties in 'plainclothes'. Such clothing allowance is not to be treated as part of the officer's or member's basic compensation and shall not be used for the purpose of computing his overtime, promotions, or retirement benefits. Such allowance for any officer or member may be discontinued at any time upon written notification by the authorizing official."

SEC. 113. (a) The Commissioner of the District of Columbia, in the case of the Metropolitan Police force and the Fire Department of the District of Columbia, the Secretary of the Treasury, in the case of the Executive Protective Service, and the Secretary of the Interior, in the case of the United States Park Police force, may—

(1) establish eligibility requirements for, and

(2) pay to any officer or member (other than an officer or member in salary class 10 or 11 of the salary schedule contained in section 101 of the District of Columbia Police and Firemen's Salary Act of 1958) who (A) is in the force, Department, or Service under their jurisdiction, and (B) meets such eligibility requirements, additional annual compensation for successful completion of educational course work leading to a degree in police or fire science or administration. Such additional compensation shall be fixed to the nearest dollar and shall be payable at the rate of 2 per centum of the scheduled rate of basic compensation for service step 1 of salary class 1 of such salary schedule, in effect at the time of payment, for each fifteen acceptable credit hours of such educational course work completed, except that the rate payable may not exceed 16 per centum of such scheduled rate.

(b) The additional compensation authorized by this section shall be in addition to the basic compensation to which such officer or member is entitled and shall be paid in the same manner as such basic compensation. Such additional compensation shall not be subject to deduction or withholding for retirement or insurance and shall not be considered as salary (1) for the purpose of computing annuities pursuant to the Policemen and Firemen's Retirement and Disability Act, or (2) for the purpose of computing insurance coverage under chapter 87 of title 5, United States Code.

(c) Nowithstanding any other provision of this or any other law, individuals retired from active service prior to the effective date of this section and entitled to receive a pension relief allowance or retirement compensation under the provisions of the Policemen and Firemen's Retirement and Disability Act shall not be entitled to receive an increase in their pension relief allowance or retirement compensation by reason of the enactment of this section.

(d) This section shall take effect on the first day of the first pay period beginning on or after the sixtieth day following the date of the enactment of this Act.

SEC. 114. Subsection (h) of the first section of the Act approved August 15, 1950 (D.C. Code, sec. 4–904(h)), is amended by striking out "class 10" wherever it appears therein and inserting in lieu thereof "the salary class applicable to the Fire Chief and Chief of Police".

SEC. 115. Section 301 of the District of Columbia Police and Firemen's Salary Act of 1953 (D.C. Code, sec. 4–518) is amended—

(1) by striking out "Such" in the second sentence and inserting in lieu thereof "Except as otherwise provided in this section, such";

(2) by striking out the third sentence;

(3) by inserting "(a)" immediately after "SEC. 301." and by adding the following at the end thereof:

"(b) The increase prescribed by subsection (a) of this section in the pension relief allowance or retirement compensation received by an individual retired from active service before the effective date of the District of Columbia Police and Firemen's Salary Act Amendments of 1972 under the Policemen and Firemen's Retirement and Disability Act as a result of the increase in salary provided by the District of Columbia Police and Firemen's Salary Act Amendments of 1972 shall not be less than 17 per centum of such allowance or compensation.

"(c) Each individual retired from active service and entitled to receive a pension relief allowance or retirement compensation under the Policemen and Firemen's Retirement and Disability Act shall be entitled to receive, without making application therefor, with respect to each increase in salary, granted by any law which takes effect after the effective date of the District of Columbia Police and Firemen's Salary Act Amendments of 1972, to which he would be entitled if he were in active service, an increase in his pension relief allowance or retirement compensation computed as follows: His pension relief allowance or retirement compensation shall be increased by an amount equal to the product of such allowance or compensation and the per centum increase made by such law in the scheduled rate of compensation to which he would be entitled if he were in active service on the effective date of such increase in salary.

"(d) Each increase in pension relief allowance or retirement compensation made under this section because of an increase in salary shall take effect as of the first day of the first month following the effective date of such increase in salary."

SEC. 116. (a) Section 2 of the Act of September 8, 1960 (D.C. Code, sec. 4–823b) is repealed.

(b) Section 2 of the Act of October 24, 1962 (D.C. Code, sec. 4–823c) is repealed.

(c) Section 102 of the Act of September 2, 1964 (D.C. Code, sec. 4–823d) is repealed.

(d) Section 102 of the District of Columbia Policemen and Firemen's Salary Act Amendments of 1966 (D.C. Code, sec. 4–823d–1) is repealed.

(e) Section 2 of the District of Columbia Police and Firemen's Salary Act Amendments of 1968 (D.C. Code, sec. 4–823d–2) is repealed.

(f) Section 103 of the District of Columbia Police and Firemen's Salary Act Amendments of 1970 (D.C. Code, sec. 4–823d–3) is repealed.

SEC. 117. (a) Retroactive compensation or salary shall be paid by reason of the amendments made by this title only in the case of an individual in the service of the District of Columbia government or of the United States (including service in the Armed Forces of United States) on the date of enactment of this Act, except that such retroactive compensation or salary shall be paid (1) to an officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, or the Executive Protective Service, who retired during the period beginning on the first day of the first pay period which begins on or after March 1, 1972, and ending on the date of enactment of this Act, for services rendered during such period, and (2) in accordance with the provisions of subchapter VIII of chapter 55 of title 5, United States Code (relating to settlement of accounts of deceased employees), for services rendered during the period beginning on the first day of the first pay period which begins on or after March 1, 1972, and ending on the date of enactment of this Act, by an officer or member who dies during such period.

(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

(c) For the purpose of determining the amount of insurance for which an officer or member is eligible under the provisions of chapter 37 of title 5, United States Code (relating to Government employees group life insurance), all changes in rates of compensation or salary which result from the enactment of this title shall be held and considered to be effective as of the date of enactment of this Act.

SEC. 118. Except as provided in section 113, the effective date of this title and the amend-

ments made by this title shall be the first day of the first pay period beginning on or after March 1, 1972.

SEC. 119. This title may be cited as the "District of Columbia Police and Firemen's Salary Act Amendments of 1972".

TITLE II—POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY ACT AMENDMENTS

SEC. 201. (a) Section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended (D.C. Code, sec. 4–521 et seq.), is amended as follows:

(1) Subparagraph (5)(B) in subsection (a) of such section (D.C. Code, sec. 4–521) is amended by striking out "or" immediately after "residence".

(2) Paragraph (5) of subsection (c) of such section (D.C. Code, sec. 4–523) is amended by adding at the end thereof the following new sentence: "No deposit shall be required for days of unused sick leave credited under subsection (h) of this section.".

(3) Subsection (h) of such section (D.C. Code, sec. 4–528) is amended by adding at the end thereof the following new paragraph:

"(4) In computing an annuity under this subsection, the police or fire service of a member who has not retired prior to the effective date of this paragraph shall include, without regard to the limitation imposed by paragraph (3) of this subsection, the days of unused sick leave credited to him. Days of unused sick leave shall not be counted in determining a member's eligibility for an annuity under this subsection."

(4) The first paragraph of subsection (k) of such section (D.C. Code, sec. 4–531) is amended to read as follows:

"(k)(1) In the event that any member dies in the performance of duty, and such death is determined by the Commissioner to have been the sole and direct result of a personal injury sustained while performing such duty, leaving a survivor, or if there be none a parent or a sibling, who received more than one-half his support from the member, such person shall be entitled to receive a lump-sum payment of $50,000; *Provided*, That if such death is caused by the willful misconduct of the member or by the member's intention to bring about the death of himself, or if intoxication of the injured member is the proximate cause of such death, no such lump-sum payment shall be made: *And provided further*, That if such member leaves more than one survivor, or if there be none, more than one parent or sibling, who received more than one-half his support from the member, each such person shall be entitled to receive an equal share of such lump-sum payment."

(b) Paragraphs (1) and (4) of subsection (a) of this section and the amendments made thereby shall be effective on and after November 1, 1970. Paragraphs (2) and (3) of such subsection and the amendments made thereby shall be effective on the first day of the first pay period beginning on or after the date of enactment of this title.

SEC. 202. (a) Section 3 of chapter 226 of the Act of July 11, 1947, as added September 27, 1959 (D.C. Code, sec. 4–183a) is amended by striking out "on the effective date of this section".

(b) Section 4 of chapter 226 of the Act of July 11, 1947, as added September 22, 1959 (D.C. Code, sec. 4–183b) is amended by striking out "on September 22, 1959".

(c) This section shall take effect on the date of the enactment of this Act.

TITLE III—REVENUE FOR SALARY INCREASES

SEC. 301. Section 125 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602) is amended by striking out "4 per centum" and inserting in lieu thereof "5 per centum".

SEC. 302. Section 125(1) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602(1)) is amended to read as follows:

"(1) the rate of tax shall be 2 per centum of the gross receipts from sales of food for human consumption off the premises where such food is sold;".

SEC. 303. Section 125(2) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602(2)) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

SEC. 304. Section 125(3) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602(3)) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

SEC. 305. Paragraph (a) of section 127 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2604(a)) is amended by (1) striking out "and other than sales or charges for rooms, lodgings, or accommodations furnished to transients", and (2) striking out the comma following the word "transients".

SEC. 306. Paragraph (c) of section 127 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2604(c)) is repealed.

SEC. 307. Section 212 of the District of Columbia Use Tax Act (D.C. Code, sec. 47–2702) is amended by striking out "4 per centum" and inserting in lieu thereof "5 per centum".

SEC. 308. Section 212(1) of the District of Columbia Use Tax Act (D.C. Code, sec. 47–2702(1)) is amended to read as follows:

"(1) the rate of tax shall be 2 per centum of the sales price of sales of food for human consumption off the premises where such food is sold;".

SEC. 309. Section 212(2) of the District of Columbia Use Tax Act (D.C. Code, sec. 47–2702(2)) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

SEC. 310. Section 212(3) of the District of Columbia Use Tax Act (D.C. Code, sec. 47–2702(3)) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

SEC. 311. (a) Subsection (a) of section 603 of the District of Columbia Cigarette Tax Act (D.C. Code, sec. 47–2802 (a)) is amended by striking out "4 cents" and inserting in lieu thereof "6 cents".

(b) Except as otherwise provided, the amendment made by subsection (a) shall apply with respect to cigarette tax stamps purchased on or after the effective date of this section, which shall be the first day of the first month which begins on or after the thirtieth day after the date of the enactment of this Act.

(c) In the case of cigarette tax stamps which have been purchased prior to the effective date of this section and which on such date are held (affixed to a cigarette package or otherwise) by a wholesaler, retailer, or vending machine operator, licensed under the District of Columbia Cigarette Tax Act, such licensee shall pay to the Commissioner (in accordance with subsection (d)) an amount equal to the difference between the amount of tax represented by such tax stamps on the date of their purchase and the amount of tax which an equal number of cigarette tax stamps would represent if purchased on the effective date of this section.

(d) Within twenty days after the effective date of this section, each such licensee (1) shall file with the Commissioner a sworn statement (on a form to be prescribed by the Commissioner) showing the number of such cigarette tax stamps held by him as of the beginning of the day on which this section becomes effective or, if such day is a Sunday, as of the beginning of the following day, and (2) shall pay to the Commissioner the amount specified in subsection (c).

(e) Each such licensee shall keep and preserve for the twelve-month period immediately following the effective date of this section the inventories and other records made which form the basis for the information furnished to the Commissioner on the sworn statement required to be filed under this section.

(f) For purposes of this section, a tax stamp shall be considered as held by a wholesaler, retailer, or vending machine operator if title thereto has passed to such wholesaler, retailer, or operator (whether or not delivery to him has been made) and if title to such stamp has not at any time been transferred to any person other than such wholesaler, retailer, or operator.

(g) A violation of the provisions of subsection (c), (d) or (e) of this section shall be punishable as provided in section 611 of the District of Columbia Cigarette Tax Act (D.C. Code, sec. 47–2810).

SEC. 312. The amendments made by this title shall take effect on the first day of the first month which begins on or after the thirtieth day after the date of enactment of this Act.

Mr. MATHIAS. Mr. President, the bill before us today is a bill that the hard-working police and firemen of the District of Columbia have been waiting for since last December. And it provides benefits that these men have deserved for much longer than that.

Those of us who work or live in the District of Columbia are privileged to enjoy the protection of one of the finest police departments and one of the finest fire departments in the Nation. Under the leadership of Chief Jerry V. Wilson, the metropolitan police have stemmed the tide of violent crime in the District and are making significant efforts toward the elimination of the root causes of criminal activity. The fire department, under Chief Joseph H. Mattare, has demonstrated its ability to handle a steadily growing volume of work with full professional competence. We in Maryland are proud that so many residents of our State are making an important contribution to the safety of the Nation's Capital through their work in the police department, and fire department, and related agencies.

The last pay adjustment for the police and firemen of the District of Columbia had an effective date of July 1, 1969. For 3 long years, while living costs in Metropolitan Washington have risen nearly 12 percent, these men have been forced to remain on fixed salaries. During that time, their neighbors who may be classified employees of the District or Federal Governments have had several pay increases, averaging a total of 17.4 percent. Their neighbors who may be blue-collar employees of the District have received increases averaging 19.2 percent.

Salaries for beginning police and firemen in the six major suburban jurisdictions in nearby Maryland and Virginia now surpass those offered in the District. Washington has dropped to 16th and 19th place among the 24 American cities over 500,000 population in the entrance salaries offered police and firemen.

The worker family budget for Washington issued late last year showed that a family of four required a budget of $11,252 in 1970 to maintain an intermediate standard of living. Yet, District fire and police privates were being paid $8,500 to start and $10,965 at the maximum. Inflation since then has further eroded the economic position of these

men we rely on to maintain public safety in the Capital.

As ranking minority member of the Committee on the District of Columbia, I am pleased to join in recommending prompt adoption of this bill, as recommended by our committee. This bill, with the committee amendment, will provide an average 17 percent pay increase for District police and firemen, retroactive to March 1, 1972. It will increase the starting minimum for new police and firemen to $10,000 and provide increases to other ranks proportionately. This bill establishes a new system of longevity pay to encourage men to make careers in the difficult field of police and fire work. This bill establishes a system of pay incentives for police and firemen to continue their education and training through appropriate college course work. And, it makes no change in the long-established system of annuity computation based on a man's departure salary.

This bill is the product of collective bargaining between the city and the asciations representing its police and firemen which began on an informal basis nearly 18 months ago. Tentative agreement on this pay and benefit package was reached in December 1971, and the District government and the employee associations jointly supported the request for prompt approval by the Pay Board.

Having been, at that time, 2½ years without pay adjustment, the firemen, policemen, and other employees affected by this agreement felt quite naturally that they should receive their increment promptly. But it was May 8, more than 4 months later, before the Pay Board issued its decision that the increases in wages and salaries proposed in this agreement would not be inconsistent with the Board's general criteria.

Promptly, 3 days later, the Office of the Commissioner of the District of Columbia forwarded the proposal to Congress, in legislative form, along with provision for tax increases to finance it. Because of the necessity of including tax provisions in the legislation, the Senate Committee on the District of Columbia was constitutionally barred from any formal consideration of this matter until July 22, when H.R. 15580 reached the committee after passage in the House the previous day.

However, because of the desire of members of the committee to be able to act as promptly as possible when the legislation did reach us, the committee on June 22 held a public hearing on the proposal to hear the detailed explanation of Commissioner-Mayor Walter E. Washington and his associates, along with spokesmen for the policemen's association, the firefighters association, the retired policemen's association and others.

As Members of this body know, I have long favored the fullest practicable home rule for the citizens of the District of Columbia. Last October, I was pleased to join the chairman and other members of the Committee on the District of Columbia in sponsoring S. 2652, to provide for an elected mayor and city council with substantial authority over local affairs. It was gratifying to see the support given this proposal by the Senate when it passed S. 2652 on October 12, 1971, by a vote of 68 to 8.

It is the intent of S. 2562, and it was the desire of those of us who sponsored it, that the Congress no longer exercise direct legislative authority over such matters as pay rates for District of Columbia employees and sales taxes to be imposed in the District of Columbia.

The pay and benefit adjustments for District of Columbia police and firemen contained in this bill, as amended, are those agreed to by the District and the associations representing its police and firemen. This is the product of collective bargaining similar to that engaged in by hundreds of American municipalities and their employees. In this instance, as in so many others, the District government and its employees have demonstrated their ability to handle municipal affairs just as other cities and their employees do.

The original proposal submitted to Congress would have provided a two-step pay increase, raising starting police and firemen to $9,500 per annum on the date of enactment and to $10,000 per annum on July 1. However, more than 7 months have elapsed since the terms of this agreement were concurred in by the District and the police and firemen's associations. Increases which normally would have been awarded early this year have yet to be provided. And the families of these deserving men have had to continue to hold the budget line at 1969 salary levels.

This bill, as amended by the committee, provides that the July 1 pay schedule be made retroactive to March 1. This will provide these men retroactive compensation approximating the amounts they would have received had a normal collective-bargaining agreement between a municipality and its employees, with normal prompt implementation, been involved. We should not penalize the police and firemen of our Nation's Capital for the delays beyond both their control and ours which have held up this already long overdue pay adjustment.

Because of the demonstrated need for this adjustment, and in light of the demonstrated commitment of the Senate to home rule for the District of Columbia, I urge prompt enactment of this legislation to carry out both the letter and the spirit of the agreement between the District and its police and fire department employees.

Mr. EAGLETON. Mr. President, as chairman of the Committee on the District of Columbia, I have been terribly concerned over the lack of adequate compensation for police and firemen in the District of Columbia. The last increase for District of Columbia policemen and firemen took place June 30, 1970, retroactive to July 1, 1969. The increase was based on the District's competitive pay position in 1969.

The need for a salary adjustment for District policemen and firemen cannot be doubted. Between the periods of August 1969 and February 1972 the cost of living for Washington, D.C., has risen by 10.6 percent thereby substantially reducing the real earnings of District policemen and firemen. Salaries for District and Federal classified employees have been increased an average 17.4 percent as a result of increases granted in January 1970, June 1971, and January 1972. It should also be noted that the District's 8,000 blue collar employees have received increases averaging 19.2 percent between the period November 1969 and November 1971. Last, the competitive position of the District's police and firemen is unfavorable in comparison with the six local jurisdictions in the Washington Metropolitan area and the 24 other cities with over 500,000 population for entrance salaries offered police and fire privates.

I hasten to add that the salary computation including the retroactive provision should not be considered overly generous. It was unanimously reported out of the committee and is fully justified on the basis of historic computation and analyses. In fact, H.R. 15580 is essentially a catch-up and go-ahead pay adjustment to offset the effect of inflation since the last pay raise.

In substance, the bill provides an average 17 percent-salary increase for all officers and members covered by the bill, and this same increase applies to retired police and firemen or their survivors.

The principle provisions of H.R. 15580 as amended and reported are as follows:

First. An increase in salaries of policemen and firemen averaging 17 percent effective on the first day of the first pay period which begins on or after March 1, 1972. The new starting salary for police and fire privates at salary class 1 would be $10,000.

Second. Remove the longevity steps currently found in the schedule and establish longevity differentials based on continuous service at 15, 20, 25, and 30 years applicable to active members and those retiring after December 31, 1971, on a prospective basis.

Third. Provide additional compensation of $2,100 per annum for members who perform duties as helicopter pilots or for members of the explosive disposal unit.

Fourth. Increase the additional compensation for technicians from $595 per annum to $680 per annum.

Fifth. Maintain the $500 per annum differential for detective sergeant until the rank is finally phased out.

Sixth. Authorize the Chief of Police to provide a clothing allowance not to exceed $300 in any 1 year to an officer or member assigned in plainclothes.

Seventh. Establish educational incentive pay for uniformed members who successfully complete educational course work leading to a degree in police or fire science or administration. The additional compensation would be paid at the rate of 2 percent of step 1 of salary class 1 for each block of 15 credits earned not to exceed 16 percent.

Eighth. Correct the existing overtime limitation to provide that overtime earned in a pay period cannot exceed step 1 of the salary class of the Chief of Police or Fire Chief rather than step 1 of salary class 10 as is currently provided. This provision was not changed when the Chiefs were changed from salary class 10 to salary class 11 in the Police and Firemen's Salary Act Amendments of 1970.

On the best information available to the committee, the total package will be financed as follows:

First. General sales tax, increase from 4 percent to 5 percent. It is estimated that this will yield $13 million of additional revenue a year;

Second. Sales tax on rentals of transient rooms and lodgings, and on the sale of restaurant meals, alcoholic beverages, both offsale and by the drink, from 5 percent to 6 percent. This increase is estimated to yield an additional $2.8 million a year.

Third. Tax on commercial laundry and dry cleaning and nonprescription drugs, from 2 percent to 5 percent. This increase is estimated to yield $1.4 million a year.

Fourth. Cigarette tax from 4 cents to 6 cents a pack. This increase is estimated to yield $1.6 million a year and shall remain in effect for the period necessary to defray the cost of the retroactive increase for the period of March 1, 1972, through June 30, 1972. These tax increases will become effective on the first day of the first month which begins on or after the 30th day after the date of the enactment of this bill.

COST ESTIMATES

The committee is advised by the District of Columbia Government that the cost of the provisions for the fiscal year 1973:

Pay increase	$11,911,000
Longevity increase	1,030,000
Education incentive pay	1,920,000
Overtime, terminal leave, and holiday pay	750,000
Helicopter pay	25,500
Plainclothes allowance	127,000
Retirement equalization	4,000,000
Total	19,763,500

Cost for the retroactive period March 1, 1972 through June 30, 1972 is estimated at $6.4 million. The committee has provided an increase in the cigarette tax of 4 cents to 6 cents per pack for the period of time necessary to defray the cost of this retroactive provision.

FUNDING

We are advised that the Metropolitan Police Force and District of Columbia Fire Department can absorb 15 percent of the estimated cost of this bill for the fiscal year 1973, or $2,563,500, in their operating budgets. This leaves some $17,200,000 which must accrue from new revenue sources.

It is estimated that the amendments to the District of Columbia sales and use taxes provided in title III of the bill will produce some $17,200,000 of additional revenue per year. The costs which will result from the enactment of this legislation are amply funded for fiscal year 1973.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-994), explaining the purposes of the measure.

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

PURPOSE OF THE BILL

The purposes of the bill, H.R. 15580, as amended, are threefold:

Title I amends the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to provide increased salaries averaging 17 percent and other benefits to officers and members of the Metropolitan Police Department, the District of Columbia Fire Department, the U.S. Park Police, and the Executive Protection Service.

Title II amends the retirement benefits provided under the Policemen and Firemen's Retirement and Disability Act (1) to provide for the crediting of unused sick leave for optional retirement in the same manner as allowed for Federal and District Government classified and wage employees (2) to extend the $50,000 lump sum death benefits to parents and siblings who receive more than one-half their support from a member who dies in the performance of duty (3) to provide the Band Director of the Metropolitan Police Department with the same retirement coverage as other uniformed personnel and (4) to make certain technical amendments to the Act.

Title III amends present law with respect to certain taxes in the District of Columbia, so as to provide new revenues sufficient to meet the additional costs incident to this legislation.

NEED FOR THE LEGISLATION AND SALARY INCREASES

The last pay adjustment for policemen and firemen covered by the provisions of this bill was June 30, 1970, retroactive to July 1, 1969. Significantly, between August 1969 and May 1972, the cost of living for Metropolitan Washington rose by 11.8 percent, thereby substantially reducing the real earnings of District policemen and firemen.

Since the effective date of the last pay adjustment for District police and firemen, salaries for District and Federal classified employees have been increased an average 17.4 percent. Additionally, the District's 8,000 blue collar employees have received increases averaging 19.2 percent during the period November 1969 and November 1971.

The Committee was advised that District police and fire privates rank in last place for both minimum and maximum salaries paid in comparison with the six major suburban jurisdictions in the Washington Metropolitan Area and in sixteenth and nineteenth place, respectively, in comparison with 24 other cities over 500,000 population for entrance salaries offered police and fire privates.

We have also been advised that the cost to the City for 635 policemen who resigned in 1971 amounted to a loss exceeding $3 million; we are told many of these losses were due to non-competitive salary levels.

The 17 percent increase afforded by this legislation will increase the entrance salary for privates from $8,500 to $10,000 and the highest salary for privates attainable after 16 years of service will change from $12,240 to $14,400. The starting salary for chiefs will be raised from the present $32,775 attainable after 4 years of service in that position to $36,800 which is attained after 2 years of service. The Committee stipulates that the compensation which can be earned by any one member (the amount presented by the schedule plus any additional amount provided for total service longevity or particular assignments or positions) may not exceed the basic salary for level V of the Executive Schedule, which is presently established at $36,000.

We believe that the District Government is correct when it argues that the effectiveness of any sound salary administration policy is its ability to *recruit* its share of qualified individuals in the labor market, *retain* highly competent employees who are giving quality performance, and provide a salary which provides employees relative *economic security*.

We are also inclined to the District's position that the present salary structure fails to recompense our safety personnel for truly outstanding services to our Nation's Capital. We hasten to add, however, that our considerations were guided by the following principles:

1. Rates of pay for policemen and firemen must be in a favorable competitive position with the rates of pay of major cities having over 500,000 population, especially with those cities in the eastern half of the United States. In the past this area has constituted the primary labor market for recruitment of District of Columbia policemen and firemen. In addition, Washington, D.C., by reason of its national and international prominence and the need for a reputation for excellence, should rank at least in the top quarter of the other major cities in salaries paid policemen and firemen.

2. Rates of pay for policemen and firemen should be in reasonable alignment with rates of pay for classified employees of the Federal and District Governments not only on the basis of comparable duties and responsibilities, but also with due consideration of the hazards inherent in large urban police and fire activities and the special problems of large cities.

3. Rates of pay for District policemen and firemen should be fully competitive with the rates of pay for policemen and firemen in other parts of the Washington Metropolitan Area. This is essential if the District Government is to successfully compete with the surrounding jurisdictions who use the difficulties of the city as a basis to entice police and fire candidates to the suburban areas.

At the present time the District Government is unable to comply with any one of these three principles with respect to pay for its policemen and firemen. Accordingly, we think our decision to recommend favorable adoption of H.R. 15580, as amended, is both sound and in the interest of maintaining a first-class police and fire department.

The salary increases are to become effective on a retroactive basis, to the pay period which begins on or after March 1, 1972.

The supporting documentation which graphically portrays the local and national competitive position of District Government policemen and firemen is shown as D.C. Charts 2A, 2B, 3, and 4 of this Report.

CHART NO. 2A.—MINIMUM AND MAXIMUM SALARIES PAID POLICE PRIVATES BY 25 CITIES OVER 500,000 POPULATION

Cities	Minimum	Rank	Maximum	Rank
Atlanta	$8,316	18	$1,248	19
Baltimore	8,199	21	10,419	17
Boston	8,300	20	10,311	18
Buffalo [1]	8,510	15	11,080	12
Chicago	10,524	4	13,680	2
Cincinnati	9,666	10	10,836	15
Cleveland [1]	9,969	8	11,470	10
Dallas	8,157	23	9,180	23
Denver	8,448	17	11,160	11
Detroit [1]	9,000	12	12,750	4
Houston	8,585	14	9,882	20
Indianapolis	7,350	24	8,505	25
Kansas City, Mo	8,988	13	12,612	5
Los Angeles [1]	11,292	2	13,296	3
Milwaukee [1]	9,893	9	11,663	9
New Orleans	6,570	25	9,504	21
New York [1]	10,699	3	12,150	7
Philadelphia [1]	10,328	5	10,850	14
Pittsburgh	9,563	11	10,500	16
St. Louis	8,190	22	9,464	22
San Antonio	8,304	19	9,036	24
San Diego	10,140	7	12,324	6
San Francisco [1]	13,332	1	13,932	1
Seattle	10,176	6	11,700	8
Washington, D.C. (present)	8,500	16	10,965	13
Washington, D.C. (proposed)	10,000	8	12,900	4
Mean (except District of Columbia)	9,271	.....	11,106	.....
Median (except District of Columbia)	9,044	.....	10,965	.....

[1] Cities contemplating salary increases on or before July 1, 1972.

Source: Unpublished survey data from survey conducted by District of Columbia Personnel Office, Pay Systems and Labor Relations Divisions.

CHART NO. 2B.—MINIMUM AND MAXIMUM SALARIES PAID FIRE PRIVATES IN 25 CITIES OVER 500,000 POPULATION

Cities	Minimum	Rank	Maximum	Rank
Atlanta	$7,344	25	$9,048	23
Baltimore	8,199	22	10,419	18
Boston	9,285	12	11,520	9
Buffalo [1]	8,510	17	11,080	11
Chicago	10,524	4	13,680	2
Cincinnati	9,666	10	10,836	15
Cleveland [1]	9,969	7	11,470	10
Dallas	7,680	23	9,180	22
Denver	8,448	20	11,004	12
Detroit [1]	8,953	13	12,668	5
Houston	8,585	16	9,882	21
Indianapolis	8,505	18	8,505	25
Kansas City, Mo	8,813	14	10,198	20
Los Angeles [1]	11,292	3	13,296	4
Milwaukee [1]	9,506	11	11,860	7
New Orleans	7,675	24	10,615	17
New York [1]	12,099	2	13,550	3
Philadelphia [1]	10,328	5	10,850	14
Pittsburgh	9,713	9	10,650	16
St. Louis	8,685	15	10,338	19
San Antonio	8,244	21	8,952	24
San Diego	$9,900	18	$12,024	6
San Francisco [1]	13,332	1	13,932	1
Seattle	10,176	6	11,700	8
Washington, D.C. (present)	8,500	19	10,965	13
Washington, D.C. (proposed)	10,000	7	12,900	5
Mean (except District of Columbia)	9,393	.....	11,136	.....
Median (except District of Columbia)	9,120	.....	10,927	.....

[1] Cities contemplating salary increases on or before July 1, 1972.

Source: Unpublished survey data from survey conducted by District of Columbia Personnel Office, Pay Systems and Labor Relations Division.

CHART NO. 3—COMPARISON OF ENTRANCE SALARIES FOR POLICE PRIVATE BETWEEN 1969 AND 1972 FOR 24 CITIES OVER 500,000 AND 5 LOCAL JURISDICTIONS

Cities	Minimum salary, 1969	Minimum salary, present	Percent increase at minimum since 1969	Number of increases since 1969
Baltimore	$7,104	$8,199	15.4	4
Boston	6,344	8,300	30.8	1
Buffalo [1]	7,400	8,510	15.0	3
Chicago	8,316	10,524	26.6	4
Cincinnati	7,744	9,666	24.8	4
Cleveland [1]	7,934	9,969	25.6	3
Dallas	6,504	8,157	25.4	4
Denver	6,600	8,448	28.0	2
Detroit [1]	7,500	9,000	20.0	3
Houston	7,202	8,585	19.2	3
Indianapolis	6,800	7,350	8.1	2
Kansas City, Mo	6,384	8,988	40.8	4
Los Angeles [1]	8,580	11,292	31.6	3
Milwaukee [1]	7,700	9,893	28.5	6
New Orleans	6,222	6,570	5.6	3
New York [1]	[2] 9,499	[2] 10,699	12.6	[2] 2
Philadelphia [1]	7,807	10,328	32.3	5
Pittsburgh	7,763	9,563	23.2	4
St. Louis	6,604	8,190	24.0	3
San Antonio	6,000	8,304	38.4	2
San Diego	8,148	10,140	24.4	3
San Francisco [1]	11,196	13,332	19.1	4
Seattle	8,340	10,176	22.0	4
Washington, D.C.	[3] 8,500	[3] 8,500	0	0
Local jurisdictions:				
Alexandria	7,345	9,100	23.9	2
Arlington County	7,342	8,575	16.8	2
Fairfax County	8,112	9,069	11.8	3
Montgomery County	7,283	9,021	23.9	5
Prince Georges County	7,384	8,653	17.2	3

[1] Cities contemplating salary increase on or before July 1, 1972.
[2] New York is negotiating with the Patrolmen's Benevolent Association on an increase retroactive to Jan. 1, 1971.
[3] Retroactive to July 1, 1969. Starting salary prior to July 1 was $8,000.

Source: Survey conducted by District of Columbia Police Association, December 1971, and unpublished data from survey by District of Columbia Personnel Office.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

REVISION OF DIVISIONS OF THE FEDERAL JUDICIAL DISTRICT OF SOUTH DAKOTA

The bill (H.R. 6745) to amend section 122 of title 28 of the United States Code to transfer certain counties of the central division of the judicial district of South Dakota was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-995), explaining the purposes of the measure.

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

PURPOSE

The purpose of H.R. 6745 is to amend section 122 of title 28 of the U.S. Code to revise the geographic composition of three divisions in the Judicial District of South Dakota.

COST

No additional cost to the Government is involved.

STATEMENT

The realinement of the Federal Judicial District of South Dakota is expected to reduce the distance required to be traveled by jurors, litigants, and their attorneys from the affected counties. A reduction in distances traveled would also be expected to result in a reduction of costs incurred by the Government and litigants in conducting the business of the court.

The State of South Dakota constitutes one judicial district consisting of four divisions served by two district judges. Each division is composed of the enumerated counties in the statute and regular terms of the court are authorized to be held as follows:

Court for the Northern Division: Aberdeen.

Court for the Southern Division: Sioux Falls.

Court for the Central Division: Pierre.

Court for the Western Division: Deadwood and Rapid City.

H.R. 6745 would transfer Gregory County from the Southern Division and Mellette, Todd and Tripp Counties from the Western Division, all to the Central Division. Also, since the County of Armstrong is now nonexistent, it is deleted from the list of counties comprising the Central Division. The Judicial Conference of the United States has recommended enactment of H.R. 6745 and the Department of Justice has deferred to the opinion of the Judicial Conference.

The committee believes H.R. 6745 serves a meritorious purpose and, accordingly, recommends the bill be favorably considered.

RECALL OF RETIRED COMMISSIONERS OF COURT OF CLAIMS

The bill (H.R. 12979) to amend title 28, United States Code, to authorize the recall of retired commissioners of the U.S. Court of Claims for temporary assignments was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-996), explaining the purposes of the measure.

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

PURPOSE

The purpose of H.R. 12979 is to add a new section 797 to title 28 of the United States Code to authorize the Court of Claims to recall retired commissioners of the Court of Claims to perform the duties of a commissioner for a period of time fixed by the court. S. 3370 is an identical companion bill.

STATEMENT

The U.S. Court of Claims has jurisdiction over those particular cases which are assigned to it under the provisions of chapter 91, title 28, United States Code. Its jurisdiction includes specified claims against the United States including claims against the United States for money damages (except the Tennessee Valley Commission and tort cases) Indian claims, oyster growers claims, infringement claims, certain contract claims, and other enumerated claims. The judges of the court, seven in number, are authorized by section 792 of title 28, United States Code, to appoint 15 commissioners whose duties are to conduct factual hearings and make findings of fact and recommendations for conclusions of law which are subject to review by the full Court. The commissioners are organized in what is denominated the Trial Division of the Court of Claims. The following table illustrates that the workload of the Trial Division of the Court of Claims in recent years has greatly increased, following the pattern set in all other Federal courts:

CASELOAD OF TRIAL DIVISION, U.S. COURT OF CLAIMS

Calendar year	Cases pending Jan. 1	New cases filed	Cases terminated [1]	Cases pending Dec. 3
1967	1,108	434	443	1,099
1968	1,099	380	419	1,060
1969	1,060	532	348	1,244
1970	1,244	464	331	1,377
1971	1,377	888	372	1,883

[1] Adjusted to eliminate duplication.

The foregoing statistics reflect only *cases* as distinguished from *claimants*. Since many of the cases involve multiple claimants, it is pertinent to note that during this 5-year span, the number of claimants involved in the cases pending has increased from 6,969 in 1967 to 10,424 in 1971. Part of this increase was due to the transfer to the Court of Claims pursuant to Public Law 92-41 [Act of July 1, 1971, 85 Stat. 97] of jurisdiction over renegotiation cases formerly heard by the tax court. Also, since October 1966, the Court of Claims has had jurisdiction in congressional reference cases [Public Law 89-681 (28 U.S.C. Sec. 1492)] to hear evidence and make factual findings in cases involving petitions for private relief. In December 1971, Public Law 92-203 [Act of December 18, 1971 (85 Stat. 688)], dealing with Alaska Native Claims Settlements conferred jurisdiction upon the commissioners of the Court of Claims to hold hearings and make recommendations in determination of claims of Alaskan natives. In addition to this pure numerical increase in the workload of the commissioners of the Court of Claims, some of the cases within their jurisdiction require an inordinate amount of time in the hearing process. For example, claims arising from the pollution of the Santa Barbara Channel required 89 days of fact hearings. In short, the workload of the trial division has now exceeded the capacity of the authorized 15 commissioners.

The Judicial Conference of the United States and the judges of the Court of Claims have recommended the enactment of legislation; now embodied in H.R. 12979, authorizing the recall of retired commissioners of the Court of Claims as a supplement of the

force of 15 active commissioners authorized by law. Hearings on this bill were held by the House Judiciary Committee on March 1, 1972. A review of the hearing record establishes the need for this remedial legislation.

Under the provisions of H.R. 12979, a retired commissioner, with his consent, could be recalled by the court and would be designated as a "senior" commissioner. He would perform the regular duties of a commissioner as specified by existing law. He would continue to receive his retirement annuity but in addition, as compensation for performance of duties, he would also receive such supplemental pay as was necessary to make his annuity and the supplement equal to the full salary of a commissioner during his period of recalled service. A retired commissioner's civil service annuity could vary between 55 percent and 80 percent of average salary and thus the additional or supplemental compensation authorized to be paid by this bill would require less than 45 percent of full salary for the office in order to obtain full-time services. At the present time, there are two retired commissioners eligible for recall and, thus, the cost of the proposed legislation is under $50,000, including supplemental pay and travel expenses.

The committee adopts the following additional explanation from House Report No. 92-947 on this bill:

"On the basis of the information supplied this committee, it is now apparent that at times the trial commissioners will not be able to carry the increase in the regular caseload, plus the additional work outlined above, without falling behind and building up a backlog. Such a result would impose a hardship on litigants and the Government alike, and would interfere with the efficient functioning of the court. The committee has concluded that the new section which would be added to title 28 by this bill will provide an efficient and economical means of assisting the commissioners to meet the increased demands placed upon them by the increasing caseload they face. The committee further notes that this bill provides a desirable alternative to increasing the number of active commissioners. It can be noted that the added cost to the Government would be limited to the additional salary and expenses of the designated retired commissioner for the period of his recall."

The committee believes that H.R. 12979 has a meritorious purpose and recommends favorable consideration.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 947 and 950.

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

JUDGMENT IN FAVOR OF THE SHOSHONE-BANNOCK TRIBES OF INDIANS OF THE FORT HALL RESERVATION, IDAHO

The Senate proceeded to consider the bill (S. 2478) to provide for the disposition of funds to pay a judgment in favor of the Shoshone-Bannock Tribes of Indians of the Fort Hall Reservation, Idaho, as representatives of the Lemhi Tribe, in Indian Claims Commission docket numbered 3261, and for other purposes which had been reported from the Committee on Interior and Insular Affairs with amendments on page 1, line 4, after the word "the", where it appears the second time, insert "Lemhi Tribe, represented by the"; and, on page 2, line 13, after the word "taxes.", insert "A share or interest payable to enrolles less than eighteen years of age or under legal disability shall be paid in accordance with such procedures, including the establishment of trusts, as the Secretary determines appropriate to protect the best interest of such persons."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the United States Treasury to the credit of the Lemhi Tribe, represented by the Shoshone-Bannock Tribes of Indians of the Fort Hall Reservation, Idaho, appropriated by the Act of May 25, 1971 (Public Law 92-18), to pay a judgment of $4,500,000 entered by the Indian Claims Commission in docket numbered 326-I, and interest thereon less attorneys' fees and expenses shall be credited to the Shoshone-Bannock Tribes of the Fort Hall Reservation for the claims of said tribes enumerated in docket numbered 326-I.

SEC. 2. The funds credited to the Shoshone-Bannock Tribes of the Fort Hall Reservation pursuant to section 1, may be advanced, deposited, expended, invested, or reinvested for any purposes that are authorized by the tribal governing body and approved by the Secretary of the Interior.

SEC. 3. None of the funds distributed per capita to members of the tribes under the provisions of this Act shall be subject to Federal or State income taxes. A share or interest payable to enrollees less than eighteen years of age or under legal disability shall be paid in accordance with such procedures, including the establishment of trusts, as the Secretary determines appropriate to protect the best interest of such persons.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INHERITANCE OF CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

The bill (H.R. 5721) pertaining to the inheritance of enrolled members of the Confederated Tribes of the Warm Springs Reservation of Oregon was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-998), explaining the purposes of the measure.

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

PURPOSE OF BILL

H.R. 5721, limits the right to receive by devise or inheritance any interest in trust or restricted property on the Warm Springs Reservation to persons who are enrolled members of the Confederated Tribes. The limitation will not apply, however, unless the person who is precluded from inheriting is paid by the tribes the fair market value of the interest in the land.

NEED

This bill is an exact parallel of the statute enacted by the 91st Congress for the Yakima Reservation (act of December 31, 1970; 84 Stat. 1874). The purpose in both cases is to keep as much of the reservation as possible in the ownership of the tribal members, and to preclude the transfer of reservation lands by devise or descent to nonmembers of the tribe. As a matter of fairness, however, if an heir or devisee is precluded from taking an interest in reservation land he must be paid for its fair market value. If he is not paid he may inherit. In other words, the nonmember is entitled either to the land or its value in money, and the choice rests with the tribe.

The enactment of H.R. 5721 is also needed to correct an inequity created by the Yakima statute. Many members of the Yakima and Warm Springs Tribes are intermarried and have property on both reservations. A Yakima member may inherit land on the Warm Springs Reservation, but a Warm Springs member may not inherit land on the Yakima Reservation. H.R. 5721, will make the same rule of law apply to both groups.

COST

Enactment of H.R. 5721 will involve no additional Federal expenditure.

COMMITTEE RECOMMENDATION

Open hearings were held by the Indian Affairs Subcommittee on June 16, 1972, on H.R. 5721 and S. 3596, the Senate companion measure sponsored by Senator Hatfield. The Committee on Interior and Insular Affairs in executive session on July 19, 1972, recommended unanimously the enactment of the House passed bill, H.R. 5712.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the standing order of the Senate does the Senator from Arizona desire recognition at this time?

Mr. FANNIN. No, Mr. President, I do not desire to be recognized.

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 extend beyond 10:30 a.m., with statements therein limited to 3 minutes.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MILITARY PROCUREMENT AUTHORIZATIONS, 1973

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair lays before the Senate the unfinished business, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 15495) 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 authorize construction at certain installations in connection with the Safeguard antiballistic missile system, 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.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time not be charged against either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. ROBERT C BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 951 and Calendar Order No. 952.

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

THE RUNAWAY YOUTH ACT

The Senate proceeded to consider the bill (S. 2829) to strengthen interstate reporting and interstate services for parents of runaway children; to conduct research on the size of the runaway youth population; and for the establishment, maintenance, and operation of temporary housing and counseling services for transient youth; and for other purposes which had been reported from the Committee on the Judiciary with amendments. On page 2, after line 9, strike out:

(4) that the anxieties and fears of parents whose children have run away from home can best be alleviated by effective interstate reporting services and the earliest possible contact with their children;

At the beginning of line 14, strike out "(5)" and insert "(4)"; at the beginning of line 18, strike out "(6)" and insert "(5)"; on page 3, line 6, after the word "which", strike out "wherever possible,"; on page 4, line 6, after the word "parents", insert "or relatives in accordance with the law of the State in which the runaway house is established"; in line 15, after the word "within", strike out "a twenty-five-mile radius of the house" and insert "the State in which the runaway house is located and assuring, as possible, that aftercare services will be provided to those children who are returned beyond the State in which the runaway house is located"; on page 5, line 6, after the word "Welfare", insert "reasonably"; in line 12, after "section 102.", insert "Priority shall be given to grants smaller than $50,000."; on page 6, line 6, after the word "their", strike out "effectiveness in insuring an early return to the children's homes" and insert "ability to reunite children with their families"; and, in line 25, after the words "per centum.", insert "The non-Federal share may be in cash or in kind, fairly evaluated, including plant, equipment, or services."; so as to make the bill read:

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 "Runaway Youth Act".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. The Congress hereby finds that—

(1) the number of juveniles who leave and remain away from home without parental permission has increased to alarming proportions, creating a substantial law enforcement problem for the communities inundated, and significantly endangering the young people who are without resources and live on the street;

(2) that the exact nature of the problem is not well defined because national statistics on the size and profile of the runaway youth population are not tabulated;

(3) that many of these young people, because of their age and situation, are urgently in need of temporary shelter and counseling services;

(4) that the problem of locating, detaining, and returning runaway children should not be the responsibility of already overburdened police departments and juvenile justice authorities; and

(5) that in view of the interstate nature of the problem, it is the responsibility of the Federal Government to develop accurate reporting of the problem nationally and to develop an effective system of temporary care outside the law enforcement structure.

TITLE I

SEC. 101. The Secretary of Health, Education, and Welfare is authorized to make grants and to provide technical assistance to localities and nonprofit private agencies in accordance with the provisions of this title beginning July 1, 1972, and ending June 30, 1975. Grants under this title should be made for the purpose of developing local facilities to deal primarily with the immediate needs of runaways in a manner which is outside the law enforcement structure and juvenile justice system. The size of such grants should be determined by the number of runaway children in the community and the existing availability of services. Among applicants priority should be given to private organizations or institutions who have had past experience in dealing with runaways.

SEC. 102. (a) To be eligible for assistance under this title, an applicant must propose to establish, strengthen, or fund an existing or proposed runaway house, a locally controlled facility providing temporary shelter, and counseling services to juveniles who have left home without the permission of their parents or guardians.

(b) In order to qualify, an applicant must submit a plan to the Secretary of Health, Education, and Welfare meeting the following requirements and including the following information. Each house—

(1) shall be located in an area which is demonstrably frequented by or easily reachable by runaway children.

(2) shall have a maximum capacity of no more than twenty children, with a ratio of staff to children of sufficient proportion to insure adequate supervision and treatment;

(3) shall develop an adequate plan for contacting the child's parents or relatives in accordance with the law of the State in which the runaway house is established and insuring his safe return according to the best interests of the child;

(4) shall develop an adequate plan for insuring proper relations with law enforcement personnel, and the return of runaways from correctional institutions;

(5) shall develop an adequate plan for aftercare counseling involving runaway children and their parents within the State in which the runaway house is located and assuring, as possible, that aftercare services will be provided to those children who are returned beyond the state in which the runaway house is located;

(6) shall keep adequate statistical records profiling the children and parents which it serves;

(7) shall submit annual reports to the Secretary of Health, Education, and Welfare detailing how the house has been able to meet the goals of its plans and reporting the statistical summaries required in section 102(b)(6);

(8) shall demonstrate its ability to operate under accounting procedures and fiscal control devices as required by the Secretary of Health, Education, and Welfare; and

(9) shall supply such other information as the Secretary of Health, Education, and Welfare reasonably deems necessary.

SEC. 103. An application by a State, locality, or nonprofit private agency for a grant under this title may be approved by the Secretary only if it is consistent with the applicable provisions of this title and meets the requirements set forth in section 102. Priority shall be given to grants smaller than $50,000.

SEC. 104. Nothing in this title shall be construed to deny grants to nonprofit private agencies which are fully controlled by private boards or persons but which in other ways meet the requirements of this title and agree to be legally responsible for the operation of the runaway house. Nothing in this title shall give the Federal Government and its agencies control over the staffing and personnel decisions of facilities receiving Federal funds, except as the staffs of such facilities must meet the standards under this title.

SEC. 105. The Secretary of Health, Education, and Welfare shall annually report to Congress on the status and accomplishments of the runaway houses which were funded with particular attention to—

(1) their effectiveness in alleviating the problems of runaway youth;

(2) their ability to reunite children with their families and in encouraging the resolution of intrafamily problems through counseling and other services;

(3) their effectiveness in reducing drug abuse and undesirable conditions existing in areas which runaway youth frequent; and

(4) their effectiveness in strengthening family relationships and encouraging stable living situations for children.

SEC. 106. As used in this title, the term "State" shall include Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

SEC. 107. (a) The Federal share for the construction of new facilities under this title shall be no more than 50 per centum. The Federal share for the acquisition and renovation of existing structures, the provision of counseling services, staff training, and the general costs of operations of such facility's budget for any fiscal year shall be 90 per centum. The non-Federal share may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(b) The Secretary of Health, Education, and Welfare shall pay to each applicant which has an application approved 90 per centum of the cost of such applications.

(c) Payments under this section may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

(d) There is authorized to be appropriated for each of the fiscal years 1973, 1974, and 1975 not to exceed $10,000,000 to carry out this title.

TITLE II

SEC. 201. The Secretary of Health, Education, and Welfare shall gather information and carry out a comprehensive statistical survey defining the major characteristics of the runaway youth population and determining the areas of the country most affected. Such survey shall include, but not be limited to, the age, sex, socioeconomic background of runaway children, the places from which and to which children run, and the relation-

ship beween running away and other illegal behavior. The Secretary shall report to Congress not later than June 30, 1973.

SEC. 202. There is authorized to be appropriated a sum not to exceed $500,000 to carry out this title.

Mr. BAYH. Mr. President, the Senate is about to consider the Runaway Youth Act, a measure which I introduced to deal with the crisis of runaway children. While this problem has received little attention in the press or before Congress, it is both serious and growing.

In the early 1950's, it was estimated that 275,000 children ran away each year. Today, we believe that the figure is approximately 1,000,000 a year. While the number of runaways has multiplied nearly four times in less than 20 years, neither the Federal Government nor the States have made any serious attempt to focus resources on developing solutions to this problem.

The runaway problem has gone unnoticed because it is a silent problem, far less dramatic than most of the other ills that effect our young people. Most runaways are not criminals. Instead, they are confused and troubled boys and girls who are overburdened by personal, family or school problems and decide to flee. They deserve our help and our understanding, but instead, they have been met with indifference and even hostility.

Hearings held by the Juvenile Delinquency Subcommittee earlier this year provided a number of insights into the situation of the typical runaway. Runaways are young, generally under 18 years old. The largest number are 15 or 16, but many are as young as 12 or 13. There are at least as many female runaways as males. However, in many places the number of female runaways seems to be increasing rapidly. While most runaways are white, this is not simply a white middle-class problem. Runaways come from all racial, social, and economic groups.

Although most runaways have committed no crimes, they are breaking juvenile status laws in most States. Running away is an offense which may result in incarceration in a juvenile institution. Even where this does not occur, the runaway is subject to arrest by the police. Last year more than 270,000 children were arrested as runaways. Many of these children were detained in jail before being returned home. There they were exposed to more hardened juveniles and in some cases, to adult offenders. What is even worse is that when the child is returned home, society's concern ceases. Thus, the child is often sent back to the same problems no better equipped to deal with them than when he first left. For this reason, many thousands of runaways leave home again and again.

Even if a young runaway has no contact with the police, the experience "on the street" may be extremely damaging. Most runaways flee from the suburbs to our large cities. Being inexperienced and without resources or shelter they are vulnerable to many of our urban dangers. For many young people, the runaway episode provides the first contact with drugs, street violence and petty crime. In this way, many young people are prepared for more serious criminal behavior in the future.

The Runaway Youth Act attempts to solve this problem by removing the young people from the streets, by returning them home without police intervention, and by providing the child with help to solve the problems that caused him to run away in the first place. To accomplish this, the act authorizes the Secretary of Health, Education, and Welfare to provide assistance to local groups to operate temporary shelter care programs in areas where runaways tend to congregate.

Unlike traditional halfway houses, these facilities are designed to shelter young people for a very short period of time rather than on a long-term basis. These facilities could be used by the courts and the police to house runaways temporarily prior to their return home or to another permanent living arrangement. However, their primary function is to provide a place where runaways can find shelter and immediate assistance, such as medical care and counseling. Once in the runaway house, the young person would be encouraged to contact home and reestablish a permanent living arrangement Professional, medical, and psychological services would be available to these houses from the community as they are needed.

Most importantly, the shelters established under S. 2829 will be equipped to provide field counseling for both the runaway and his family after the runaway has moved to permanent living facilities. If field counseling is not appropriate or feasible, information on where to seek more comprehensive professional help will be supplied. In short, these houses will serve as highly specialized alternatives to the traditional law enforcement methods of dealing with runaways.

S. 2829 authorizes appropriations of $10 million for each of 3 years. While this amount is not large, temporary shelter care is relatively inexpensive to provide. Furthermore, experience has shown that these houses can serve a large number of people. For those programs now in existence, it is not unusual to provide residential services for more than 500 young people a year.

The Runaway Youth Act also authorizes funds to conduct research on the scope of the runaway problem in this country, particularly with regard to data on the types of children who run. I believe that reliable statistics rather than broad-based research will be more useful at the present time in developing effective approaches to the runaway youth problem. Thus, the research would focus on "the age, sex, socioeconomic background of the runaway children, the places from which and to which children run, and the relationship between running away and other illegal behavior."

Mr. President, we often speak of inferior prisons, overcrowded courts, and overworked police. However, if we are ever to solve the failures of our cirminal justice system, we must begin to help people before they break the law. The Runaway Youth Act makes this effort. It is a delinquency prevention measure designed to help troubled youngsters before they become a serious burden upon society. Therefore, I urge that my colleagues give it serious and favorable consideration.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–1002), explaining the purposes of the measure.

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

PURPOSE AND ANALYSIS

The Runaway Youth Act authorizes the Secretary of Health, Education, and Welfare to provide assistance to local groups to operate temporary shelter care programs in areas where runaways tend to congregate.

Unlike traditional halfway houses, these facilities are designed to shelter young people for a very short period of time rather than on a long-term basis. These facilities could be used by the courts and the police to house runaways temporarily prior to their return home or to another permanent living arrangement. However, their primary function is to provide a place where runaways can find shelter and immediate assistance, such as medical care and counseling. Once in the runaway house, the young person would be encouraged to contact home and reestablish in a permanent living arrangement. Professional, medical, and psychological services would be available to these houses from the community as they are needed.

Most importantly, the shelters established under S. 2829 will be equipped to provide field counseling for both the runaway and his family after the runaway has moved to permanent living facilities. If field counseling is not appropriate or feasible, information on where to seek more comprehensive professional help will be supplied. In short, these houses will serve as highly specialized alternatives to the traditional law enforcement methods of dealing with runaways.

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HEARINGS HELD

On January 13 and 14, 1972, hearings were held on the Runaway Youth Act. While research on the runaway problem had been conducted and a report issued by the committee in 1955, these were the first congressional hearings held on the subject in at least a decade.

The scope of the runaway problem is very large, although its exact dimensions are unknown. It is estimated that at least 1 million young people run away each year. While the primary concern of the subcommittee focused on runaways under the age of 18, several witnesses, including Catherine Hiatt of

the Travelers Aid Association of America, made it clear that people of all ages run away and that many are in desperate need of help. S. 2829 does not specify age limits for those who may receive services, although it is assumed that the vast majority will be young people.

The most common age of runaways reported by the witnesses who operate runaway programs is 15. However, the prevalence of younger runaways is increasing. It was noted that a few years ago the most common age was 16 or 17. More recently, 43 percent of the runaways reported in New York were in the 11 to 14 age category.

All of the witnesses representing runaway programs indicated that the majority of runaways are female. John Wedemeyer of the Bridge in San Diego, Calif., noted that female runaways in San Diego outnumber males 2 to 1. The FBI Uniform Crime Reports, the only national statistics in the field, show that the number of arrests for running away among females is significantly greater than the number of arrests among males.

Although the runaway problem is usually seen as particularly prevalent among the white middle class, other groups are also affected. Brian Slattery of Huckleberry House in San Francisco, Calif., testified that their clients from the bay area "reflected the racial composition of the community." One young black witness from the District of Columbia testified that running away was often related to an intolerable home situation which could be found in any racial, social, or economic group.

Many of those who testified emphasized that providing shelter and counseling for runaway youth was an effective method of delinquency prevention. Warren W. Martin, Jr., a judge from a rural Indiana community, Rev. Frederick Eckhardt, a pastor in the Greenwich Village area of New York City, and William Treanor, director of Runaway House in the District of Columbia, noted that running away was often symptomatic of serious problems which, if left unchecked, might lead to serious delinquent behavior and perhaps to a life of adult crime. Moreover, authoritative research on the subject of runaways confirmed the testimony of several witnesses that the runaway event poses a unique opportunity to deal with the fundamental problems of the family. Dr. Robert Shellow, author of the National Institute of Mental Health study, "Suburban Runaways of the 1960's" noted that:

The runaway crisis offers an opportunity to give assistance to families when they most want it, and to wait at all may be to wait too long.

Since most people are more willing to seek help when they are hurting, a lot can be accomplished during the runaways crisis. Once the child has returned, however, the crisis is seen as being over, and the families comfort themselves with the belief that everything is all right. In many cases, however, it is not.

When the underlying problems remain unsolved, running away again and again often becomes a means of escape. Young people who habitually run away often have to steal or sell drugs to support themselves. Drug abuse and petty theft are normally the young runaway's next step along the path that all too often leads to a life of adult crime.

Another important function of runaway houses is to divert young people from the traditional criminal justice system. Diversion is desirable for several reasons. First, the burden of the runaway problem falls primarily on the shoulders of the police. Jerry V. Wilson, Commissioner of Police in Washington, D.C., noted in a letter to Senator Bayh endorsing the Runaway Youth Act, that the runaway problem results in the expenditure of many hours of police time annually. Similarly, FBI arrest statistics demonstrate that runaways significantly occupy police time. Runaways are the seventh most frequent reason for arrest in a list of 21 categories, even though the runaway category is the only one which applies exclusively to people under 18. Second, the police are not equipped to provide counseling and can only return a runaway to his home.

Maj. John Bechtel of the Montgomery County Police Department testified that the runaway problem is a social problem which unduly burdens the police. Third, arrest for running away often results in detention in a juvenile hall or adult jail and damaging contact with hardened offenders. This point was made dramatically clear by Becky and Cathy, two young witnesses, who were detained in juvenile hall for running away at the ages of 15 and 13 respectively. Both girls were locked up with older girls who were sophisticated in criminal activity and were charged with serious violations. Fourth, running away often results in long-term incarceration in reform school and the permanent stigma of the juvenile delinquent label. It was noted that a recent study of the Indiana Girls' School showed that one-half of the inmates were there for having run away. While incarcerated in reform school the runaway is forced to live with much more serious offenders. Through this relationship the runaway may be abused and will certainly learn of more sophisticated ways to violate the law.

ANALYSIS OF ARGUMENTS IN OPPOSITION TO THE BILL

All of the witnesses with the exception of the representatives of the Department of Health, Education, and Welfare supported the legislation. Most witnesses emphasized the seriousness of the problem and the need for immediate action.

Philip Rutledge, Deputy Administrator of Social and Rehabilitation Service, testified that new legislation designed to deal with the runaway problem was not needed since existing legislation was sufficient. He cited the Juvenile Delinquency Prevention and Control Act of 1968 and title IV of the Social Security Act. However, although the Juvenile Delinquency Act became law over 3 years ago, only four isolated programs have been funded to deal with runaways. Additionally, the Social Security Act is unsuited to deal with the runaway problem for several reasons. First, while large sums of money are available under title IV(A), that money may only be spent for children on welfare or who are likely to become candidates for welfare. This would exclude the bulk of the runaway population who are from middle-class homes. Second, although title IV(B) specifically provides money for temporary maintenance and return home of runways, these funds can only be spent on interstate runaways. Several of the witnesses testified that a substantial number of runaways, possibly a majority, could not qualify since they never cross State lines. Additionally, title IV(B) provides no counselling services and merely requires the return of the runaway to his home. During the hearings it was frequently noted that counseling is a crucial requirement for a successful runaway program. Moreover, in many cases, to return the runaway home simply exacerbates the problem since it returns him to the situation that caused the run initially.

Another point raised by HEW was that S. 2829 was simply another categorical grant program whereas:

The Department's position is that services to youth should be provided on an integrated, comprehensive basis and provided in a manner that recognizes that interrelatedness of the many manifestations of youth alienation from modern American society.

However, the lack of sufficient concern by the Federal Government for runaways to date indicates that unless individual legislation is addressed to the runaway problems it will continue to be ignored. Moreover, State and regional planning has not been focused on the runaway problem. This lack of planning and coordination has been recognized by the administration in regard to the entire field of juvenile delinquency. In announcing the decentralization of authority to regional offices on May 18, 1971, Mr. Jerris Leonard, Administrator of the Law Enforcement Assistance Administration, specified that juvenile delinquency programs would be excepted from this decentralization and that supervisory control would remain in headquarters. Mr. Leonard said:

This is a real problem area—the apparent inability of all of the programs that we have in the juvenile delinquency field to dovetail and address the problems of a very broad and effective base. That's something that can't be done at the regional or State level; the coordination effort has got to come from the National Government and from Washington.

Similarly, the annual report of the Youth Development and Delinquency Prevention Administration issued in March 1971 described State planning as "spasmodic and ineffective." Finally, it was made clear at the hearings that HEW could effectively administer the Runaway Youth Act. In response to questioning, Robert Foster, Deputy Administrator of YDDPA, indicated that a categorical program like the Runaway Youth Act could be very useful in filling the gaps in services left by presently uncoordinated programs.

The representatives of HEW noted that the facilities established by S. 2829 appeared to be limited only to runaways whereas they should also be available to other juvenile status offenders. However, eligibility for services under the act does not depend upon the legal classification imposed by the court or police on the juvenile. The act would provide services for "juveniles who have left home without the specific permission of their parents or guardians" (sec. 102(a)). Since other juvenile status offenders, such as truants and incorrigibles, are often involved in a runaway situation as defined by the act, services could be provided for them.

The last argument raised by HEW was that the mechanism for awarding grants precluded effective coordination on the local, State, or regional level. However, the experience of existing runaway houses shows that this objection is groundless. All of the witnesses who represented runaway programs testified to the importance of developing close working relationships with the police, the courts, social service agencies, and the local community. John Wedemeyer of the Bridge in San Diego estimated that through such coordination his program was able to receive $76,000 in volunteered services last year. Moreover, he noted that such coordination is also beneficial to the community that the runaway program serves:

We cooperate with the probation department, the welfare department, and the police department. They are eager to have us there, because they feel that they are heavily overworked. If they could have 20 percent of their caseload dispensed to some other social service agency, they would probably be thrilled to death.

CONCLUSIONS

The committee believes that the time has come to address this serious problem which affects so many of our young people and their families. The committee reports favorably the Runaway Youth Act S. 2829 as amended, and recommends that it do pass.

JUVENILE DELINQUENCY PREVENTION ACT

The Senate proceeded to consider the bill (H.R. 15635) to extend the Juvenile Delinquency Prevention and Control Act of 1968 for 2 additional years, to assist

elementary and secondary schools, community agencies, and other public and nonprofit private agencies to prevent juvenile delinquency, and for other purposes.

Mr. MATHIAS. Mr. President, if we do not win the battle against juvenile delinquency and youth crime, we will lose the war against crime in this country. It is elementary logic that the unstopped juvenile crime of today is the costly adult crime of tomorrow. It just makes good sense therefore to spend the bulk of our crime money on the prevention of juvenile delinquency and on the treatment and rehabilitation of juvenile delinquents. I find it discouraging however, that the Congress and the Federal Government have not yet responded to this need. Although juveniles now make up well over half of the arrests in this country, the bulk of our urban crime and the great proportion of the serious and more violent crime in this country, we continue to neglect the problem.

The Government's major effort in juvenile delinquency is divided between LEAA within the Department of Justice and the Department of Health, Education, and Welfare and its YDDPA. LEAA resources are devoted to the treatment and rehabilitation of juveniles within the criminal justice system, while HEW's program deals with prevention. The Department of Justice spends only an approximate 25 percent of its budget on juvenile delinquency, while HEW's YDDPA spends a meager $10 million on prevention. Not only are these amounts dreadfully inadequate, but they are ill-proportioned. If we do not spend more money on prevention, we will merely be guaranteeing additional money in the years ahead on treatment and rehabilitation.

I have introduced numerous pieces of legislation, along with many of my colleagues, to both increase the money allocated to juvenile delinquency and to put some congressional guidance in the spending of that money. I give the Congress fair and formal warning that I intend to diligently pursue the matter of effective delinquency legislation in the 93d Congress. The need for the mental health of our children cuts across State and party lines. It is a concern for all for it affects us all.

The legislation which created the YDDPA program within the Department of Health, Education, and Welfare, recently passed the House in the extension of the Juvenile Delinquency Act of 1968. The Senate passed a companion bill, S. 3443, on June 19. Since there are some differences between the two bills, the question is now whether a conference between the two Chambers is in order.

Let me say quite frankly that I am not satisfied with the bill. I think it is a good interim measure; a program which will fill the need prior to the enactment of more meaningful and more comprehensive legislation. The distinguished and most able chairman of the Subcommittee on Juvenile Delinquency, Senator BAYH, of Indiana, is committed to the passage of comprehensive legislation in the 93d Congress. I share his concern and intend to seek the same objective. We have been told that HEW only expects to spend $10 million on this program in this next year. That is simply a drop in the bucket. It is, therefore, token legislation. It is important that we strengthen the role of HEW in the area of prevention. Ten million is simply inadequate.

In general, the House bill is more limited in scope than the Senate bill. This could be explained by the House, I am sure, as a practical measure realizing that HEW will only spend $10 million on the program. I would still disagree.

Too many kids in need of help are constantly falling between the bureaucratic cracks never to receive any help. There is a need for broad coverage if only to realize the great number of America's children who are in need of assistance.

The House version puts a heavy emphasis on services for youth who have "behavioral problems." The Senate bill, on the other hand defines "delinquent youth" and "youth in danger of becoming delinquent" broadly to include coverage for any child who is likely to come within the jurisdiction of the Juvenile Court or any youth who is likely to be in need of supervision. The fact that the bill puts a priority on local educational agencies to be the applicant or coordinating agency compounds the problem for often a school associates a "behavioral problem" with a deficient learning characteristic which may or may not eventually lead to real difficulty outside the school. Behavior problems in school can be a good barometer of possible future delinquency; however, there is a danger if this is the only indicator. A teacher may have an ill-conceived notion of behavior maladjustment. Often a child who is uncontrollable, undisciplined, critical, or aggressive, is categorized as having a "behavior problem" and singled out for special treatment when many times that child may be very normal, and it is the teacher who is intolerant or incapable of handling the child. This incorrect identification would be costly both to the individual child and to the Government.

This emphasis on behavior problems would not be so damaging in my mind if there were sufficient money in the bill for research into what is considered a "behavior problem." The House, however, deleted all money for improved techniques and related research. If we continue to define and judge delinquency without sufficient contemporary standards we will produce a costly generation gap between what is needed and what is being provided. Furthermore, there is no practical research into the causes and effects of juvenile delinquency of any decent size within the entire Federal Government.

The omission by the House of programs associated with probation and parole further narrows the scope of the program. And, I imagine its decision to decrease from 15 to 12 percent the amount any one State can receive under the program is also in keeping with this philosophy.

This question of scope, although a serious question in my mind, is not as important as these following three and it is here where I would like some clarification from the Senator from Indiana.

First, in the area of responsibilities of the applicant agency, the Senate bill held the applicant agency "accountable," while the House bill simply sets forth the duty of assuring that the services be "accessible" to the community and prospective participants. The trouble with most Federal programs dealing with youthful offenders is that many juveniles in need of help are lost in the bureaucratic process, never to be found nor treated. We must make the agency accountable to these kids; it is not enough that these youth services be made available or accessible; the agency must take some responsibility for getting these services delivered; they must be accountable to the community. Somebody must. I am tired of educational programs when we need action programs. We must begin to demand delivery of services.

The second area of concern is the provision in the House bill enabling the Secretary to award a contract for 3 years and when it is in the interest of the program to fund a grant beyond 3 years when the Senate limited the authorization of the program to 2 years. This provision seriously curtails the possibility of meaningful legislation in the next Congress. In addition, it is unfair if applicant agencies are made to believe that they may have a 3-year grant when authorizations for appropriations are only for 2 years.

Third, and I find this objection most serious, there is contained in the House bill, section 410. It reads:

SEC. 410(a) Nothing in this Act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, or physical development of their children. Nor shall any section of this Act be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which is otherwise provided by law.

(b) The Secretary is directed to establish appropriate procedures to insure that no child shall be the subject of any research or experimentation under this Act other than routine testing and normal program evaluation unless the parent or guardian of such child is informed of such research or experimentation and is given an opportunity as of right to except such child therefrom.

In describing the application of this section, Congressman ASHBROOK and Congressman PUCINSKI stated the following on the floor of the House on July 17:

Mr. ASHBROOK. . . . The committee did agree, on page 17, under the general provisions, to place in the bill a provision that would at least require *the permission of a parent before the so-called diagnosis and treatment of a youth in danger of becoming delinquent was carried into effect.* This is my amendment. Even with it I am concerned about this legislation and think it is dangerous experimentation (Emphasis added).

I should like to ask the gentleman from Illinois, just for the purpose of legislative history, to indicate what the intention of the bill is in regard to predelinquency diagnosis and testing? . . . could we have some statement from the chairman as to how

he views this very, very sensitive problem of diagnosis and treatment of youths in danger of becoming delinquent.

Mr. PUCINSKI. . . . This language clearly establishes the doctrine, and for the purpose of legislative history I want to make the intent very clear. This provides that for any type of testing, psychological testing or psychiatric testing, beyond the normal educational testing we now use in our school systems, as presently being used, any special testing of a youngster will first have to undergo approval of the parents.

This will protect the rights of the parent to first be consulted and advised and apprised (sic) of what is going to happen.

In other words, the gentleman has quite properly put into this bill the safeguard that there is not going to be extensive psychological and psychiatric testing of youngsters without the permission of their parents. The intent of the gentleman's language is very clear.

I am somewhat confused by such an interpretation. It should be noted section 410(b) refers to research and experimentation when the House clearly took out of the bill authority to conduct any research and spend money on improved techniques. I do hope the Senator from Indiana can straighten the record here. This does bother me a great deal.

I am not in favor of taking away any parental responsibility; I just want to see an effective program funded and see the kids of America get some help. What about the kids who come into these community centers with veneral diseases, with drug problems who would not seek any help if they had to tell their parents? Would we rather see a kid die from an overdose of LSD and thus be intolerably inflexible in applying the notion of parental responsibility, or should we consider the objectives of the program.

I would want the parents' consent on treatment which would not be considered ordinary. Any experimentation of course should require parental consent. But we don't want to burden or thwart the working of the program by unnecessary parental consent. What is considered "ordinary treatment" might very well be spelled out in guidelines promulgated by the agency.

The section also has some constitutional and policy considerations. There are many States, including the State of Maryland which have passed laws permitting treatment—in Maryland for instance, in the case of venereal disease and pregnancy—without parental consent. Thirty-three States, in one form or another, permit their minors to receive some kind of treatment without parental consent. Are we going to preempt this State legislation? Is this the intent of the House? If it is; I believe the Senate should request a conference.

Mr. BAYH. Mr. President, I share the concern of the distinguished Senator from Maryland that the legislation we are extending today does not have the scope of authority and the massive resources needed to deal effectively with the problems of juvenile delinquency. The Subcommittee on Juvenile Delinquency, of which I am chairman, has conducted extensive hearings on the need for an entire restructuring of the Federal approach; we have heard from witness after witness that the present fragmented, piecemeal effort is having little impact on the upward spiral of juvenile crime. My colleague from Maryland shares my view that more comprehensive, far-reaching legislation is needed, and we will work together to insure that effective, meaningful legislation is enacted in the next Congress.

Let me now turn to the three areas which you bring up—areas and questions which, I believe, must be explained in order to avoid a conference. I think that two of these problems can be corrected by guidelines promulgated by HEW, while the third, the matter of the length of authorization, can be explained satisfactorily.

Section 103(b) in the House bill which authorizes grants for 3 years and beyond, I too, find most objectionable. It not only contravenes the intention of the Senate, but most unfortunately, it gives States and prospective applicant agencies the wrong impression that their program may be funded for 3 years. I do not think it will thwart the chances for comprehensive legislation in the 93d Congress, for the authorized extension of the act is clearly only for 2 years. It is, as I say, misguiding for the States. I will contact the administrator of the program and make sure applicants are put on fair notice of the Agency's fiscal limitations.

You mention the House amendment with regard to the responsibilities of the applicant agency. I agree with your interpretation; however, I believe this was an oversight in the House. I am sure they would not want any child to be neglected by the program. I believe, as you do, that the applicant agency should be held strictly accountable for the delivery of services to these kids. This matter can be corrected, I believe, by rules and regulations.

The last matter, I must agree with you, is the most important difference between the two bills. This is the so-called Ashbrook amendment—section 410 of the bill. If the intention of that amendment is to require parental consent for ordinary treatment, testing, and diagnosis, I, too, would require a conference to correct the matter. I believe, however, that the distinguished chairman of the House General Education Subcommittee, Congressman PUCINSKI of Illinois, and Congressman ASHBROOK, with their extensive experience in these problems would not have intended this result. Most youngsters would indeed be very reluctant to receive certain kinds of services if they had to obtain their parents' consent as a condition to receiving those services. Your examples of drug treatment and venereal disease are most relevant. I am quite confident that the intent of this provision is to require parental consent only when it comes to testing, diagnosis, and treatment which is experimental in nature, or is not ordinarily given under normal circumstances. Your point about usurping the jurisdiction of the States in this matter is quite apt and this gives me more reason to believe that this was not the intent of the House.

I hope that these remarks have clarified the questions raised by my friend from Maryland. I share his concern that the Federal effort to prevent and treat juvenile delinquency be made more effective, and I look forward to working with him, and with my other colleagues on the Juvenile Delinquency Subcommittee, and in the Senate, in enacting the kind of comprehensive, meaningful legislation that has so long been needed in this area.

Mr. MATHIAS. The Senator from Indiana has answered my concerns satisfactorily and I see no need for a conference.

Mr. BAYH. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I received from the distinguished Representative from Illinois, Mr. ROMAN C. PUCINSKI.

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

WASHINGTON, D.C.,
July 27, 1972.

Hon. BIRCH BAYH,
Old Senate Office Building,
Washington, D.C.

DEAR BIRCH: It is my understanding that the Senate Committee on the Judiciary yesterday considered and unanimously reported H.R. 15635, a bill to extend and amend the Juvenile Delinquency Prevention and Control Act of 1968. I also understand that there was some confusion in the committee as to the legislative intent of the House concerning several provisions of H.R. 15635, especially those provisions which differed from S. 3443, the original Senate passed version of the bill.

As Chairman of the House General Subcommittee on Education and as floor manager of H.R. 15635, I am writing to you as Chairman of the Senate Subcommittee to Investigate Juvenile Delinquency in order to clarify the intent behind these provisions of the bill. In particular, I want to make clear that the House intended this bill to have a two year authorization of appropriations and that the provision in section 103(b) providing that no grant may be made under Title I for a period exceeding three years is simply intended to put grantees on notice that they must become self-supporting after an initial, limited period of time. But this latter provision for a termination of grants obviously would not apply if Congress should decide not to extend the Juvenile Delinquency Act beyond June 30, 1974 since there would then be no third year in the program. In other words, this section demonstrates the long-range intent of the Act to encourage the phasing out of Federal support for the local juvenile delinquency prevention programs with the continuation of proven programs coming through other means and in no way implies that the Act will be extended beyond the two year authorization period provided in section 402 without another act of Congress or a continuing resolution.

I also understand that some concern exists about the meaning of the Ashbrook amendment. That amendment, section 410 of the bill, was added in committee and provides:

"SEC. 410 (a). Nothing in this Act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, or physical development of their children. Nor shall any section of this Act be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which is otherwise provided by law.

"(b) The Secretary is directed to establish appropriate procedures to insure that no child shall be the subject of any research or experimentation under this Act other than routine testing and normal program evalua-

tion unless the parent or guardian of such child is informed of such research or experimentation and is given an opportunity as of right to except such child therefrom."

My understanding of this provision is that it makes clear that any type of testing, psychological testing or psychiatric testing, beyond normal testing will first have to have the approval of the parents of the child involved. I assume that any extensive, unusual treatment of a youth in danger of becoming delinquent would also require parental consent. I do not interpret section 410, however, as requiring parental consent for treatment of typical adolescent problems, but whenever it would assist in helping to resolve the over-all problem then the parents should be notified of treatment.

I am pleased that the Senate Committee on the Judiciary has acted favorably on H.R. 15635 and I hope that it will be enacted into law as expeditiously as possible.

Sincerely,

ROMAN C. PUCINSKI,
Chairman, General Subcommittee on Education.

The bill (H.R. 15635) was ordered to a third reading, read the third time, and passed.

FURTHER PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a resumption of the period for routine morning business, for not to exceed 10 minutes, with statements limited therein to 3 minutes.

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

TRIBUTE TO LATE SENATOR ALLEN J. ELLENDER

Mr. STENNIS. Mr. President, before we start the session of business here today, I want to say a few words with reference to our late friend and colleague, Senator Allen Ellender, of Louisiana, whose funeral will be in his hometown, Houma, this morning at 11 o'clock central time and 12 o'clock eastern time. If we are still in session when 12 o'clock arrives, Mr. President, I will move that we recess during that period as a mark of respect during the funeral services and exercises.

I regret exceedingly that I am not there to pay my final respects at the funeral, but I decided last Friday that I could pay a better tribute, to him, and to the illustrious record and pattern that he set here over a great number of years, by staying here, especially since I am floor manager of the bill that we have under consideration.

Thus I would be following the pattern that he set and lived up to for many, many years.

He was an untiring worker, and his record in the Senate is shown by his never-ending attention to his vast and always growing legislative duties.

I am sure he would approve today as we dispatch the Government's business here in the regular way, except for the period that I hope we can recess. He would want the Government's wheels to be turning doing the people's business. So our session here is 100 percent in keeping with his career, and I consider our work as another tribute to him.

In all the time I have been here I considered Senator Ellender a highly valuable and personal friend. He made suggestions to me when I came here that were very helpful—personal suggestions and also official suggestions. I value that official and personal friendship very highly.

He was a friend, too, of the people of Mississippi. They had a personal interest in him, and a great many of them knew him personally. He in turn, of course, knew them. They appreciated him as a man and what he stood for, and his fine record and work. They appreciated his interest in our problems. I speak for them also in paying this brief tribute to him as we begin our work today.

I repeat that I feel our work itself is a special tribute to him, in keeping with his record, and that he would have the deepest appreciation for the fact that we are proceeding.

I thank the Senator for yielding.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. JACKSON. Mr. President, under the unanimous-consent agreement of last Friday, my amendment was scheduled to be considered first today. Due to this previous order, I was unable to attend the funeral for our late colleague, Senator Allen Ellender. I should like to say a few brief words regarding Senator Ellender at this point. I certainly wish to associate myself with the remarks of the distinguished Senator from Mississippi.

Almost every night during the week, around 5:30 or 6, I make it a point to spend an hour in the gym. I think it is a mathematical fact that, almost without exception over the years that I have been in the Senate, I would always find Senator Allen Ellender in the gym at that time. He has always been a strenuous advocate of many things, but the gym was a very important part of his makeup; and I think this brings home the fact that he was truly a physical and mental powerhouse.

Whatever he got into, he plunged all the way, Mr. President. It is easy to say that a Senator is courageous on this issue or on that issue. I can best put it this way:

Senator Ellender was never neutral on anything, and I think we all—certainly all of us in the U.S. Senate—appreciate and admire those who make their positions clear and unequivocal. Obviously, it is not always easy, on difficult questions, to come down hard on one side or the other. But it was certainly characteristic of Senator Ellender to come to a conclusion and then to make clear, as clear as anyone can in this body, his views.

He was a tireless worker. He plunged into whatever subject matter he was dealing with, with all his heart and soul. Certainly as a man of 81 years he did not have an equal in my memory who was so active physically and who participated with such mental vigor in the problems that we face.

As I said at the outset, we would meet in the gym. He would spend at least an hour there daily, and whatever he was involved in, whether it was lifting barbells, riding a bike, or doing all the things that a younger man would be involved in, he was doing it vigorously, and doing it right down to the time of his death.

We will miss him in the Senate, because every Member of this body looked upon him as a man who would take a lively, active, and decisive part in whatever issues might face us in this body.

Finally, Mr. President, he was a warm, friendly man. We will miss his famous Louisiana gumbo luncheons. We will miss his warmth. We will miss his courage. We will miss his vigor. His death is a loss not only to the Senate, but to the Nation.

Mr. ALLOTT. Mr. President, I have had the opportunity to listen to the distinguished Senator from Mississippi and the distinguished Senator from Washington speak on this very sad day concerning our friend, the late Senator Allen Ellender. I suppose it is very difficult for many people to understand how a great warmth of affection and respect can develop between members of different parties, often between members with very diverse views.

The death of Allen Ellender came almost as a physical shock to me, because of all Senators he was probably the most assiduous in maintaining his physical condition. I have worked with him for almost 14 years on the Appropriations Committee. I must say that his detailed attention to his work would be impossible for anyone to understand who had not been intimately involved with the work of that committee. I think especially of the Public Works Subcommittee of which he was chairman for so many years, which requires such an infinite amount of detailed knowledge and attention.

What we have accomplished this year in the field of appropriations is primarily due to his drive and insistence, which he even exercised, in some instances, at the risk of incurring the disfavor of some of his friends in the Senate. If we have not gotten farther in our appropriation process this year, it is because of the sad fact that some of the committees of Congress have been so laggard in doing their work, or that authorization bills have been delayed in one way or another, so that his desire to get the work of Congress completely accomplished was thwarted.

I personally feel the loss of a great leader in the Senate. Whether we always agreed with him or not, we knew where he stood. He was courageous, he was forthright, and more than that, Mr. President, as I have had ample opportunity to observe, he was always loyal to his principles and to his country.

We shall miss him. To his son and his family, I extend my most sincere condolences and sympathies, as well as those of Mrs. Allott. This is a sad day for the Senate. I know he will find his reward, because he certainly has earned it in his life in the Senate and his life here on earth.

Mr. ROBERT C. BYRD. Mr. President, at a future time, there will be a day and hour set aside for eulogies to our late departed colleague, Senator Ellender. The distinguished majority leader, in consultation with the distinguished Republican leader, will make a decision as to the day and hour, and it will be announced for the convenience of all Senators.

ORDER FOR ADJOURNMENT UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it stand in adjournment until 9:45 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR BUCKLEY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order on tomorrow morning, the distinguished Senator from New York (Mr. BUCKLEY) be recognized for not to exceed 15 minutes.

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 APPROVAL OF LOAN FOR CONSTRUCTION OF CERTAIN TRANSMISSION FACILITIES

A letter from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, on the approval of a loan to Tri-State Generation and Transmission Association, Inc., of Denver, Colo., in the amount of $6,160,000, to finance the construction of certain transmission facilities (with an accompanying paper); to the Committee on Appropriations.

PROPOSED AMENDMENT OF TITLE 10, UNITED STATES CODE

A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation to amend title 10, United States Code, to improve the opportunity of nurses and medical specialists for appointment and promotion in the Regular Army or Regular Air Force, and authorize their retention beyond the mandatory retirement age (with an accompanying paper); to the Committee on Armed Services.

PROPOSED AMENDMENT OF SECTION 8371 OF TITLE 10, UNITED STATES CODE

A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation to amend section 8371 of title 10, United States Code, to authorize officers of the Air National Guard of the United States to be considered for promotion to the reserve grade of colonel by the Air Force Reserve overall vacancy board (with an accompanying paper); to the Committee on Armed Services.

REPORT ON EMPLOYEES OF ENVIRONMENTAL PROTECTION AGENCY

A letter from the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, reporting, pursuant to law, on the employees of that Agency, for the year ended June 30, 1972; to the Committees on Appropriations and Post Office and Civil Service.

REPORT ON DELAY OF REPORT RELATING TO GRANTS TO STATES FOR CONSTRUCTION OF HEALTH FACILITIES

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on a delay in submission of a report relating to a study of the effects of the formular utilized in allotting grants to States for the construction of health facilities; to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL COMMISSION ON STATE WORKMEN'S COMPENSATION LAWS

A letter from the Chairman, National Commission on State Workmen's Compensation Laws, Washington, D.C., transmitting, pursuant to law, a report of that Commission, dated July 1972 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. BAYH, from the Committee on the Judiciary, with amendments:

S. 2507. A bill to amend the Gun Control Act of 1968 (Rept. No. 92-1004). (Together with supplemental and additional views.)

ORDER FOR A STAR PRINT OF S. 3838

Mr. STEVENS. Mr. President, on Monday, July 24, I introduced S. 3838, amending the Federal Aviation Act of 1958. The purpose of this bill was to insure that competitive air service would be possible in areas of the United States receiving neither highway service nor railroad service. The bill, as introduced, was specifically intended to insure that competing air service could be maintained. However, the specific language to carry out this intent was inadvertently left out of the bill.

Mr. President, I specifically request unanimous consent that a star print be made of S. 3838, including the new section 3, which is as follows:

SEC. 3. In determining the public convenience and necessity under this section, the Board shall consider as necessary to the sound development of an air-transport system properly adapted to the needs of the foreign and domestic commerce of the United States, the postal service and the national defense, the certification of at least two air carriers to provide air service to points in the United States receiving neither highway service nor railroad service.

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

Mr. STEVENS. Mr. President, I ask unanimous consent that the bill as amended be printed in the CONGRESSIONAL RECORD at this point.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, The Federal Aviation Act of 1958, as amended, is hereby further amended as follows:

SECTION 1. By adding the following sentence to subsection (b) of section 406 (49 U.S.C. 1376): "In the exercise of their powers and duties under this subsection, the Board and the Secretary of Transportation shall consider as required for the commerce of the United States, the Postal Service, and the national defense, air service to points in the continental United States which shall include Alaska and Hawaii receiving neither highway service nor railroad service."

SEC. 2. By adding a paragraph (7) to subsection (e) of section 401 (49 U.S.C. 1371) that shall provide as follows:

"(7) No term or condition in any certificate shall limit the maximum subsidy amounts payable with respect to service to or from points that receive neither railroad service nor highway service. The Board shall, without hearings, alter, modify, or amend any existing certificate term or condition in contravention of this requirement so as to bring such term or condition into conformity therewith."

SEC. 3. In determining the public convenience and necessity under this section, the Board shall consider as necessary to the sound development of an air-transport system properly adapted to the needs of the foreign and domestic commerce of the United States, the postal service and the national defense, the certification of at least two air carriers to provide air service to points in the United States receiving neither highway service nor railroad service.

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. GOLDWATER:

S. 3860. A bill to amend the Strategic and Critical Materials Stock Piling Act, and for other purposes. Referred to the Committee on Armed Services.

By Mr. SPONG:

S. 3861. A bill to convey to the city of Alexandria, Va., certain lands of the United States, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. ANDERSON:

S. 3862. A bill to declare that certain federally owned land is held by the United States in trust for the pueblo of Nambe, N. Mex. Referred to the Committee on Interior and Insular Affairs.

By Mr. MOSS:

S. 3863. A bill to amend title VII of the Housing and Urban Development Act of 1965. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GOLDWATER:

S. 3860. A bill to amend the Strategic and Critical Materials Stock Piling Act, and for other purposes. Referred to the Committee on Armed Services.

Mr. GOLDWATER. Mr. President, I present for appropriate reference a bill to amend the Strategic and Critical Materials Stock Piling Act.

This legislation is vital to the national interest, Mr. President. The United States is about to begin negotiations that may lead to a very substantial expansion in trade with the Soviet Union. Looking ahead several years, it is reasonable also to expect an appreciable increase in trade with mainland China and other Communist countries.

Typically, the bulk of trade with Communist nations is conducted on a barter basis. Hundreds of U.S. companies will be negotiating individual transactions with a state trading company, arranging to exchange our exports for some commodity which can be sold in this country. Because of the nature of the Soviet economic system, a substantial proportion of the goods which they are likely to barter for U.S. exports will consist of large quantities of raw materials, including many items deemed essential under the terms of the Strategic and Critical Materials Stock Piling Act of 1946, as amended (50 U.S.C. 98).

While there are obvious potential beneficial aspects of such trade, there can also be substantial dangers—particularly if the Soviets concentrate their exports

on one or two strategic commodities, thereby weakening the normal sources of free world supply and endangering the ability of the United States to obtain adequate supplies of these vital commodities in event of unforeseen emergencies. At the present time, the U.S. Government has no mechanism to guard against this possibility.

That is the purpose of the proposed legislation. It would amend the Strategic and Critical Materials Stock Piling Act to arm the President with authority and the mechanism to protect his country against over-dependence on imports of critical and strategic materials from Communist countries, in a manner which at the same time is equitable and flexible.

The fundamental concept of the 1946 Strategic and Critical Materials Stock Piling Act, which remains entirely valid today, is that the United States must have available, during any wartime emergency, a secure supply of vital raw materials which would be needed to meet military and essential civilian needs. Strategic stockpile objectives are determined, of course, by calculating U.S. needs, both for defense production and for essential civilian production, during a possible emergency period and comparing these needs with estimated supplies available during that same period from secure sources.

If there is no current stockpile objective for materials regarded as strategic and critical, that is because the estimate of supply available from secure sources during the contemplated emergency is sufficient to meet our estimated needs. Thus, security of supply is fundamental to all stockpile calculations.

Secure sources of supply include domestic producers of strategic and critical materials as well as imports from friendly nations which would continue to be accessible during a time of emergency. Obviously, imports from the Soviet Union or from other Communist countries could not be counted upon during a national emergency involving those countries. The United States therefore cannot afford to become overly dependent on these sources for any strategic and critical material.

With that in mind, this legislation has been framed to provide the authority, now lacking, for the President to regulate imports of strategic and critical materials from Communist countries. Under existing law, there is no way for the United States Government to assure that the barter arrangements made between Communist state trading entities and hundreds of U.S. firms will not, in their totality, result in a very substantial increase in the quantity of any particular strategic and critical material being imported into this country. There is no way at present to assure that such imports will not reach a level detrimental to traditional suppliers of that material.

In fact, given the size and rigidity of the Soviet economic apparatus, such a result will almost certainly occur if we do not take advance steps to prevent it. The Soviet export apparatus simply is not geared to developing a reasonable mix of commodities for export. It tends to generate large quantities of several items at one time and to rely upon these commodities as the primary means of barter.

The legislation here recommended equips the President with the authority to keep imports of particular strategic and critical materials under reasonable restraint, thus assuring maintenance of secure supplies in terms of sufficient active producing capacity to meet emergency requirements of the U.S. market. The purpose is not to close off Soviet trade in these commodities. Indeed the legislation contemplates a fairly substantial amount of trade and allows for reasonable growth. It is intended rather to prevent undue concentration of trade in a few commodities, thus weakening the supply base for those commodities. The objective is to assure that imports from the Soviet Union will be spread over a substantial number of commodities as trade between this country and the U.S.S.R. increases.

The legislation also provides a mechanism through which the Director of the Office of Emergency Preparedness can be called upon to determine under certain conditions whether imports of particular strategic and critical materials have reached levels likely to create a dangerous and costly dependence on Communist supplies.

In recognition of the fact that the United States now imports some strategic commodities in differing amoumts from Communist countries, this legislation establishes growth from a preexisting base as the standard for initiating an inquiry into the question of excessive dependency. This is to assure sufficient flexibility in determining when excessive dependency has occurred.

Finally, the legislation gives the President authority to exceed limitations otherwise imposed whenever he deems additional imports necessary to protect the health of the domestic economy and to maintain the capability of the United States to meet national security requirements.

The proposal affords ample scope for agreement on trade matters between the United States and the Soviet Union. It contemplates access to the U.S. market for Soviet materials and allows opportunity for growth in such commerce. It merely seeks to guarantee that at an appropriate point the Director of the Office of Emergency Preparedness will thoroughly consider the question of whether the United States is becoming excessively dependent on Communist sources for essential materials. Should such an overdependence develop, the legislation would provide the President with authority to control imports of that material from Communist countries without, at the same time, imposing limitations on imports from those allied nations which may be regarded as secure sources of supply in event of emergency.

By Mr. SPONG:

S. 3861. A bill to convey to the city of Alexandria, Va., certain lands of the United States, and for other purposes. Referred to the Committee on the District of Columbia.

Mr. SPONG. Mr. President, I introduce today a bill to convey to the city of Alexandria, Va., the interests of the United States in certain waterfront property within the corporate limits of the city. This bill is identical to H.R. 15550 which was reported by the House District Committee on July 24, 1972, a measure which is agreed upon by all the major interests involved and endorsed by the Department of Interior. My purpose in introducing the bill today is to expedite Senate consideration and I am hopeful an early hearing will be held.

By Mr. MOSS:

S. 3863. A bill to amend title VII of the Housing and Urban Development Act of 1965. Referred to the Committee on Banking, Housing and Urban Affairs.

EMERGENCY PUBLIC WORKS EMPLOYMENT AND INVESTMENT ACT OF 1972

Mr. MOSS. Mr. President, I introduce a bill to provide for emergency Federal assistance to local communities which are now unable to construct "basic" public works such as sewer and water facilities. The purpose of the bill is twofold: to help communities to supply these needed environmental protection facilities while, at the same time, to create new job opportunities in those areas of the country which are experiencing high unemployment.

According to the Department of Housing and Urban Development, the current backlog of applications for Federal sewer and water grants comes to well over $2 billion. Local communities in many parts of the country are simply unable to receive assistance even for projects which are highly qualified.

In Utah, the backlog of applications for HUD sewer and water grants is substantial. During the past fiscal year, 15 out of 20 applications were sent back due to lack of Federal funding.

I ask unanimous consent that a list of these applications appear in the RECORD at this point.

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

Utah communities which received HUD Water and Sewer Grants in fiscal 1972:

Community:	*Amount of Grant*
Provo	$131,500
Layton	378,000
Salt Lake City	230,212
Salt Lake County	185,000
Price	32,600

Utah communities which were denied HUD Sewer and Water Grants in fiscal 1972 due to lack of funding:

Clearfield; Orem (2 projects).
Clinton City; Oakley.
North Davis County Sewer District; Bona Vista.
Lehi; North Logan.
Kaysville; Central Utah Water District.
Riverdale; Magna.
Salt Lake City and Tooele.

Mr. MOSS. Mr. President, the situation is not confined to Utah. In the six-State Rocky Mountain region communities needed $39 million in Federal water and sewer assistance during the last fiscal year. They received only $8 million.

The bill which I introduce today would accelerate Federal funding of these projects, thus cutting into the giant public works backlog.

It would also go a long way in alleviating the severe unemployment problem which continues to affect so many of our communities.

According to the latest figures, Utah's jobless rate stands at 6.2 percent, far higher than the national average.

In the Rocky Mountain region as a whole unemployment has been consistently higher than the overall U.S. figure. Even in 1969, when the Nation as a whole was experiencing "full employment" conditions, this region of the country had a jobless rate of 4.2 percent. While the gap between the Rocky Mountains' unemployment rate and the national average has narrowed in recent years, the region continues to experience a rate of unemployment which is abnormally high.

These lagging economic conditions make it especially difficult for many of our communities to meet their local public works needs. The loss of tax revenues caused by high unemployment is indeed a major cause of declining community services. This, in turn, contributes to further economic deterioration as commerce and industry begins to leave the area.

The bill which I introduce today will address these very conditions. Emergency public works employment and investment grants will go, specifically, to those localities which have taken the brunt of the economic downturn. It will give particular recognition to those areas which are threatened with an "abrupt rise of unemployment due to the closing or curtailment of a major source of employment."

This provision will be especially helpful to those communities which have felt the impact of Federal manpower reductions. The current "R.I.F." at Hill Air Force Base has already cost the Utah economy over 1,000 jobs. Four hundred workers have received "rif" notices in the last month alone.

Mr. President, this legislation goes to the heart of our current economic situation. It offers a clear opportunity to redirect the Nation's manpower and material resources to long overdue domestic needs. It would put funds where they are needed most—in constructing basic public facilities to guard our most precious natural resource—water.

Today, there is an urgent need for such a redirection. Certainly the American people want to see such a shift in our Federal spending priorities toward our domestic requirements. Yet when one looks at the Federal budget there is little to demonstrate this new concern. Defense spending remains, by far, the "No. 1" spending priority. Since 1962 alone, our Nation's military spending has risen some $27 billion.

On the other hand, we continue to spend only 2 percent of the total budget on community development and housing, a little more than 4 percent on education, less than 3 percent on agriculture and only 1 percent on our natural resources and environment.

Mr. President, I do not think these figures represent the wishes nor the priorities of the American people. They certainly do not represent mine. Yet every time a proposal is made to take action in meeting our urgent domestic needs, we are told that such action is inflationary. Why is it, Mr. President, that we never hear the word "inflation" when talking about military spending, but only when the debate is on a domestic program—a domestic program as fundamental as public works and environmental protection?

Mr. President, this Nation is spending $20 million a day in Indochina for the air war alone. In the next fiscal year, the war is expected to cost this Nation almost $15 billion. Even a "wound down" war has proven to be all too expensive, all too inflationary.

Another objection made to emergency community facilities legislation is that it duplicates the purposes of the Federal Water Pollution Control Act Amendments of 1972 which is now in House-Senate conference. Nothing could be further from the fact. The bills would in fact complement each other.

The water pollution bill is directed toward the construction of sewage treatment facilities. The Emergency Public Works Employment and Investment bill I introduce today will assist the development of sewage collection systems, systems which are used to carry the sewage to the treatment facilities. It would thus contribute substantially to the goals of the water pollution bill.

The need for this kind of Federal assistance is undeniable. Since 1966, Utah communities alone have made applications for water and sewer projects costing over $34 million.

I ask that a list of those communities which have made these applications be printed in the RECORD at this point.

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

Utah communities which have applied for water and sewer grants and loans since 1966

	Cost of project
Davis County:	
Clearfield	$163,000
Clearfield	100,000
Clearfield	177,811
Clearfield	300,000
Clearfield	300,000
Layton	224,000
Layton	765,000
Layton	765,000
Clinton City	300,000
Clinton City	247,000
Clinton City	488,802
Sunset	377,000
Sunset	342,000
East Layton	249,000
East Layton	412,570
Centerville	477,000
Fruit Heights	87,000
Fruit Heights	126,000
Bountiful	94,000
Bountiful	652,000
Bountiful	143,528
North Davis	200,000
North Davis	102,000
North Davis	102,000
Woods Cross	259,440
Kaysville	108,600
Kaysville	247,474
Syracuse	82,163
Weber County:	
Roy	450,000
Roy	450,000
Roy	654,000
Roy	350,000
Plain City	750,000
Plain City	1,208,000
Harrisville	150,000
Harrisville	353,571
South Ogden	128,000
South Ogden	$360,000
Washington Terrace	277,475
Uintah	108,000
Riverdale	330,000
Riverdale	330,000
Bona Vista	50,000
Utah County:	
American Fork	321,245
Lindon	86,000
Lindon	188,000
Springville	105,710
Springville	251,501
Provo	1,003,003
Provo	120,000
Salina	175,000
Spanish Fork	296,000
Spanish Fork	233,000
Spanish Fork	442,000
Mapleton	198,000
Mapleton	164,000
Orem	80,000
Orem	204,800
Orem	160,000
Orem	200,000
Alpine	172,000
Salem	42,100
Salem	60,000
Lehi	349,000
Lehi	251,138
Carbon County:	
Price River District	3,245,498
Price	250,000
Rice Municipal Corporation	71,000
Helper	79,000
Castle Gate	50,800
Heber	896,750
Cache County:	
Logan	2,524,000
Weber County:	
Weber Basin	875,000
Pleasant View	500,000
Pleasant View	822,000
Utah County:	
Pleasant Grove	217,000
Pleasant Grove	153,576
Pleasant Grove	495,600
Weber County:	
Ogden	13,000
Ogden	59,133
Ogden	55,400
Ogden	12,500
Ogden	15,000
Ogden	2,495,000
Washington County:	
St. George	1,055,138
Tooele County:	
Tooele	393,000
Grantsville	415,000
Grantsville	470,000
Salt Lake County:	
County government	2,675,000
County government	143,013
County government	157,803
County government	208,100
County government	394,000
County government	3,766,000
County government	2,781,000
County government	487,114
South Salt Lake	4,637,000
South Salt Lake	350,800
Salt Lake City	120,000
Salt Lake City	812,000
Salt Lake City	1,442,790
Salt Lake City	931,788
Salt Lake City	691,386
Kearns	126,280
Kearns	118,000
South Jordan	360,000
South Jordan	362,000
South Jordan	320,000
West Jordan	583,730
Magna	98,000
Magna	240,000
Metropolitan Water District	2,800,000
Metropolitan Water District	2,800,000
Central Utah District	5,000,000
Murray	6,000,000
Coppertown	60,000
Iron County:	
Cedar City	25,000
Cost of all Utah projects	34,940,323

Mr. MOSS. Mr. President, the need for this Federal assistance is well established. Our need to create new job opportunities as well as to relieve local communities of further dependence on regressive property taxes has, in many parts of the country, reached the emergency state. It is time that we took action to redirect our national resources to meet these needs before the situation deteriorates even further in our poorer communities.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2360

At the request of Mr. WILLIAMS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 2360, the Automobile Driver Education Act.

S. 3614

At the request of Mr. WILLIAMS, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 3614, the Education for All Handicapped Children Act.

MILITARY PROCUREMENT AUTHORIZATIONS, 1973—AMENDMENT

AMENDMENT NO. 1381

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

Mr. McGOVERN submitted an amendment intended to be proposed by him to the bill (H.R. 15495) 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 authorize construction at certain installations in connection with the Safeguard antiballistic missile system, 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.

DISASTER RELIEF—AMENDMENT

AMENDMENT NO. 1382

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

Mr. TAFT. Mr. President, for myself, Senator CRANSTON, and Senator ROTH, I am submitting two amendments to H.R. 15692, the legislation which amends the Small Business Act to provide increased relief to victims of disasters. I proposed each of these amendments to the Banking, Housing and Urban Affairs Committee, which rejected each of them by a vote of 7 to 7.

My first amendment would offer homeowners and small businessmen affected by an SBA-declared or presidentially declared disaster a low-interest loan with between 20 percent and 100 percent of the principal forgiven up to a maximum of $5,000. The percentage of principal forgiven would be determined on a sliding scale related to the borrower's last year's income—or for a borrower who retires or becomes disabled in that year or in the year of the disaster, his next year's income as estimated by the Administrator of SBA. The percentage forgiveness would be 100 percent for those people with incomes of $6,000 or less, and would drop by 4 percent for each additional thousand dollars of income, which the person made in the last taxable year. The interest rate would be 1 percent on the first $10,000 of the loan principal, and 2 percent on the remaining principal. This approach would apportion Government subsidies according to a person's ability to pay for repairs and the absolute amount of damage suffered.

My amendment also includes a provision to insure that those few victims of disasters occurring before the enactment of this legislation who would be worse off under the provisions of my amendment than under present law can claim the benefits presently available.

I believe that my proposal is an improvement over the Banking Committee's proposal to provide $5,000 forgiveness grants, in addition to 1 percent loans, in these three ways:

First, by relating the amount of forgiveness to the amount of hardship inflicted, it distributes benefits in a more equitable manner.

Under the $5,000, 1-percent approach, a millionaire could obtain a grant of up to $5,000 for any needed repairs to his tennis courts, and a 1-percent loan for any such expenses exceeding $5,000. I believe that the provision of this much assistance for people who have suffered little real hardship is an overly generous utilization of Government money. By limiting the forgiveness available to these people, we would be saving the Government considerable money while still providing them with a heavily subsidized interest rate and in some cases a rather large grant. These savings would make the expense of drastically increasing assistance to the people who really need it more bearable.

Second, the requirement to pay back most of the loan principal will reduce the incentive for fraud by people who have suffered little hardship.

The fraud which resulted in California from the $2,500 forgiveness provision has been well documented. Fourteen percent of the applicants for assistance asked for exactly $3,000, thereby receiving the maximum forgiveness and the minimum required loan. There would still be some incentive for fraud under my approach, but the limitation on forgiveness should help to reduce this incentive somewhat.

Third, the 2 percent interest rate rather than a 1-percent rate on principal over $10,000 would save the Government considerable money that often does not help those most in need.

The 1 percent overall rate would only help significantly those who have large loan principals. In many cases a large loan principal is an indication that a person owned considerable property in the first place, and therefore probably has the resources so that the disaster did not leave him helpless. The subcommittee chairman recognized this factor when he introduced legislation calling for 1 percent interest rate on the first $10,000 of loan principal, a 3 percent rate on the second $10,000, and the cost of money to the U.S. Treasury on any principal exceeding $20,000.

In any case, on a $20,000, 25-year loan the provision of a 2 percent interest rate rather than a 5 percent rate would result in a reduction of interest costs of $9,866—the present rate is 5⅛ percent. When coupled with the increase in forgiveness over present law, this means that on a $25,000 loss we are providing a $12,500 deeper subsidy than under present law—even with a 2 percent interest rate. Perhaps there is no need to go much further.

I have compiled a table which compares the forgiveness grant available under the committee bill with the forgiveness grant available under my approach, for people with various sized incomes who have suffered various amounts of property damage as a result of a disaster. I ask unanimous consent that both the table and a copy of the amendment itself be printed in the RECORD at this point.

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

Income and damage amount	Subcommittee bill: Amount forgiven (Government subsidy)	Subcommittee bill: Principal amount	Taft amendment: Percent forgiveness	Taft amendment: Amount forgiven (Government subsidy)	Taft amendment: Principal amount
$6,000 and under:					
$2,000	$2,000	0	100	$2,000	0
$5,000	5,000	0	----	5,000	0
$10,000	5,000	$5,000	----	5,000	$5,000
$10,000:					
$2,000	2,000	0	84	1,680	320
$5,000	5,000	0	----	4,200	800
$10,000	5,000	5,000	----	5,000	5,000
$14,000:					
$2,000	2,000	0	68	1,360	640
$5,000	5,000	0	----	3,400	1,600
$7,000	5,000	2,000	----	4,760	2,240
$10,000	5,000	5,000	----	5,000	5,000
$18,000:					
$2,000	2,000	0	52	1,040	960
$5,000	5,000	0	----	2,600	2,400
$7,000	5,000	2,000	----	3,640	3,360
$10,000	5,000	5,000	----	5,000	5,000
$22,000:					
$2,000	2,000	0	36	720	1,280
$5,000	5,000	0	----	1,800	3,200
$7,000	5,000	2,000	----	2,520	4,480
$10,000	5,000	5,000	----	3,600	6,400
$15,000	5,000	10,000	----	5,000	10,000
$26,000 and over:					
$2,000	2,000	0	20	400	1,600
$5,000	5,000	0	----	1,000	4,000
$7,000	5,000	2,000	----	1,400	5,600
$10,000	5,000	5,000	----	2,000	8,000
$15,000	5,000	10,000	----	3,000	12,000
$25,000	5,000	20,000	----	5,000	20,000

AMENDMENT No. 1382

On page 7, strike lines 8 through 16 and insert in lieu thereof the following:

"(C) shall, notwithstanding the provisions of any other law and upon presentation by the applicant of proof of loss or damage or injury and a bona fide estimate of cost of repair, rehabilitation, or replacement, cancel 100% of the principal of any loan made to cover a loss or damage or injury resulting from such disaster, except that

"(i) the total amount so cancelled shall not exceed $5000, and

"(ii) the percentum of the principal of the loan to be cancelled shall be reduced by 4 for each $1000 by which the borrower's income exceeds $6000, but in no case shall such percentum be less than 20, and make the balance of the loan at an interest rate of 1 percentum per annum up to a maximum loan of $10,000, provided that on loans in excess of $10,000, the interest rate shall be 2% on that amount of the loan over $10,000.

"For the purpose of this clause (C), 'income' means

"(i) except in the case of a borrower who retires or becomes disabled in either the taxable year in which the loss or damage is sustained or the preceding taxable year, or in the case of a borrower which is a corporation, adjusted gross income, as defined in Section 62 of the Internal Revenue Code of 1954, reduced by $300 for each deduction for personal exemptions allowable to the borrower under Section 151 of such code, for the taxable year preceding the taxable year in which the loss or damage is sustained,

"(ii) in the case of a borrower who retires or becomes disabled in the taxable year in which the loss or damage is sustained or in the previous taxable year, adjusted gross income as defined in Section 62 of the Internal Revenue Code of 1954, reduced by $300 for each deduction for personal exemptions allowable to the borrower under Section 151 of such code, as estimated by the Administrator for the taxable year after the taxable year in which the loss or damage is sustained, and

"(iii) in the case of a corporation, taxable income, as defined in Section 63 of the Internal Revenue Code of 1954, for the taxable year preceding the taxable year in which the loss or damage is sustained."

On page 8, after line 10, insert the following:

"(c) any person who (A) suffers any loss or damage as a result of a major disaster as determined by the President which occurred prior to the date of enactment of this Act, (B) is eligible for assistance under the amendment made by subsection (a), and (C) is eligible under existing law for benefits greater than those provided by the amendment made by subsection (a), may elect to receive such greater benefits."

Mr. TAFT. Mr. President, my second amendment would change the effective date of the legislation from January 1, 1971 to June 1, 1972.

While I sympathize with the desire of every Senator to see that victims of the disaster in his State are afforded increased assistance, I see no logical reason for the legislation to go back any further than is necessary to cover the Agnes and Rapid City tragedies which prompted the legislation. There is no equitable way to provide retroactive relief to some disaster victims and deny it to others. For example, why should we provide further assistance to victims of the California earthquake, which took place over 16 months ago, and not provide that same further assistance to Texas' Hurricane Celia of 2 years ago? If we go further back than the disasters which have prompted this legislation, there is no reason to stop at any specific cutoff date.

My amendment to change the effective date to June 1, 1972, would relieve the SBA of a major financial and administrative burden which would result from forcing them to grant increased assistance related to all presidential and SBA disasters during the last fiscal year. There were 36 presidentially declared disasters and seven SBA-declared disasters during that time. Over 102,000 disaster assistance loans were made. The SBA has estimated that even if no new loans are made nor outstanding loans augmented for disasters which have already occurred, it would cost approximately $160 million to provide the required additional assistance to victims of all disasters since January 1, 1971. In addition, the SBA would be forced to reinterview many of the borrowers and receive additional certification of their property damage.

In view of the importance of this legislation, I ask each Senator to give each of these two amendments his most careful consideration.

EQUAL STATE TAXATION OF NATIONAL BANKS—AMENDMENT

AMENDMENT NO. 1383

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. TOWER (for himself and Mr. CRANSTON) (by request) submitted an amendment intended to be proposed by them jointly to the bill (S. 3652) so clarify and regulate the powers of the States to tax commercial banks, to empower the States to tax national banks, to foster and promote the dual banking system by providing for equal State taxation of National and State banks, to promote the interstate flow of moneyed capital and the financial resources of insured banks, to foster and promote interstate and foreign commerce, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1367

At the request of Mr. HUMPHREY, the Senator from Illinois (Mr. STEVENSON), who was inadvertently omitted from the listing of original cosponsors, was added as a cosponsor of amendment No. 1367 intended to be proposed to the bill (S. 3691) to provide that adequate funds are available for the conduct of summer food service programs for children from areas in which poor economic conditions exist and from areas in which there are high concentrations of working mothers, and for other purposes related to expanding and strengthening the child nutrition programs and the establishment of a national infant feeding program.

AMENDMENT NO. 1371

At the request of Mr. CURTIS, the Senator from North Dakota (Mr. BURDICK), the Senator from Kansas (Mr. PEARSON), the Senator from Texas (Mr. BENTSEN), the Senator from Iowa (Mr. HUGHES), the Senator from South Carolina (Mr. THURMOND), and the Senator from Minnesota (Mr. MONDALE were added as cosponsors of amendment No. 1371 intended to be proposed to the bill (S. 3726) to extend and amend the Export Administration Act of 1969 to afford more equal export opportunity, establish a Council on International Economic Policy, and for other purposes.

AMENDMENT NO. 1373

At the request of Mr. MCGEE, the Senator from North Dakota (Mr. BURDICK), the Senator from Georgia (Mr. TALMADGE), the Senator from Nebraska (Mr. CURTIS), the Senators from Montana (Mr. MANSFIELD and Mr. METCALF), the Senator from Wyoming (Mr. HANSEN), the Senator from Idaho (Mr. JORDAN), the Senator from Colorado (Mr. DOMINICK), the Senator from Iowa (Mr. HUGHES) were added as cosponsors of amendment No. 1373, intended to be proposed to the bill (S. 3726), supra.

NOTICE OF HEARINGS ON CORPORATE SECRECY: INDUSTRIAL AND NATURAL RESOURCES OWNERSHIP AND CONTROL

Mr. NELSON. Mr. President, I announce that the Subcommittee on Monopoly of the Select Committee on Small Business will resume its hearings on the role of giant corporations in the American and world economies on Monday, August 7, 1972, at 10 a.m., in room 318, Old Senate Office Building. The session will open part 4 of the hearings. This part will be entitled "Corporate Secrecy: Industrial and Natural Resources Ownership and Control." This is the session which was originally scheduled for June 28, 1972, and announced in the CONGRESSIONAL RECORD of June 19, 1972.

NOTICE OF HEARINGS ON SELF-REGULATION IN THE SECURITIES INDUSTRY

Mr. WILLIAMS. Mr. President, I announce that the Subcommittee on Securities of the Senate Committee on Banking, Housing and Urban Affairs, will hold hearings on August 8 and 9, 1972, on two case studies on self-regulation in the securities industry. The first relates to the decision on the inclusion of listed securities in NASDAQ; the second relates to the decision on the sale of life insurance by stock exchange members.

The hearings will be held in room 5302, New Senate Office Building, beginning at 2 p.m.

Persons wishing to submit statements for the record should write to the Subcommittee on Securities, Senate Committee on Banking, Housing and Urban Affairs, Washington D.C. 20510.

ADDITIONAL STATEMENTS

SHIRLEY HIGHWAY BUS LANES

Mr. ALLOTT. Mr. President, a great deal has been written about the success of the Shirley Highway bus lanes between Washington, D.C., and Springfield, Va. This transit route has been cited as one of the most successful exam-

ples of Federal participation in transit operation.

I view the Shirley Highway exclusive bus lanes as a moderate success. It is not, however, the "fantastic breakthrough" which the Federal Highway Administration and the Urban Mass Transportation Administrations have claimed that it is.

A memorandum from E. L. Tennyson, deputy secretary for local and area transportation of the State of Pennsylvania, to Mr. Jack Kinstlinger, deputy secretary for planning, for the State of Pennsylvania, has put the question of the Shirley Highway bus demonstration project into proper perspective. I agree with Mr. Tennyson when he says:

The dramatic increase in transit use generated by the Shirley Highway demonstration is not to be denied. The commuter has benefited greatly. The problem here is to avoid acceptance of the exclusive bus lane as a panacea when, in fact, it is a temporary palliative pending rail rapid transit which will attract far more riders at much lower operating cost with far more flexible trip opportunities even though it will be fixed rail.

Mr. President, so that all Senators may benefit from Mr. Tennyson's memorandum, I ask unanimous consent that it be printed in the RECORD.

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

MAY 16, 1972.

Subject: Exclusive bus lane express bus demonstration—Shirley Highway.

To: Mr. Jack Kinstlinger, Deputy Secretary for Planning.

From: E. L. Tennyson, deputy secretary for local and area transportation.

Because of the tremendous emphasis FHWA is putting on exclusive bus lanes, I have analyzed the operation on Shirley Highway I–95 from Washington, D.C. to Springfield, Virginia, known as bus route 18.

With subsidy, this six-trip-a-peak rudimentary service has grown to 34 weekday trips, 24 of which are in the peak hour, but the service is of no use to local riders, reverse peak riders, non-auto owners, or riders with limited income. Ridership of 2700 passengers per weekday is up 400%, a dramatic increase, but far short of the increases achieved on Philadelphia's Fox Case and Levittown rail commuter lines when similar service expansion was undertaken. The riding habit is only 28 per year, as opposed to rapid transit expectation of 60.

The fare for the 12 mile distance between Springfield and Washington is 80¢ or 25¢ plus 4½¢ per mile. The new increased rate on the Port Authority Transit line (Lindenwold) is 75¢ for 14 miles and on the Port Authority (Pittsburgh) 60¢. The Pittsburgh Library rapid transit trolley, similar to length and population to Springfield, Va., serves about 3000 weekday riders on a much faster and more complete schedule in a much smaller city. The 75¢ zone of the Lindenwold line, comparable to the Springfield area but lower in population serves 13,000 riders, five times as many, but serving a larger central city.

The origin to destination speed of the Springfield-Washington Shirley service is abysmal. Peak trips, which furnish no service to the intermediate centers of Shirlington and Landmark, consume 62 minutes one way, or 13 miles per hour. The Pittsburgh trolly needs only 40 minutes for the same distance and Lindenwold 23 minutes. Off-peak, with intermediate stops at Shirlington and Landmark, the time is 66 minutes. A Philadelphia commuter train would use only 27 minutes for this distance in local service.

The cost of the Shirley express is excessive. Twenty-three (23) peak buses are scheduled which cost $2300 per day for operation plus $250 more for capital. Revenue, even at 75¢ average (Pentagon is only 70¢) produces only $2025 per day. The Lindenwold line makes a healthy operating profit on an average fare of 60¢.

The dramatic increase in transit use generated by the Shirley Highway demonstration is not to be denied. The commuter has benefited greatly. The problem here is to avoid acceptance of the exclusive bus lane as a panacea when, in fact, it is a temoprary palliative pending rail rapid transit which will attract far more riders at much lower operating cost with far more flexible trip opportunities even though it will be fixed rail.

For domestics, school teachers, and other reverse commuters, it should be noted the first bus arrives at Springfield at 10:07 a.m., and the last one returns at 3:56 p.m., a very narrow band of trip making opportunity outside of center city office employment. If even a center city employee is kept after 6:45 p.m. at the office, he cannot go home by this transit. I cannot recommend this pattern as a universal service. No Saturday or Sunday service is provided either. The entire service is useless to a non-motorist, and of limited high cost use to typical commuters.

HIDDEN HAZARDS IN THE SOCIAL SECURITY INCREASE

Mr. FANNIN. Mr. President, I am deeply concerned by the trend in Congress to pass legislation aimed at solving immediate problems without taking into consideration the long-term effect.

There seems to be a growing disregard for the burdens which we may be placing on future generations of Americans. In short, we have mortgaged our future, and have no reluctance about second mortgages.

One premise which we have worked on is the belief that our Nation will continue to expand rapidly, both in population and in the economic sphere. Yet, the very liberals who use this as rationalization for extravagant spending schemes are the ones who most often are the advocates of zero population growth and even zero economic growth in the name of ecology.

The lack of regard for today's young and future generations was nowhere more evident than in our passage of the recent social security increase.

Certainly the increase could be justified on the grounds that our elderly are entitled to everything which we can afford to provide.

What was not considered were two major factors:

First. The immediate inflationary impact which could hurt rather than help the elderly.

Second. The long-range impact on today's workingman who will retire in perhaps 20 or 30 years.

Robert J. Myers, who was chief actuary of the Social Security Administration from 1947 to 1970, has written a most interesting article on the long-range impact of the social security increase.

Mr. Myers, who is now professor of actuarial science at Temple University, states:

We who are doing the planning today should not create a difficult, perhaps intolerable, financial situation for future generations that have no way of avoiding it once it has occurred.

He foresees the day—true this may be 30 or 40 years away—when our children or grandchildren could be paying 15 to 20 percent of the taxable payroll into social security.

Mr. President, I believe that Mr. Myers makes some excellent points which were ignored in considering the social security program. I ask unanimous consent that the article published in the Wall Street Journal of July 28, 1972, be printed in the RECORD:

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

SOCIAL SECURITY'S HIDDEN HAZARDS

(By Robert J. Myers)

Ecologists have put great store in the need to curb population growth in order to conserve the world's limited natural resources. Actuaries and demographers, in turn, have realized for years that at some time over the long-range future the rate of population growth must level off and stabilize because of the simple mathematical fact that indefinite compounding of population growth would produce completely untenable results.

Actually, current experience seems to indicate that from a fertility standpoint our nation is very close to approaching Zero Population Growth level.

It's widely agreed that ZPG is very desirable. Although there may be different views as to how to achieve ZPG, it appears that it will likely be achieved in a gradual manner over several decades, as fertility is controlled to produce an approximate replacement level among women moving through the childbearing ages. But what will the demographic trend mean to the nation's Social Security program?

There is every indication that ZPG will inevitably present a serious Social Security financing problem to the nation's working population in the years following 2010. Some may scoff and say who cares what happens in such a long-distant future year, but we must realize that everybody under age 20 as of today will still be in the working population at that time.

Thus, we, who are doing the planning today should not create a difficult, perhaps even intolerable, financial situation for future generations that have no way of avoiding it once has occurred. In actions such as the recent 20% boost in Social Security benefits, unfortunately, the Congress and even the administration have seemed oblivious to this hidden hazard.

BIRTH AND DEATH RATES

Currently, the crude birth rate (total births in a year divided by total population) has been at a level of about 17 per thousand, although in the 1950s it had averaged about 24 per thousand. On the other hand, the crude death rate (total deaths in a year divided by total population) is currently slightly less than 10 per thousand, and it has hovered at this level for several decades.

It should be recognized, of course, that consideration of crude birth and death rates alone is not significant when viewing long-range possibilities. Both rates depend strongly on the age structure of the particular population. In a relatively young and non-mature population such as ours, the crude birth rate will be higher and the crude death rate will be lower than will eventually be the case when the age structure approaches a mature condition.

Those who believe in forecasting the future by blindly projecting past trends, without any thorough analysis of the underlying details, might well assert that, since the crude death rate has remained level for several decades, it will continue to do so into the indefinite future. Actually, such cannot be the case, even though this level trend may

persist for several decades. Eventually, it will have to increase to a level of about 13 or 14 per thousand.

With our current crude birth rate of about 17 per thousand and a crude death rate of about 10 per thousand, our population growth is thus at an annual rate of about 7 per thousand, exclusive of the relatively minor effect of net immigration.

Naive ZPG advocates who are eager for fast action say we should immediately have no further increase in our total population, by reducing the birth rate at once. Such a course of action would be virtually impossible to carry out because it would mean cutting the crude birthrate by 40% immediately. If this level of fertility continued for very long in the future, we would have a decreasing population and it would require sharply increased fertility to maintain population stability. You just cannot turn fertility off and on like electricity.

The more logical approach to ZPG, and one that the country seems to be following, is a fertility rate such that the average woman in passing through the child-bearing ages has an average of slightly more than two children (to make up for the fact that slightly more boys are born than girls). Or, to put it another way, ZPG will be attained if every 100 women who have children have about 230 children, to make up for the higher male sex ratio of births and for women who, for one reason or another, do not reproduce.

If ZPG is effectuated immediately in this manner, it will take a number of decades before total population growth will have ceased, but such a result will be certain to come, as the total U.S. population curves gradually flattens toward a level of about 270 million, compared with the present population of about 208 million.

However, it may be noted that cost estimates for the Social Security program are based on a different basis as to ZPG—namely a considerably deferred basis such that ZPG from a fertility standpoint would not be reached for at least four decades, and thus total population growth would not level off until at least eight decades from now.

When viewed from a cost standpoint, the vast bulk of the cost of the Social Security program (over 90%) relates to aged persons, 62 or over. No matter in which way ZPG is attained, the absolute number of aged persons will be unaffected for the next six decades, and any resulting effects will only be felt slowly thereafter. Similarly, the effect of ZPG will not be felt on the working population for some length of time, but here the grace period will be much shorter, only about two decades.

Let us next consider what the long-range Social Security cost situation will be under various ZPG conditions insofar as fertility rates of women are concerned.

For the next 20 years, Social Security costs relative to taxable payroll will be about the same under immediate-ZPG conditions as under the deferred-ZPG conditions still being used in the official Social Security Administration cost estimates. (These projections, which assume ZPG on a fertility basis will be reached in 2010, were made under my responsibility in 1966 and were far lower than corresponding estimates made by the Bureau of the Census at that time. As actual experience has developed, even my low-fertility assumptions now seem to be too high.

Social Security costs, in fact, will be slightly lower under immediate-ZPG conditions, because of a lower number of children in the country and thus somewhat fewer child beneficiaries with respect to survivor, disability and retirement cases. However, in the 1990s and increasingly more in the immediately following decades, the pendulum will swing, and the immediate-ZPG conditions will produce fewer individuals at the working ages to support the same number of aged beneficiaries.

The situation will become particularly acute after the year 2010 as the combined effects of two factors are felt. First, there will be the aforementioned smaller number of people in the working ages of 21 to 64. Under immediate-ZPG conditions, there will be about 169 million people by 2025 versus 185 million under deferred-ZPG conditions. This compares with 105 million at present and about 151 million to 157 million in the year 2000.

Second there will be a rapid increase in the aged population, which will tend to be relatively level from 1990 to 2010 at about 29 million (when it will consist largely of the survivors of the low number of births during the depression years of the 1930s), as compared with about 21 million at present. But beginning in 2010 the survivors of the large number of births in the post-World War II years will reach the aged category and the total number of aged will zoom up, not only absolutely but even more significantly, relatively.

Thus the total aged population will rise from about 29 million in the 1990–2010 period to about 45 million in 2025, an increase of about 55%—as against a rise of only about 15% for the productive population.

FIGURING COSTS

In our dynamic—or to use another word, inflationary—economy, Social Security costs should be considered relative to taxable payroll, rather than in dollar amounts. It is widely agreed that Social Security should be financed on a current-cost basis, so that income from contributions or taxes will somewhat more than meet the cost per year for benefits and administrative expenses. I say "somewhat more" because of the desirability, even the necessity, of maintaining a trust-fund balance of about one year's outgo.

It is easy and popular to advocate boosting Social Security benefits, but it should be recognized that this ratcheting affect is permanent and can commit future generations to extremely high costs.

Typical is the 20% increase in Social Security benefits that has just been enacted into law, effective in September. This compares with a rise of only about 8% that was justifiable in terms of cost-of-living changes since the previous increase was effective in January 1971.

The Nixon administration opposed the 20% increase, but rather strangely, not on the really important grounds of what the large benefit increase would do to the long-range financing of the program with its heavy load on the private sector as taxes rise. Rather, the Nixon opposition seemed based solely on the short-range inflationary effects of aged beneficiaries having more money to spend.

We might ask by what magic can Social Security benefits be increased by about 10% more than the change in the cost of living, while at the same time tax rates over the next few decades are decreased from what was scheduled in the previous law, by holding them virtually constant at the present level?

This politically attractive result was achieved through several means. Over the short-range, additional financing is accomplished by raising the maximum taxable earnings base to $12,000 in 1974, which is far more than proportionate to the rise in individual incomes that has occurred since the base was last adjusted in 1968. Such action brings in far more money in the early years than the additional benefits paid out, although in the long-run benefits are substantially increased.

Further, the tax schedule contained in the previous law had rates which were far too high currently and for several decades to come, as compared with what would be needed under current cost financing. Instead, these near future tax rates should have been lowered under any legislation enacted this year (as I had recommended with regard to the predecessor legislation in early 1970, when I was chief actuary of the Social Security Administration.) Thus the excessive tax rates in the previous law have been used for the near future to increase benefits.

NEGLECTED ITEMS

Over the long-range, the costs have been made to appear low by neglecting to take into account the current trend toward immediate ZPG and by assuming that the nation's productivity will continue to increase into the indefinite future at an annual rate of about 2% to 2¼%, as it did in the past, certainly far from a sure thing in light of the shift of public emphasis toward ecological goals rather than year-after-year production increases.

Nevertheless the cost burden seems bound to rise on the working population. Under the deferred-ZPG assumptions used in the cost estimates of the Social Security Administration, the cost of the present level of Social Security benefits (kept up-to-date with future changes in prices) will likely be as high as about 15½% of taxable payroll in the decade of the 2010s. Under immediate-ZPG conditions, this figure would rise to about 20% of taxable payroll.

Assuming that we will very likely have immediate-ZPG conditions and that the country believes this to be desirable, it seems essential that we should recognize its effect on the Social Security program. If we do so, we should then be hesitant about over-expanding the program at the present time, when it in is a low-cost condition due to demographic elements that will most certainly be different in the future. Not to consider this situation will place an unduly heavy burden on our present younger generation and on generations to come.

RETIREMENT OF LAURENCE K. WALRATH, INTERSTATE COMMERCE COMMISSIONER

Mr. STEVENS. Mr. President, on June 30, Laurence K. Walrath retired as a Commissioner of the Interstate Commerce Commission, a position he has held since 1956.

We do not often take the time we should to show the respect and admiration for those who serve the country and Government with great dedication and intelligence. Therefore, it is of great importance that we recognize Laurence Walrath on the occasion of his resignation from the ICC. To perform in such high official capacity for 16 years commends him for his dedication and self-sacrifice. The fact that he has been reappointed by three different Presidents speaks for the respect which his Nation has for him. Rather than directing his great capabilities toward his own future and comfort, he chose to devote himself to the often frustrating rigors of Government service.

It is hard to lose men like this; and Mr. Walrath should know that he takes with him the warmest regards of those in Congress who know him, and our sincere good wishes for whatever pursuits he should choose in the future.

ENDORSEMENT OF A PRESIDENTIAL CANDIDATE BY AMERICAN NEWSPAPER GUILD

Mr. ALLOTT. Mr. President, the editors of the Rocky Mountain News are,

I know, intelligent and thoughtful men. I assume they represent various political philosophies and allegiences. It is my pleasure to call to the attention of the Senate a cogent editorial on the subject of the decision by the leadership of the American Newspaper Guild to endorse a presidential candidate. I ask unanimous consent that the editorial be printed in the RECORD.

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

NEWSMEN AND POLITICS

Since it was founded in Cleveland 39 years ago, the American Newspaper Guild, which as a labor union represents 33,000 reporters, photographers and clerical workers, most of them in large cities, never has endorsed a candidate for President.

That tradition was broken last week when the Guild's 14-member executive board voted to endorse Sen. George S. McGovern during the Democratic convention in Miami Beach.

Guild President Charles A. Perlik Jr. explained that "compelling human pressures pushed the Guild off the thin, illusory edge of neutralism and into the arena where the battle will be fought."

The line between neutralism and partisanship may be thin, all right, but it is by no means as "illusory" as Perlik would have us believe.

Most newsmen, whatever their political persuasions, lean over backwards to be fair in their reporting, and the endorsement of Sen. McGovern by an organization that speaks for newsmen is bound to raise doubts in the minds of the readers.

Sen. Barry M. Goldwater, R-Ariz., says the Guild action confirms his belief that newsmen favor "radical Democrats" over conservative Republicans like himself.

The truth is that reporters are as skeptical of politicians, left and right, as they are of editors and editorial writers, which might be a good thing for all concerned.

Fortunately, hundreds of reporters from New York to Minneapolis have signed petitions opposing the Guild action and disavowing the endorsement of Sen. McGovern or any other candidate.

Delegates from the Denver local who attended the national convention in Puerto Rico voted 5-to-3 to oppose Perlik's move, based largely on the conviction that the Guild, representing people covering politics in an active way, should not take any kind of partisan stance to compromise their reportorial credibility.

We insist a newspaper reporter should detach himself, as far as possible, from the events and personalities he is covering so as to present the most objective possible view to the public.

For the Guild to take sides in a presidential election campaign, or any other political contest, is a handicap most reporters can cheerfully do without.

GOLDEN ANNIVERSARY OF THE ORDER OF AHEPA

Mr. CURTIS. Mr. President, it is my privilege to extend sincere congratulations to the officers and members of the Order of Ahepa in celebrating its golden anniversary.

The Order of Ahepa was founded on July 26, 1922. During this half century, the Order of Ahepa has made many contributions to the betterment of American life. It has 430 local chapters and I am proud to state that Nebraska is among the States represented.

AHEPA's contributions to worthy causes are many and include financial and other assistance to victims of hurricanes, floods, and other disasters. The members of AHEPA are men in all walks of life. They may be businessmen, professional men, educators, laboring men, but all are men of good moral character with the common goal of good fellowship and mutual understanding.

The Order of Ahepa has one main purpose, and that is the improvement and betterment of our social, moral, and family life. All programs of AHEPA are designed toward this end.

I join many other citizens of our country in extending good wishes.

FINANCIAL ASSISTANCE TO ROTC STUDENTS

Mr. STEVENS. Mr. President, I have received from Dr. George Benson, the Deputy Assistant Secretary of Defense for Education, an opinion of Defense Department counsel interpreting the provision of H.R. 4729, now Public Law 92–166, which provides for additional scholarships under the financial assistance program pursuant to 10 U.S.C. 2107.

This provision provides that at least 50 percent of the ROTC students receiving financial assistance under that section must qualify to receive in-State tuition rates at their respective institutions. The Department of Defense counsel has interpreted this provision to apply the percentage limitation on a departmental-wide basis rather than by an institution-by-institution basis.

In addition, Representative F. EDWARD HÉBERT, chairman of the Committee on Armed Services, states that this 50-percent limitation is intended to apply solely to students attending public institutions.

The practical implications of these rulings will be to enable many students from States without ROTC programs to participate in the financial assistance program. Of course, it will also enable students who could not otherwise afford to do so to attend schools under the ROTC financial assistance program at college outside their home States.

Because this is so important to so many young men and women across the United States, I ask unanimous consent that the opinion and the letter from Mr. HÉBERT be printed in the RECORD.

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

DEPARTMENT OF DEFENSE,
Washington, D.C., November 30, 1971.

Memorandum for: Dr. George C. S. Benson, Deputy Assistant Secretary (Education).

Subject: Interpretation of a provision of H.R. 4729.

This is in reply to your memorandum of 22 November 1971, subject as above, requesting an interpretation of a provision in H.R. 4729 which reads as follows:

"At least 50 percent of the cadets and midshipmen appointed under this section must qualify for in-State tuition rates at their respective institutions and will receive tuition benefits at that rate."

We find no legal objection to apply the percentage limitation on a departmental-wide basis in accordance with your suggestion. The legislative history indicates that the Congressional intent in requesting the amendment set forth above was to reduce the cost of the program. The application of the percentage on a departmental basis will affect such a reduction. In addition, it would avoid the discrimination you suggest against out-of-state students attending institutions which charge higher rates for nonresidents.

FRANK A. BARTIMO,
Assistant General Counsel (Manpower, Reserve Affairs, Health and Environment.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1972.

HON. ROGER T. KELLY,
Assistant Secretary of Defense (M&RA), Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: Public Law 92–166 recently passed by the Congress concerning the ROTC requires that at least 50 percent of the students awarded scholarships must qualify for in-state tuition rates at their respective institutions. This matter is being brought to your attention because of varying interpretations that may be possible in the absence of published legislative history on the matter.

It was not our intent to apply the provision to scholarships awarded to students attending private institutions. The limitation was intended to apply solely to students attending public institutions. This interpretation reflects the intent of the committee.

Any other interpretation of this provision will probably create serious disruption and hardship in the scholarship program. For example, the Navy originated ROTC scholarships in 1946 and has been successful in using them. More than two-thirds of Naval ROTC scholarships are awarded to students attending private institutions or to nonresident students at public institutions. The committee obviously did not intend to force scholarship holders to attend public institutions, but rather to insure that their attendance at these schools is in a resident status.

I hope that this information will be helpful in administering the law.

Sincerely,

F. EDW. HÉBERT,
Chairman.

ASSESSMENT OF SUCCESS OF PRESIDENT'S ECONOMIC POLICIES

Mr. ALLOTT. Mr. President, the Denver Post of July 25 contained a useful, accurate assessment of the success of the President's economic policies. I ask unanimous consent for this editorial to be printed in the RECORD.

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

NIXON ECONOMIC MEASURES BEGIN TO SHOW GOOD RESULTS

The Commerce Department last week gave us some very solid evidence that President Nixon's economic game plan is finally working.

During the second quarter of 1972, according to Commerce statistics, the nation recorded a sharp gain in real output; during the same period, there was a marked decrease in the rate of inflation.

Specifically, the U.S. gross national product (GNP) grew during the quarter at an annual rate of 8.9 per cent. This, coupled with a 7.4 per cent gain during the first three months of the year, indicates that government predictions for a 6 per cent increase for the year were overly cautious.

Second quarter inflation was slowed to a 2.1 per cent annual rate, less than half the 5.1 per cent pace during January, February and March.

In commenting on both sets of figures, Herbert Stein, chairman of the Council of Economic Advisers, called them "the best combination of economic numbers released on any one day in this decade."

Stein, unquestionably, had cause for delight; it has, after all, been a long, slow battle to turn the economy around from last year's low point.

But we'd like to mention two potential stumbling blocks in the country's drive toward continuing, non-inflationary prosperity.

First, there is the lurking danger that wage-price controls, for political reasons, may be lifted too soon.

The President's Committee for Economic Development has anticipated this possibility and warned Mr. Nixon against any "premature removal" of such restraints.

Even after Phase 2 controls finally do come to an end, we suggest that as a matter of prudence Mr. Nixon should retain standby power to reimpose compulsory controls on any individual industry or union that disregards voluntary guidelines.

Second, there is always the chance that the government, having revved up the economy through deficit spending, may become committed to too many projects that will require further huge outlays in years to come.

The time may soon come when the President will have to mop up excess liquidity either through budget cuts (a slackening of government spending) or through some sort of tax increase.

The point is that economic health is not a permanent, self-perpetuating condition. Someone has to keep close watch on the country's symptoms—and, where necessary, apply the right medicine.

INVESTIGATION OF ENVIRONMENT AT VALDEZ, ALASKA

Mr. STEVENS. Mr. President, the first quarter 1972 issue of The Humble Way magazine contains an article entitled "Investigating the Environment at Valdez." This is a most interesting piece describing the oceanographic and meteorological research now being conducted into the Valdez Arm through which the proposed trans-Alaska pipeline will extend. This research is being sponsored by the Alyeska Pipeline Co., the company which will build and operate the trans-Alaska pipeline.

Alaskans and environmentalists of all kinds have insisted that the trans-Alaska pipeline be constructed without despoiling Alaska's beautiful environment. Because of this concern, the U.S. Department of the Interior has laid down the most stringent regulations ever established for the construction and operation of this pipeline. In addition, a more detailed and thorough analysis has been devoted to this project than to any other pipeline system in the world. Stringent regulations have been laid down for the construction phase of the pipeline system, and the American tankers which will be necessary for the transport of the Alaskan oil will be constructed with facilities and equipment to prevent spills and other calamities. Double-bottom tankers will be required and special ballast tanks are being designed so that no oily water will be discharged into harbors.

In addition, a great deal of research has been devoted to the marine environment south of Valdez through which the new tankers will travel. The research study discussed in this article will also provide urgent data which will be vital for the tankers traversing this area.

The Valdez Arm is a beautifully clean fjord in which the present study is taking place. The researchers examining this virgin body of water are examining its physical, biological, and chemical composition. They are all skilled scientists who have had great experience in their various fields. Provided with a highly capable and scientifically equipped ship, they are gathering various data which will be of great use in the future.

Mr. President, I believe that it is indeed commendable that the industries planning construction of the trans-Alaska pipeline are sponsoring studies such as the one in the Valdez Arm. They will insure that Alaska will not be left a ravaged wasteland. Instead, I believe that they will prove that wise economic development and environmental conservation are not mutually exclusive but can exist side by side.

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

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

INVESTIGATING THE ENVIRONMENT AT VALDEZ

(By Don Pedera)

The problem is vexatious, immediate and increasing. To solve it, Bill Shiels activates a precision-made, thoroughly tested, highly effective instrument standard in Alaskan oceanography:

". . . Stick, round, tapered, of straight-grain ash, exactly 1.067 meters long, maximum of 69.5 millimeters in diameter, stamped with an oval trademark, "Louisville Slugger."

Swinging his big league baseball bat, Shiels shuffles up and down the slippery, heaving decks of the Research Vessel *Acona*. He flails away at the crusts of frozen spray clinging to rails, jackstaff, winches, wire ropes and superstructure. With every smite, shards of ice fly away on a wintry wind. And the *Acona*, relieved of her burden, makes her way toward another station in the Valdez Arm of Prince William Sound. Bill Shiels stows his bat in the pilot house, and brings into play yet another apparatus familiar to northern latitudes, a snow scoop. Hampered by bulky clothing. Shiels gingerly clears slush from a solar meter, from seawater incubators, from coils of plastic tubing leading to a laboratory aft.

If "exploration is the sport of the scientist" (Auguste Piccard), the men of the *Acona* are participating sportsmen in a championship academic expedition. Their contest is unique in oceanography: to pursue history's first modern, comprehensive, long-term study of a pristine fjord.

"To my knowledge," says team leader Dr. D. W. Hood, "nowhere in the world has advanced oceanography been employed in this detail for so long a time in the thorough investigation of a fjord estuary before man became a significant influence." Dr. Hood explains that Valdez Arm, unlike most other fjords, is very nearly a virgin body of water. With men and equipment which he says are the very best, he has been examining the physical, biological and chemical composition of the fjord for over a year. "We're establishing baselines sure to be useful far into the future," Dr. Hood says. And he adds, "Don't we wish somebody could have done this in San Francisco Bay 200 years ago!"

Need for the Valdez Arm studies arose with plans for an 800-mile overland pipeline to transport oil from Alaska's North Slope. Valdez (pronounced Val-*deez*) was selected as the southern terminal of the pipeline, the port where tankers might take aboard oil for delivery to the U.S. West Coast. Along with its deep natural harbor, Valdez is blessed with two other advantages—a relatively warm climate in winter which prevents thick surface ice from forming, and stable bedrock sites for shoreside facilities.

Of priceless value, this sheltered inlet is also spectacularly beautiful. Dark mounts rear full-born from sea level to snowy caps 6,500 feet above the fjord. In the narrow, densely wooded valleys, rivers spring as waterfalls from melting glaciers creeping down from South Central Alaska's mighty Chugach Mountains.

Against so grand a scale, the marks of a man are faint. Whalers anchored here in the 1800's, and at the turn of the century, thousands of sourdoughs climbed a shortcut through the mountains surrounding Valdez to the gold fields. Their trail became the Richardson Highway, but a hoped-for railroad went another route. So Valdez remained a cozy tourist town of 600 residents until its date with destiny on Good Friday of 1964.

That day, the mightiest earthquake on record in North America rumbled out of the Chugach. Valdez, built on a sandy river flat just 35 miles from the epicenter, caught the full brunt of a temblor that released the energy of 500,000 Hiroshima-size atomic bombs. The loose sediments of the delta quivered like gelatine in a bowl, and the buildings of Valdez came tumbling down. Of the quake's 115 victims, 31 perished at Valdez, more than anywhere else.

Thus, Valdez gained a reputation for vulnerability. But later, following "the most intense study of a natural disaster on earth," the experts said otherwise. The U.S. Army Corps of Engineers recommended a new townsite on solid ground in an area not subject to instability in the event of future earthquake." There, four miles west of Old Valdez, survivors built their town anew. On bedrock across from the new town Alyeska Pipe Line Service Company proposes to place its tanker docks and oil loading facilities.

Yet even if Valdez was a logical place for the pipeline, would such a facility pose a threat to the unspoiled fjord?

Dr. Hood was among the first to wonder. Author of some 75 scientific papers, director of the Institute of Marine Science at the University of Alaska, past chairman of the Alaska Coast Commission, the 53-year-old biochemist proposed a study to assist "the maintenance of environmental quality at Port Valdez."

The philosophy for such a study: "The public, state, and federal agencies, and private individuals, are all vitally interested in developing this area, but not at the expense of sacrificing environmental quality." And further, "Development of natural systems must proceed under conditions and restraints that are compatible to multiple use resources. This is the basic attitude of the Institute of Marine Science, and the work proposed here is directed to accomplish those ends."

Alyeska Pipeline, in which Humble is a partner, agreed that studies were needed as a precaution against possible damage to the environment. With funds from Alyeska, the voyages of the *Acona* began, in May of 1971. Thereafter, in all seasons she revisited established stations to sample marine life, to measure currents, to probe the depths. Fact by fact, the peculiarities of Valdez fjord began to take shape on the graphs and charts of the dauntless little vessel.

Admiration of the *Acona* requires a respect for function. She was built in 1961 specifically for oceanographic research. More

turtle than porpoise, at the beam she exceeds a third of her 85-foot length, making space for wet and dry labs and berths for nine scientists in addition to the crew. An auxiliary propeller forward aids maneuverability; electronics include autopilot, loran, direction finder, depth recorders, and radiophone; deepsea winches and hydrographic davits clutter her decks. Still another research vessel, the *Ursa Minor*, is available from time to time for use as a stationary laboratory.

Although in the beginning oceanographic information was scarce, some scientific data were known about Valdez Arm. Coast surveyors had charted its dimensions. Historically, the climate was marine, with cool summers and moderate winters, cloudy skies, and 62 inches of annual precipitation, much of it dense, moist snow.

The *Acona* confirmed earlier reconnaissance which suggested that Valdez was a typical Alaskan fjord. It had been gouged out by a glacier at a time when great amounts of water were stored in polar ice sheets. When the planet warmed up and the ice melted, the ocean rose to drown the U-shaped valley.

At its greatest depth Valdez Arm is 800 feet deep. In common with most fjords, just outside its entrance is a submerged sill deposited by the vanished glacier. The fjord receives considerably more fresh water from river run-off and moisture-fall than it loses to evaporation.

"So here we have a classical estuarine circulation," says Dr. Robin D. Muench, 29-year-old physical oceanographer and outdoorsman. Dr. Muench will write the final report of the *Acona's* physical oceanographic findings.

Dr. Muench explains that water from rivers flowing into Valdez Arm tends to flow directly toward the mouth of the inlet as a surface layer of low salinity. Deeper down, a layer composed primarily of seawater flows in across the sill. Tides induce some circulation, he explains, and winds and atmospheric pressure also push the water around. "It's all very complicated," says Dr. Muench, "but important, because these are the circulation processes by which an inlet like Valdez continuously renews its waters."

To establish the important facts of water movement, the physical inquiry at Valdez employs current meters, parachute drogues, dye studies, and Nansen bottles to fetch samples of water from various depths.

Of these, Dr. Muench considers the dye studies among the most important. "They help us determine how contaminants might be diffused within the fjord," he says.

Rhodamine B, a dye detectable in very small quantities, serves as a "contaminant" in Dr. Muench's diffusion studies. From an 18-foot skiff anchored on a station, he releases a quantity of dye at a known depth. As the *Acona* circles the skiff, hoses lowered over the side to the proper depth draw in water and pass it through extremely sensitive detectors. "If all goes well, we delineate a plume of dye," Dr. Muench says. "The procedure is also qualitatively useful in learning about currents, tides, eddies, and turbulence."

Careers of the scientists on board the *Acona* indicate the diversity of disciplines gathered under the umbrella term of oceanography.

Dr. Muench has led three expeditions in physical oceanography to the Eastern Arctic. Dr. Hood's experience goes back to the secret Manhattan atomic energy project of World War II. In his 15 years in oceanography, Dr. J. J. Goering has studied biological production off the coast of Peru, and nutrients from the waters of the seven seas. Dr. P. J. Kinney has written numerous papers on the fate of hydrocarbons in northern waters. In related work, Dr. D. K. Button has become an expert in "biodegradation," the process by which oil is broken down by bacteria in the sea. Dr. Howard M. Feder, marine biologist, heads a three-man team studying the benthic fauna (the bottom-dwelling animal communities) in Port Valdez. His research, which has produced several important papers on the marine environment, has led him from the coastal waters of Southern California to the Chukchi Sea. Dr. G. D. Sharma is a geological oceanographer who has studied the sedimentary processes of river deltas in India and the Bering Sea. Now he is studying the nature of the suspended and bottom sediments of Valdez Arm. Then there are the willing and tireless professionals such as chemist Charles Patton, who spent two summers studying salmon eggs on Admiralty Island, and David L. Nebert, physical oceanographer hired to analyze data from the *Acona* cruises.

And there is William E. Shiels, who—beyond his talents with baseball bat and snow shovel—is an accomplished biologist. His studies at Valdez cover the primary production of organic matter and the effect of petroleum on growth of native organisms. Both are vital. For even casual inspection reveals the fjord to be biologically rich. Runs of herring, and silver and king salmon are seasonally enormous. Sports fishermen from Port Valdez also catch red snapper, halibut, and crab. Seals, whales, porpoises, and sea otters frequent the inlet, as do migratory waterfowl. Black bears, mountain goats, beavers, and moose call the surrounding mountains home.

"But we're looking at less conspicuous life," Shiels says. "We're examining the algae and plankton upon which the higher forms feed." He explains that the cold waters of Valdez are surprisingly productive and sometimes bloom richly with marine line, although the number of species is small compared to a coral atoll, for example. At 26 biological stations in the Valdez Arm, Shiels and other scientists sample chlorophyll, nutrients, plant and animal plankton, seaweed, and eelgrass. Experiments continue on the effect of oil on plankton. In another type of research project, a team of biologists are taking grab samples of the bottom for a study of invertebrate animals.

The pleasant workdays of the fjord's shirtsleeve summer yield all too soon to windy, wet, and cold winter, which for the *Acona's* crew, turns easy chores into grinding, arduous labor. And potentially dangerous. With the *Acona* pitching on wind-roiled seas, men encumbered by heavy clothing must be doubly careful. A fall into the fjord's 40-degree water would mean death in less than ten minutes. Numb with cold and swathed in bulky garments, men work less efficiently. "You find yourself doing dumb things," Shiels grumps. "You drop wrenches over the side or trip Nansen bottles before you get the whole cast set."

A three-day snowstorm had Shiels constantly on deck sweeping snow from bottles of phytoplankton in the seawater incubators and from meters recording solar energy. Freezing plankton nets became stiff and unwieldy in rubber-gloved hands. Ice-glazed decks provided treacherous footing, and icicles hampered the use of equipment. "That's when we broke out the baseball bats," Shiels recalls. In the labs, chemicals and electronic gear had to be secured against the ship's constant rolling and tossing.

Dye experiments, difficult under ideal conditions, became doubly complicated. A skiff on one station acquired an unwelcome cargo of two feet of snow. To prevent dye from freezing, scientists installed heating elements in their containers. "Under the circumstances, we did very well," says Shiels. "All said, it was a great cruise."

On the young side of 30, Shiels is one of a generation that has expressed much concern about pollution, depletion of natural resources, and environmental quality. Married, father of one child, he is nearing completion of work toward a master's degree at the University of Alaska. He has chosen a career of positive action toward preservation of the life systems of nature.

"That's the rewarding part of this work for me," he says.

It's not only research for the sake of research, but research directly related to a question of environmental quality. On the Valdez fjord. Aboard the *Acona*. Mixing messy red dye. Fighting frozen metering wheels. And keeping handy a snow scoop and a baseball bat.

COMMUNITY MENTAL HEALTH SERVICES

Mr. BURDICK. Mr. President, effective delivery of mental health services remains a goal still to be achieved throughout the Nation. While Congress and the Federal Government have made strides, much must be done. We have made attempts, and I have joined in them, to decentralize mental health facilities and provide community services. Still the big problem has remained—how to provide services to an individual early enough to ward off more serious problems?

The North Dakota Mental Health Association has come up with an innovative answer. Led by their outstanding leadership, Mrs. Gerridee Wheeler and Mr. Herb Miller, the association has enlisted the State's beauticians and bartenders as mental health helpers. After some instruction from the mental health association, they look out for troubled persons and gently direct them toward professional help.

Midwesterners are known for their friendliness and their willingness to help their fellow man. I would hope, however, that this is more than a regional characteristic, for our North Dakota program should serve as a model to other States and cities. It is a simple, human approach to helping others.

Parade magazine for July 30 reported on the North Dakota project. I ask unanimous consent that the article be printed in the RECORD. I commend it to all who are concerned about the delivery of community mental health services.

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

NEW MENTAL HEALTH PROGRAM: THEY TELL IT TO BARTENDERS AND BEAUTICIANS

(By Theodore Irwin)

BISMARCK, N. DAK.—In most American communities, people with emotional problems can go to a psychiatrist. But in North Dakota, with only 19 psychiatrists in the entire state, this is not always feasible.

To help solve the problem, the state's Mental Health Association has enlisted the aid of bartenders and beauticians (the nation's unpaid psychiatrists).

Says Sally Speidel, who runs Sally's Beauty Boutique in Bismark: "A woman may be in our stylist chair for an hour and a half. All this time she is usually unburdening herself by confiding in the beautician."

"A bartender," says Ken Habiger, who owns the Red Baron Lounge here, "can sense that a customer is begging for help. The guy may become belligerent, start an argument, but sooner or later he'll tell the bartender what's wrong."

As a board member of the Mental Health

Association, it was Habiger who suggested last year that the Association reach out to bartenders as "mental health helpers."

BARTENDERS COACHED

The Association explained the idea to bartenders, and provided them with "Help" booklets listing agencies for referral, including social service centers, alcoholism clinics, and the like. Over 60 bartenders became involved.

Meanwhile, Mrs. Gerridee Wheeler, Association president at the time, was in the beauty parlor one morning for a manicure when she overheard an operator advising another woman who was having marital problems.

With the bartending experiment fresh in mind, Mrs. Wheeler was struck with an idea. Why not beauticians, too?

"Troubled people are usually reluctant to go directly for professional aid," she explains, "perhaps because they feel it creates a stigma. I thought we should use trained citizens who are in constant contact with people as a bridge or conduit into available services. They could encourage those in distress to get the help they need."

In the case of beauticians, however, Mrs. Wheeler went about things a little differently, by approaching the state's 12 beauty colleges and urging them to provide training in mental health care. North Dakota Governor William L. Guy did his part, writing a letter to the state Board of Hairdressers in which he called for "broader understanding of mental health problems."

TO HELP CUSTOMERS

As a result, students at all 12 colleges now take a week-long intensive training course in how to be "mental health helpers." In addition, Mrs. Joyce Robson, an experienced beautician and one of the instructors, plans courses for already-licensed operators. As for the bartenders, they were sufficiently impressed by the beauticians' experience to institute training sessions of their own. Soon they will meet on holidays to listen to a psychiatrist, a priest who does counseling, and a recovered alcoholic who teaches on a college faculty.

The idea, of course, is *not* to replace the psychiatrist's couch with a barstool or beautician's chair. Mental health helpers are reminded, however, that "you can do a lot of good by guiding patrons, and encouraging them to get professional help if they seem to need it."

SCALP TELLS

Mrs. Robson, who maintains that she can tell when a customer is "shook up" by noting the tightness of her scalp, or unusual dryness or lack of glossiness in her hair, also cautions students against making critical judgments or probing too deeply for information. Rather, she explains, she should provide support by expressing reassurance, warmth, and empathy. "In a way," says Mrs. Robson, "we are sounding boards."

Students also visit social agencies, and engage in "psychodrama skits" which demonstrate ways of handling different kinds of problems. Like the bartenders, they are given a directory of various community services. Equally important, they are instructed in the need to respect customer confidences.

Real life situations run the gamut of human tragedy: alcoholism, mentally retarded relatives, marital disputes, rebellious children.

In Williston, N. Dak., a bartender chatted with a regular customer who had just been jilted by his girlfriend. The young man contemplated suicide, and even bought a gun. After two drinks he spilled his story to the bartender. The bartender consulted his "Help" booklet and persuaded the young man to stop in at the local Social Service Center.

Beautician Sally Speidel tells of the wealthy patron whose breath reeked of liquor and who always carried a bottle in her large purse. One morning the woman blurted out that her heavy drinking was ruining her marriage, that she was thinking of "ending it all." Mrs. Speidel soothed her with the tale of another customer who had quit drinking after going to the Heartview Alcoholism Treatment Center in nearby Mandan. There really wasn't any such customer, but there is now, for, two weeks later, the woman wrote to Mrs. Speidel. She was sorry, she said, but she was canceling her regular appointment at the beauty parlor because she had just entered Heartview. "Sally," the letter concluded, "I think I can really lick it this time."

PROJECTS PRAISED

Already, North Dakota has received awards from the American Psychiatric Association and the Department of Health, Education and Welfare for its pioneering achievements in mental health. Moreover, its approach may catch on. Inquiries have come in from 15 other states, and the National Institute of Mental Health (NIMH) has filmed training sessions at Bismarck's beauty colleges.

How come North Dakota, one of our most rural states, is setting the pace for the rest of the country? The answer, says Mrs. Wheeler, is citizen involvement. "We've made mental health so exciting," she declares, "it's caught the imaginations of volunteers all over our state."

To which NIMH official Herbert L. Rooney adds: "We're beginning to recognize that people are a natural resource for helping other people."

INVITATION TO SENATE TO ATTEND 175TH ANNIVERSARY CELEBRATION OF U.S. FRIGATE "CONSTELLATION"—SEPTEMBER 7, 1972

Mr. BEALL. Mr. President, today it is my pleasure to extend an invitation to Senators, staff members, and the general public to attend the 175th anniversary celebration of the launching of the U.S. Frigate *Constellation*, the first ship in the U.S. Navy. This invitation is extended on behalf of Mr. Donald F. Stewart and Mr. Earle H. Burger, director and assistant director, respectively, the Constellation Restoration Committee. Ships from at least eight other nations, including the Soviet square-rigger *Tovarish*, will be on hand to salute the *Constellation* on this occasion.

The Senate recently passed S. 2499, a bill to provide for the striking of a commemorative medal honoring this milestone in the history of this proud vessel. Similar legislation has been reported by the House Banking and Currency Committee, and action by the full House of Representatives is expected in the not too distant future. The funds accumulated from the sale of these medals will help to assure the continuation of the current restoration program.

During its long history, the *Constellation* has undergone various structural changes and restoration projects. From the time of its launching in 1797 until approximately 1871, the *Constellation* was one of the most important warships in the American Navy. It actively participated in various Caribbean patrols, the War of 1812, the Civil War, and the numerous other conflicts which mark the early years of our Republic. Between 1871 and 1940 the vessel was converted into a supply and naval training ship. In 1940 it was again called upon to serve America in time of war, this time as the flagship of our Atlantic fleet. From offices on board, Admirals King and Ingersoll directed the movements of the Atlantic Fleet throughout the Second World War. In 1955 the *Constellation* was finally returned to its home port of Baltimore, where the current phase of restoration began. Today, as a national historical landmark, it serves as a symbol of American freedom to more than 70,000 people who annually visit the vessel. In addition, the *Constellation* serves Baltimore as a focal point around which the inner harbor redevelopment project will take shape. This major effort to revitalize the central city will have the *Constellation* as its centerpiece, permanently berthed at the soon to be completed Constellation dock.

Therefore, with the future of the U.S. Frigate *Constellation* assured, I am particularly pleased to extend this invitation for all to attend this 175th anniversary celebration. The Constellation Committee is planning day-long activities culminating with the Navy Band's award-winning program "The Spirit of Freedom," to be presented at 8:30 p.m., September 7, 1972, on Baltimore's Pier 1, the Constellation dock. I would be pleased to have all Senators join me in honoring the first ship of the U.S. Navy.

RELIEF TO MAGAZINES AND OTHER SECOND-CLASS MAILERS

Mr. MONDALE. Mr. President, in the weeks since I cosponsored with the Senator from Wisconsin (Mr. NELSON) a bill S. 3758, to afford relief to magazines and other second-class mailers, there has been increasing recognition of the *vital* importance of this legislation. No better statement of the high priority which should be afforded this measure can be offered than an editorial published in the St. Paul Dispatch on July 20.

For all the reasons mentioned in this editorial, I once again urge the swift consideration of and action on this measure.

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

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

DEATH BY POSTAL RATE

The most immediate threat to a free press in this country is not subpoenas, government secrecy or Spiro Agnew. It is what has been called "death by postal rate."

In February 1971 the newly-formed U.S. Postal Service requested rate increases for second-class mail (newspapers and magazines) that would average 143 per cent over five years. After public hearings, the Postal Rate Commission recommended an increase of 127 per cent over that period and imposed a first-year increase of 33 and a third per cent. Every publication that puts copies in the mail will be affected, including about 10,000 magazines, many of which already are on the brink of going into the red.

Hardest hit will be magazines of small circulation, say 200,000 or less, which draw relatively little advertising and have limited access to crowded newsstands. Most of their copies go through the mail.

Sens. Walter Mondale of Minnesota and Gaylord Nelson of Wisconsin are cosponsoring a bill which would provide relief from the proposed second-class rate increases and prevent death by postal rate. The bill would freeze postal rates at the June 1, 1972, levels for the first 250,000 copies of each issue of any magazine or newspaper.

The bill deserves bipartisan support. You may call it a subsidy. It is the only one provided the general run of citizens.

SENATOR ALLEN J. ELLENDER, OF LOUISIANA—IN MEMORIAM

Mr. McGEE. Mr. President, I wish to pay tribute to the memory of the late Senator and distinguished colleague from Louisiana, Allen J. Ellender. Senator Ellender was the dean of the Senate, serving as its President pro tempore, and as chairman of the powerful and prestigious Senate Appropriations Committee. He was, indeed, one of the true, genuine, and outstanding leaders of this body.

Relatively few individuals in the history of our country had the privilege of serving the U.S. Senate as long as Senator Ellender. Few men have served his fellow man, his State, and his Nation as did Senator Ellender.

In due time, history will fully record the achievements of Senator Ellender and the contributions he made. That list will be not only lengthy, but also, impressive as well. I should like briefly review here today just a few of his accomplishments that come immediately to mind as we pause to look at the career of this outstanding individual.

As a member, and later as chairman, of the Committee on Agriculture and Forestry, Senator Ellender was instrumental for literally decades in drawing up and pushing through the Senate landmark farm legislation. Agriculture was one of his first interests in the Senate, and it remained a vital interest to his last day. I recall a time less than 2 years ago when he stepped aside as chairman of the Agriculture Committee to assume the chairmanship of the Appropriations Committee. He did so with mixed emotions. Only after resolving in his own mind that he could make a greater contribution to agriculture, to his State, and to his Nation did he assume the chairmanship of the powerful Appropriations Committee.

Senator Ellender was recognized for many characteristics and traits which made him such an exceptional representative of the people. Perhaps one of the most outstanding attributes was his constant demand for fiscal responsibility in the Federal Government. No matter what the circumstance may have been, Senator Ellender's position was always clear and consistent—appropriate what we need to do the job right, but at all times avoid waste. It was to this goal that he dedicated his life—a goal for which all America can be thankful.

Just a few months ago, the Department of Agriculture conducted ceremonies commemorating the 25th anniversary of the School Lunch Act. Senator Ellender was present at the ceremony and was recognized as the original author of that legislation. The program has been of tremendous importance to millions of youngsters who have participated in it during its 25 years of existence. It would be difficult for us to imagine today what it would be like in our school systems without the school lunch program. I am not so sure, however, that its merits were that readily perceptible a quarter of a century ago. At that time, it took imagination, foresight, and courage to initiate and enact this program. Senator Ellender saw the program expand very rapidly under his leadership. Allen Ellender will be remembered for many significant contributions to his fellow man, but in my opinion, none will be more significant than his contributions to the school lunch program.

Senator Ellender was a hard and dedicated worker. He demanded much of himself and much from those around him. Yet, like many other great leaders of this country, his toughness and drive was always matched, by courtesy, compassion, and understanding. It was a combination of these qualities which made Allen Ellender the respected and effective leader he was.

During my years of service in the U.S. Senate, it has been my privilege to serve on the Committee on Appropriations with Senator Ellender. It was in this capacity that I came to know him best. From the very first day that I came to serve on that committee, I found Senator Ellender to be most helpful; and I shall be forever grateful to him as a result. The Senate has lost its leader. We have all lost a respected and esteemed colleague. I have lost a highly valued friend.

PROVOCATIVE QUESTIONS ABOUT REVENUE SHARING

Mr. BURDICK. Mr. President, tomorrow the Committee on Finance is scheduled to begin its markup of the House-passed revenue sharing bill, H.R. 14370, the State and Local Fiscal Assistance Act of 1972.

In its lead editorial yesterday, the Fargo Forum, one of North Dakota's leading newspapers, raised a number of extremely provocative questions regarding the measure.

I should like to share the editorial with Senators especially those who serve on the Finance Committee, and ask unanimous consent that it be printed in the RECORD.

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

REVENUE SHARING CUTS THE PIE UNREALISTICALLY

Governors of all the states and mayors of most big cities are pressuring the United States to approve the "State and Local Fiscal Assistance Act of 1972" without deviation from the revenue sharing formula that has already been approved by the House of Representatives.

These spokesmen for state and local government are so anxious to get their hands into the federal treasury that they have overlooked the details of the House-approved formula.

The bill would provide $5.3 billion among the 50 states, and all of the cities, counties, and townships in the nation. In other words, in order to get some money where it is needed—principally the major cities—the pressure is on for Congress to give something to everybody.

The prospective drain on the U.S. Treasury is fantastic, because once the program starts, who will stop it? Of the $5.3 billion slated for distribution in 1972, $1.8 billion would go to state governments with no strings attached and $3.5 billion would be made available to the smaller branches of government—school districts are not included.

But the local money has strings, and it will be distributed under formulas which measure the need of cities, counties and townships by taking into account population, the extent of poverty in the localities, as indicated by the relative income levels of their residents. These formulas result in some highly unrealistic distribution of funds, in the county-by-county breakdown that was prepared by the House Committee on Ways and Means.

The state of North Dakota would get $3.6 million and the local governments would divide $8.4 million for a total of $12 million. North Dakota's total share is the fourth smallest, with only Alaska, Vermont and Wyoming getting less. South Dakota would get $13.5 million, Montana $16.8 million and Minnesota $114.1 million.

In explaining the purpose of the bill, the Ways and Means Committee said: "The basic purpose of the assistance program is to help state and local governments finance their vital needs. It is essential that the funds be spent for high priority purposes. It would theoretically have been possible for the legislation to insure that the air funds are spent for desirable high purposes by setting down minute and detail specifications as how the funds are to be spent. Your committee rejected this procedure because it would defeat a major purpose of the new program, namely, to fill in a gap in the present categorical aid programs by providing a more flexible system of assistance."

The committee also rejected the proposal to let the local governments spend the assistance funds as they saw fit.

It provides "guidance as to how the local governments shall spend the aid" by requiring them to spend this assistance on specified list of high priority items. These include maintenance and operating expenses for public safety, environmental protection and public transportation as well as capital expenditures for sewage collection and treatment, refuse disposal systems and public transportation. The local governments retain flexibility in spending the assistance because they are given the discretion as how much of the needs are to be spent on any particular high priority items.

Such are the guidelines, but the distribution of funds in North Dakota makes one wonder how some governmental units are going to spend the first dollar of federal assistance.

The statistics, breakdown shows that the local government's share of the 1972 grant in North Dakota is $8,345,133. Of this, the county governments get just a shade under 50 per cent or $4,137,667.

Just how North Dakota counties will use this federal money is somewhat of a puzzle. Perhaps they could use it to entirely finance the sheriff's budget, but that is about all. It could not go for welfare. The counties are not in the business of collecting garbage, although such programs may be soon developed. Nor do the counties run sewer systems or any of the other high priority allocations.

A similar problem of how to spend the money would confront North Dakota townships, which would get $1,296,562. This township grant is 25 per cent of the total township taxes for general purposes levied in 1970. The township general fund levies for

that year came to $4,727,935 while total township levies were $5,165,259.

North Dakota townships are primarily engaged in road maintenance. Only a few of them have such persons as a township constable. There is little that the Federal money could be spent for at the township level, and this money would not divert to the state or to the counties, but to the federal treasury.

North Dakota cities would be entitled to $3,196,919. And two-thirds of this would go to the 15 cities with 2,500 population or more.

These cities probably would have no difficulty in applying the federal money to the fire department, the police department and the improvement of sewage disposal facilities. But it would also give these favored departments of the city government an edge at the bargaining table during budget time. The personnel of these departments could contend that their salaries cost the city nothing, and therefore they should be on an escalated wage scale compared to the rest of the city employes.

The formula for distributing the money among the cities is just as puzzling. Fargo, the largest city in the state, would get $409,341 but Grand Forks, with 25 per cent fewer people, would get $518,121. There is no way in the material available to explain this difference.

Another discrepancy shows up in the grants to Devils Lake and Wahpeton. Devils Lake with a population of 7,078 would get $38,495, but Wahpeton with only two fewer people, 7,076, would get only $28,500.

West Fargo with a population of 5,161 would get $42,037, but Grafton with nearly 800 more people at 5,946, would get only $26,595.

Other allocations to major cities in North Dakota are: Valley City, $29,910; Bottineau, $11,431; Bismarck, $302,240; Mandan, $64,829; Rugby, $13,394; Dickinson, $96,007; Jamestown, $131,711; Mayville, $11,390; Minot, $355,946, and Williston, $65,721.

In nearby Minnesota, Moorhead would get $239,651; Detroit Lakes, $33,070; Bemidji, $82,551; St. Cloud, $431,578; Brainerd, $64,763; Alexandria, $36,703; Park Rapids, $12,353; Little Falls, $54,664; Rochester, $772,343; Fergus Falls, $87,775; Thief River Falls, $35,783; Crookston, $52,171; East Grand Forks, $47,509; and Wadena, $24,153.

The big winners in Minnesota of course would be Minneapolis at $4,827,398, and St. Paul, at $3,935,472. All of the Twin Cities suburbs would also get the share, such as $500,388 for Robbinsda'e and $498,245 for St. Louis Park.

In North Dakota, the grants to the county would amount to about 30 per cent of their 1970 general fund levy and more than 20 per cent of their total expenditures. The city grants would be about 20 per cent of their total expenditures.

There is a "pie in the sky" philosophy in this federal handout to local governments.

Too much money is going where it is not needed, and probably not enough to where it is needed.

All that such a program would do under the present formulas is boost federal spending one more notch to the point where we will never be able to get it under control.

Revenue sharing might be a great idea, but it should only develop after the federal government gets into the status of a balanced budget. To share revenue when the government is $30 billion or more in the hole each year is nonsense.

SALUTE TO GEN. HENRY A. MILEY, JR., AND U.S. ARMY MATERIEL COMMAND

Mr. HUGHES. Mr. President, on August 1, the U.S. Army Materiel Command, Washington, D.C., will celebrate its 10th anniversary. This organization is headed by a man who qualifies as a dedicated professional, an outstanding leader, a public servant of the first order and, above all, a man concerned with his fellow man—Gen. Henry A. Miley, Jr.

I have the greatest admiration and respect for General Miley both as a military leader and as a man. He is a selfless person whose only desire is to provide the best possible support to American servicemen wherever they may be stationed and, concurrently, to serve his Nation.

Ten years ago, when the Army Materiel Command was formed, it assumed all the functions of five of the old technical services—Ordnance, Quartermaster, Transportation, Signal, and Chemical Corps, plus the logistics function of the Corps of Engineers. It was an innovative approach and a difficult task, but one which promised to make the American soldier the best fed, best clothed, best equipped fighting man in the history of the world.

Before AMC had had the chance to settle its daily routine, it found itself involved in supporting U.S. troops in Vietnam on a logistics scale which rivaled and eventually surpassed, in sheer bulk, earlier conflicts. It met the challenge magnificently.

When General Miley assumed command of the Army Materiel Command on November 1, 1970, it was a time for restructuring priorities and, in his own words, "putting it all together." He was faced with the task of streamlining an organization which had not had the time to streamline in previous years. This he did. In the past 2 years, AMC has undergone a series of changes which have reorganized it, reduced its size, and improved its vertical flow of information. And that transformation continues today as General Miley faces a world of reduced budgets, fewer employees, and lower average grades for those employees.

At the same time, though the war in Southeast Asia has continued to wind down for most, AMC finds itself shipping more ammunition than ever—but still it has succeeded as an avant garde employer deeply involved in the welfare of its 130,000 military and civilian employees. General Miley has promoted an excellent program for equal employment opportunity, a far-reaching drug and alcohol abuse program, and improved community relations wherever AMC has an installation or activity.

General Miley is also keenly aware of AMC's role in the daily fabric of American life and has fostered AMC's contribution to improve that life. According to the information I have received, AMC's scientists were leaders in the development of a virtually pollution-free gasoline engine with great potential for the automobile industry. I believe they also were instrumental in perfecting the freeze-dried food process, and have developed a process to change recycled paper into sugar.

These are only a few of AMC's accomplishments at the hands of an outstanding soldier and citizen. General Miley deserves the respect of the individual soldier, the American scientific and industrial community, and the average American.

It is my personal privilege and, I am sure, the privilege of my distinguished colleagues, to salute Gen. Henry A. Miley, Jr., and his associates on this, the 10th anniversary of the U.S. Army Materiel Command and to wish them continued success in their quest.

I ask unanimous consent to have printed in the RECORD a summary of the important programs of General Miley's command during the past year.

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

ARMY MATERIEL COMMAND AT 10 YEARS

The organizers of Army Materiel Command (AMC), faced with a highly complex situation, set three broad goals: First, the new organization had to be responsive to the Army's needs for materiel and logistics support. Secondly, a single Army wholesale logistics system had to replace six of the seven Technical Services systems. And, thirdly, the end result had to be more efficient and more economical.

If there is a single yardstick by which the effectiveness of AMC in its first decade of existence can be measured, Vietnam is it. Army Chief of Staff William C. Westmoreland, who had commanded the Vietnam war effort for four and a half years, attested to the manner in which AMC met its challenge when he said: "The success of our fighting forces in Vietnam is a direct reflection of the Army Materiel Command's ability to keep the fighting men supplied with the best and most advanced materiel."

AMC had performed well during the Cuban and Dominican crises, but it was in Vietnam that the staggering requirements of building up and supplying an Army halfway around the world and over a prolonged period left no doubt as to the new organization's capability of meeting the first goal. In Southeast Asia, AMC materiel and logistics support included: construction equipment and supplies to build bases, ports, airfields, and communications centers; movable piers that helped speed up port construction; and containerization that not only facilitated supply but provided emergency storage in emergencies.

The second goal, to develop a single Army wholesale logistics system to replace six Technical Services systems, has been accomplished with restructured functional management.

A recent notable improvement in the functional structure was the adoption of the Headquarters deputy commanding general organization in 1969. Under this concept the principal Deputy Commanding General is the commander's alter ego and is responsible for management of AMC resources: people, money, and facilities. The Deputy Commanding General for Materiel Acquisition focuses on the development, engineering and industrial base. The Deputy Commanding General for Logistics Support focuses on logistics support for the Army in the field. And the Deputy for Laboratories focuses on the scientific community.

Another functional management development was the formulation and implementation of the Army Supply and Maintenance System (TASAMS). This system, devised mainly by the now disestablished subordinate Supply and Maintenance Command, integrated and improved the control over materiel programing, storage, distribution, and maintenance, and firmly established and standardized supply and maintenance procedures in the basic commodity organizations.

In support of research and development, Technical Industrial Liaison Offices have been

established, whose objectives are to provide scientific and technical data to the industrial community. This program has proved mutually beneficial, and contributes greatly to the accomplishment of the Army research and development mission.

Although there are many figures that can be used to point out proof of more efficiency and economy—the third goal—the one that stands out is that AMC now operates with 50,000 fewer people than the Technical Services had in 1962.

There has been a consistently high level of achievement in the Cost Reduction area before, during, and after the Vietnam build-up, with validated savings exceeding DA and DOD goals in every year since AMC's inception. More than a billion dollars in savings were realized as a result of the program during the past five years.

A typical example would be the reduction in the Army's bulk petroleum storage from a pre-1964 level of 31.6 million dollars to 5.5 million dollars. Results—a one-time savings of 26.1 million dollars, and annual savings of one million dollars in operational and maintenance costs.

While getting materiel to Vietnam, AMC has continued to pursue its short and long range functions in research and development of weapons and equipment for the Army. To more effectively manage certain high interest technical areas in which several laboratories are engaged, AMC has recently emphasized the lead laboratory concept. The designated lead laboratory for a specified technical or technology area coordinates the technical efforts of the other AMC laboratories working in that area; formulates and defends the program; and receives and distributes the related program funds. Among the technology areas currently included under lead laboratory managership are: camouflage, countermine, fluidics, guidance and control/terminal homing, high energy laser, low energy laser, human factors engineering, materials, night vision, nuclear effects and vulnerability. The designated areas are not static. The programs are continually reviewed and revised as warranted by requirements.

Among major items introduced into combat as a result of AMC laboratory research and development are: the M16 rifle, the M79 40MM grenade launcher, General Sheridan Reconnaissance Vehicle, and the Starlight Scope.

Typical of AMC's hundreds of research and development projects was the miniaturization work of the AN/GSA-77 (Battery Terminal Equipment). This small and highly reliable item replaces the Fire Unit Integration Facility and Code Decoder Group for integration of the NIKE HERCULES and HAWK Missile System with the various Army Air Defense Command Posts. The significant achievements included the reduction in weight from 4,000 to 128 pounds; the reduction in size from 700 to 3.7 cubic feet; and the reduction in power requirements from 7,000 to 170 watts.

Other research and development accomplishments include:

Conventional munitions with significant increase in firepower effectiveness.

A new tropical boot that provides a watertight seal between the sole and the upper part of the shoe, is lighter in weight than previous types, needs no break-in period, and ends the need for field repair.

Families of tactical missile systems that give the soldier more firepower and protection against tanks and attacking aircraft.

The AN/PRC-25 manpack radio set, a tactical radio that had been called "the best damned radio in Vietnam."

Ceramic torso shields, worn by aircrewmen in Vietnam, that resulted in the saving of many lives.

Magnesium dry batteries that last more than twice as long as the zinc-carbon type.

Image intensification night vision devices to give a clear, bright picture of any desired target in darkness.

A family of armed helicotpers developed and integrated into the Army system, resulting in increased firepower and mobility.

Improved aircraft crash survivability by improved design and equipment, the most notable of which has been the crashworthy fuel system which significantly reduces the incidence of crash fires.

A new floating tactical bridge which can be emplaced four times faster and requires a fifth of the manpower to erect.

There are just as many examples of savings. The maximum use of tire retreading is an excellent example. During the past eighteen months AMC has increased the utilization of retread tires from 30 to 58 percent. During this period 465,000 tires have been retreaded at an approximate savings of $15 million. AMC has two depots—Red River and Tooele—specializing in retreading for the purpose of training, and retraining a minimum in-house capability as a base for expansion in the event of mobilization. The full implementation of this program should save $20,000,000 annually.

From an organization standpoint AMC has completely restructured the maze of independently administered Tech Services depots into a centrally directed network. Aside from reworking and combining hundreds of rules and regulations, policies, and procedures used by the Tech Services, it has had to develop new and improved procedures to keep pace with the computer age and advancing management techniques.

Vietnam provided AMC an opportunity to test its new procedures and techniques under severe actual combat conditions. Typical of the many lessons learned from Vietnam is that maintenance must be an integral part of system or equipment design and maintenance support must be mobile and durable in the field.

Looking to the future—what's in store for AMC in the next ten years? Those most qualified to forecast AMC's future offer the following estimates: AMC is definitely people-oriented and must be concerned as to what happens to its military and civilian populations. For one thing the next few years will no doubt see the military personnel starting more stabilized assignments with AMC. Some of these assignments may run as long as five years. Those assigned to AMC will have higher education level and those who desire to return to education development programs will be encouraged AMC already has an Army "first" with an educational goal for senior NCOs (E7, E8, and E9) to attain at least two years of college equivalency.

There is going to be a big change among AMC's civilian workers. In 1973 and 1974 slightly more than 20 percent of the technical and professional personnel currently in key positions will be eligible for retirement. This will mean new leadership in key management and technical mission-oriented jobs.

In the future AMC must have expansion in the field of communications between AUTODIN terminals and ADP computers. It must have improved message distribution systems, and greater standardization of communications software and hardware. There must also be many improvements in the management areas, such as increased use of quantitative analysis techniques, and changes in the materiel acquisition process to reduce development time and end item costs, and to increase overall performance effectiveness.

AMC will be increaingly oriented toward the Service Center Concept, which is the centralization of the ADP functions at a single location to provide management information services to satellited depots, thus reducing overhead and operating cost.

There will definitely be a trend toward fewer installations for a savings in overhead through consolidation of activities.

While there will be a trend toward more centralized control of data management, especially with the adoption of AMC's Standard Automatic Data Processing Systems, decentralization of command control and the placing of more authority in the hands of subordinate commanders are definitely planned for the future.

A fully-implemented Modern Volunteer Army would benefit AMC. Such an Army would provide the opportunity to retain personnel over a longer period of time and permit training of career personnel in higher level skills.

AMC installations and activities are working toward a policy of relieving of all troops of the need to perform menial details not related to their military duties. This is being achieved through both the hiring of civilian labor and the use of labor-saving devices.

As with other Services, the Army will see continued reductions in strength as the US role in Vietnam decreases. As far as AMC is concerned, reductions will probably be achieved through normal retirements, resignations, and job changes. Such reductions will force AMC to examine priorities in light of changing requirements.

AMC's efforts will not be confined strictly to defense needs. Already the development of air and environmental pollution control methods by AMC have helped to lead the way for the entire country. Fluorescent particle tracer techniques developed at Deseret Test Center have become standard for a majority of today's environmental studies.

In 1972 it can be said that AMC has met its challenges and that unlimited opportunities still remain.

In looking to the future, GEN Henry A. Miley, Jr., Commanding General, says: "AMC was built on the foundation of the Army's Technical Services. Although AMC itself is relatively young, it is the inheritor of a proud tradition of technical excellence and responsive logistics support. This tradition goes back to the early days of our nation's history. AMC employs thousands of men and women, both military and civilian, in its offices, depots, laboratories, arsenals, industrial plants, and proving grounds. These dedicated people are committed to upholding AMC's tradition of excellence."

FACT SHEET: THE U.S. ARMY MATERIEL COMMAND

Consists of a nationwide network of 83 military installations and more than 100 activities—including four corporate laboratories, and three Army Service schools.

Responsible for the materiel functions formerly performed by six of the Army's Technical Services (Ordnance, Signal, Quartermaster, Engineer, Transportation, and Chemical), including research and development, test and evaluation, procurement and production, storage and distribution, inventory management, maintenance, and disposal.

Manages a $30 billion inventory and an annual expenditure of approximately $9 billion.

Directly employs 12,400 military and 131,000 civilian personnel.

Headquartered in Washington, D.C. area with nine subcommands, and depots, laboratories, arsenals, maintenance shops, proving grounds, tests ranges, and procurement offices throughout the United States.

The nine AMC major subordinate commands are:

US Army Aviation Systems Command (AVSCOM), St. Louis, Missouri.

US Army Electronics Command (ECOM), Fort Monmouth, New Jersey.

US Army Missile Comand (MICOM), Redstone Arsenal, Alabama.

US Army Mobility Equipment Command (MECOM), St. Louis, Missouri.

U.S. Army Munitions Command (MUCOM), Picatinny Arsenal, Dover, New Jersey.

US Army Tank-Automotive Command (TACOM), Warren, Michigan.

US Army Weapons Command (WECOM), Rock Island, Illinois.

US Army Test and Evaluation Command (TECOM), Aberdeen Proving Ground, Maryland.

US Army Safeguard Logistics Command (SAFLOG), Huntsville, Alabama.

Operates CONUS Army Depot System which consists of six General Supply Depots, four Ammunition Depots and six General Purpose Depots. The System employs approximately 42,000 military and civilian personnel who have a wide variety of technical and logistic skills.

FAMILY FARM STATISTICS

Mr. SAXBE. Mr. President, Earl McMunn, editor of the Ohio Farmer, makes a telling point in the current issue of that publication. I respectfully submit that all of us in the Congress should heed his advice when considering any issue. In this case, the issue is the family farm, and Earl's message is that we must separate the statistical wheat from the chaff.

Secretary Butz came under severe criticism for policies that may have driven families off small farms. The editorial which I present today illustrates that most people living on small farms have subordinate income from city jobs which would give them the flexibility and stability to weather most any decision that might be made at the Federal level.

I am not sure when this trend started, but now many people live and work on small farms and commute to cities for other jobs. Full-time farmers affectionately call these folks "sundowners" because most of their farm work is done in the evening hours.

The practice may have started when the land was no longer inherited but purchased at rates too high to provide a reasonable family income. Or, it could have begun about the time roads became good enough to merit driving to town for a supplementary job and home again to work the farm. No matter when it started it is factual that most low production farms in my State and many other States are worked by people who have other jobs.

Manufacturers in Ohio have informed me that the workers who are also small farmers have a very high degree of productivity in the shop or on the assembly line. Those of us who spring from farm stock are proud that rurally oriented people have this reputation with the business community. Philosophically, I believe there is good reason for this. People who love the land and live on it have insight into the very essence of life and can see their efforts turn into tangible daily progress. They have attainable personal goals that merit the sacrifice of working hard at two jobs.

In short, part-time farmers love the land. Whether they come from the city to enjoy rural living or go to town to keep their family farm intact makes little difference. However, statistically they should be treated differently from full-time farmers. Earl McMunn makes this point very well in his editorial entitled "The Myth About Driving Families Off Their Farms." I ask unanimous consent that his editorial be printed in the RECORD.

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

THAT MYTH ABOUT "DRIVING FAMILIES OFF THEIR FARMS"

(By Earl W. McMunn)

A myth is being circulated that the secretary of agriculture is trying to "drive" a million or so low-income families off their farms. These are fighting words. They conjure up images of U.S. cavalrymen herding defenseless Indians toward some desolate reservation. But the charge is just about as implausible and outdated as the image it is intended to create.

The truth is that no policy of any secretary of agriculture could be effective in driving the million families with lowest farm income anywhere. There is one fundamental reason. These families average about eight dollars from non-farm sources for every dollar they get from farming!

We do have a million farms where gross sales are less than $2,500 per year. The average net farm income for this group is a mere $1,050. But this same group averages almost $8,000 from non-farm sources. This ups the total family income to an average above $9,000. These are Census Bureau and USDA figures.

What about farms with sales between $2,500 and $5,000? The pattern is much the same. Here the average income from farming is a little over $2,000. But these same farmers average almost $5,500 from non-farm sources.

Even farmers with sales between $5,000 and $10,000 receive more income from non-farm than from farm sources. Here the income from farming averages about $3,500 and from non-farm sources almost $5,000.

What does all this mean? Perhaps most important is that a lot of rural people have been working out their economic destinies on a pretty sound basis. And, without much aid or interference from government. They have their roots in the soil but look to other jobs for most of their income. With this combination, no one is likely to drive them anywhere. Nor, the excesses of political rhetoric notwithstanding, is any secretary of agriculture even thinking of trying.

It is a fact of life that commercial inputs have made every farm worker many times more productive. This means fewer but larger units, if you're to depend entirely upon farming for a living. But everyone hasn't wanted to get big. Nor, was there any reason why they should.

Here's where most of our low-income "farms" come into the picture. You can live on five, 10 or 40 acres of land. It provides all the advantages of country living, but perhaps not enough cash to meet your needs. Why not combine country living with cash from outside work? This is what a great many people are doing and for them it is a desirable pattern.

The misconception starts with the definition of a farm. According to census bureau, a farm is "a place where agricultural operations were conducted any time during the census year. Places of less than 10 acres are considered farms if the estimated sale of farm products during the year was $250 or more. Places of 10 acres or more, are considered farms if sales of farm products are over $50. Places having less than these minimum amounts of sales are counted as farms if they could normally be expected to produce sufficient agricultural products to meet the requirements of the definition."

With this definition, L. it surprising that we have a million "farmers" grossing less than $2,500 per year? Of course not. But it's a distortion of the truth to use this figure without explaining that these same rural residents receive almost $8,000 per year from other soures. This is what some people are doing—whether out of ignorance or by deliberate intent.

Why shouldn't we be looking at these figures openly and honestly? And, considering their meaning in an objective manner. The first answer is that so-called "low-income farmers" are a lot better off than some alarmists are willing to admit. The country is also better off because of the living pattern they have developed.

We have replaced human labor with commercial inputs such as big tractors, chemical fertilizer, pesticides and all the rest. And, we'd not want it any other way. Farm people can't afford a hand-labor peasant type of agriculture while the rest of the people are enjoying the good things of the jet age.

If there's anything good about "keeping people on farms," then India or China would be the place to live. Most of their people are still classified as "farmers." But, what of their standards of living? A high percentage of their people live in squalor which can't even be imagined by most Americans. And, leaders of those nations understand that improving agricultural efficiency and freeing people for other productive work is the key to improving their standards of living.

But, our total demand for farm products is limited to what the people of this country will consume and what we can sell abroad. Our productive capacity is greater than market demand and is likely to remain this way for some years to come. So, everyone meeting the definition of a farmer can't expect to have a high income from farming alone. Many of the units are too small for this. Neither a 10-acre place with $50 in sales, nor a five-acre unit selling $250 is going to provide acceptable living by modern-day standards.

It is obvious that the time has come to redefine what we mean by a farm. Or, at least we must consider both farm and off-farm incomes when we discuss the well being of people. There's nothing wrong with earning a part of your living from farming and a part by working somewhere else. This pattern wasn't ordered by someone from Washington. It has succeeded because it has met the needs of many families.

Most people agree that there is no substitute for truth. But the truth may be forgotten or an important detail overlooked in frantic attempts to sway public opinion. This is especially true in an election year. Image building becomes all important. And one way to become a hero is to stand up against an "enemy of the people." It matters little whether the enemy is real or imaginary. A mythical enemy may even be the most inviting target. This is the reason some people voice such concern for "farmers making less than $2,500 per year." And, why they don't say anything about the other $8,000!

But if we're to have sound policy decisions, we must consider all the facts, not just those that appear to serve our immediate purpose. We paint a distorted picture if we talk only about farm income for low-volume producers and neglect to mention total income for those same families.

We know that everything in our economy is in a state of change. This isn't confined to farming. The long-hair fad has driven some barbers out of business and reduced the incomes of others.

How you view agricultural change will be influenced to a degree by your political philosophy. If you believe in big government pro-

grams and controls from Washington, you will interpret facts in one way. If you believe in producing to meet market needs with a minimum of controls from Washington, you will probably see things in a different light.

But, about one thing we can be certain. We should not let emotion and political rhetoric blind us to the truth. We all enjoy listening to the facts we want to hear. But we may wind up fooling only ourselves. It's even more serious when we lose our credibility by telling only part of the truth.

President Nixon said it this way after his return from Moscow: "Neither security nor peace can be found in hiding from reality." He was talking about dealings between nations. But the same principle applies in our thinking through of agriculture's problems and opportunities.

NATIONAL READING PROGRAM

Mr. TALMADGE. Mr. President, 21 million Americans lack the basic functional reading skills needed to deal with the everyday demands of daily living and working, according to a survey conducted by Louis R. Harris Associates for the National Reading Center of Washington, D.C.

Principals tell us that 43 percent of the elementary schoolchildren in this Nation cannot keep up with their classmates because of weakness in reading. Educators estimate that 8 million youngsters need special help in learning to read.

I am pleased to report a pioneer effort to assure that Georgia children grow up with the reading skills necessary to live and work productively.

There are not enough teachers, nor sufficient money, to provide the individual attention required in cases where one-to-one reading instruction is needed.

Volunteer help is the only answer to assure this needed assistance, and to assure that children acquire their basic reading skills at the very beginning of the educational process.

Recently, in Atlanta, 125 Georgia volunteers from throughout the State, representing 28 county school districts and six principal cities—Atlanta, Decatur, La Grange, Marietta, Rome, and Thomaston—attended a 2-day reading tutor-trainer workshop sponsored by the department of education and the National Reading Center.

These trained volunteers have now returned to their home communities. They are teaching other volunteers how to tutor children in reading, under supervision of neighborhood classroom teachers, when primary schools begin this fall.

I invite all Senators to join me in commending and encouraging the volunteer reading-tutor program conceived by the National Reading Center as a significant part of the national right-to-read effort.

Georgia is a leader in this endeavor, as one of the first 20 States where departments of education have joined with the center in sponsoring State-level workshops. Also, as volunteer sponsors and participants in the Georgia workshop, were the following universities and colleges: University of Georgia, Augusta College, Dalton Junior College, Mercer University, Morehouse College, Savannah State College, and West Georgia College. Also, the Augusta-Richmond Public Library, and the Lake Blackshear Regional Library participated.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the Georgia county school districts and of some of the volunteer organizations engaged in this fine endeavor to help our State's children advance firmly in reading.

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

GEORGIA COUNTY SCHOOL DISTRICT

COUNTY DISTRICTS

Baldwin.	Glynn.
Bartow.	Griffin-Spaulding.
Bibb.	Hancock.
Cobb.	Jefferson.
Colquitt.	McDuffie.
Columbia.	Muscogee.
Coweta.	Oconee.
De Kalb.	Richmond.
Dodge.	Thomas.
Douglas.	Tift.
Floyd.	Warren.
Franklin.	Washington.
Fulton.	Wheeler.
Gainesville-Hall.	Whitfield.

ORGANIZATIONS

Atlanta Urban Work Ministry—United Methodist.
Boys Club of Macon, Ga.
Cobb Urban Ministry.
De Kalb Reading Center.
EPDA Reading Center.
Frederick Douglass Tutorial Institute, Atlanta, Ga.
Georgia Association of Educational Organizations.
Georgia Department of Labor.
Heart of Georgia Schools, Shared Services, Dodge County School District.
Little River Educational Service Centers.
Model Cities Adult Program.

ADDITIONAL RESPONSES ON INTERVENTION BY CONSUMER PROTECTION AGENTS

Mr. ALLEN. Mr. President, I have received two more letters from Federal agencies—the Federal Trade Commission and the National Park Service—responding to our request for a list of proceedings or activities subject to the proposed Consumer Protection Agency's discretionary rights of intrusion and court appeal under S. 1177, a bill now being actively considered by the Government Operations Committee on which I serve.

As with some other agencies, the FTC's reply was not responsive to the request merely for a list of its proceedings and activities that would be subject to consumer protection agents' intervention and appeal.

Instead, the FTC issued a general statement saying it could not support active consumer protection agent intervention in its adjudicative proceedings, as proposed in the bill we are working on.

The FTC also stated that since it was an independent agency charged by statute with protecting consumers, it should be granted additional consumer protection responsibilities, rather than create a new agency for this purpose.

The National Park Service response, on the other hand, described eight general types of its proceedings or activities subject to consumer protection agent advocacy, and incorporated by reference an additional 121 pertaining to visitor use as listed in the Code of Federal Regulations.

This brings the number of Federal agencies that have responded to our inquiry to 30.

Under the bill, as presently drafted, a "Federal Agency" is any instrumentality which is charged with the administration of any statute of the United States. Thus, the Girl Scouts of America and the American Legion—which, respectively, administer chapters 2A and 3 of title 36, United States Code—congressional commissions and independent Federal agencies are covered as well as Cabinet-level departments and the various operational units of these departments.

Not counting such general and negative responses as those from the FTC and the Justice Department, the total number of proceedings and activities subject to consumer protection agent advocacy listed by the 30 responding Federal organizations is 1,124.

As I did on the 17th and 25th of July, I ask unanimous consent to have printed in the RECORD the responses received to date—in this case the FTC and National Park Service responses—to prepare Senators for the debate on the bill, which I hope will be reported shortly.

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

FEDERAL TRADE COMMISSION,
Washington, D.C., July 26, 1972.

Hon. JAMES B. ALLEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLEN: This is in response to your recent letter requesting information as to how S. 1177—The Consumer Protection Organization Act of 1971—would affect the Federal Trade Commission.

The Senate Government Operations Committee has not formally asked the Commission to submit its views on S. 1177 or H.R. 10835. Therefore, no official Commission position has been developed regarding either of these bills or the intervention sections contained therein.

However, on May 6th, 1971, I testified on behalf of the Commission before the Subcommittee on Legislation and Military Operations of the House Committee on Government Operations on four consumer protection organization bills—H.R. 16, H.R. 254, H.R. 1015 and H.R. 3809. A copy of that statement is attached. On page 9 of the attached statement you will note that the Commission was not unanimous in its views regarding intervention by a consumer advocate. While the Commission is most interested in receiving any information a consumer advocate may wish to transmit, whether in a rulemaking or in an adjudicative proceeding, we are somewhat reluctant to support his active intervention in the Commission's adjudicative proceedings.

At the time of the House hearings there was some discussion as to where the consumer advocate function should be placed, i.e., within the Federal Trade Commission or in a new Federal agency. While S. 1177 and H.R. 10835 place certain consumer protection responsibilities including the consumer advocate in a new independent agency, the Commission stated in its May testimony that such responsibilities logically should be placed in the Commission as it is an established independent agency charged with the responsibility of protecting consumers. This

approach would alleviate many of the difficulties involved in the intervention concept.

If I may be of further assistance, please do not hesitate to call on me.

With kindest regards, I am

Sincerely,

MILES W. KIRKPATRICK,
Chairman.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., July 25, 1972.

Hon. JAMES B. ALLEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLEN: Thank you for your letter concerning the proposed bill to create the Consumer Protection Agency (CPA). Our answers are designed to correspond to the designations of your questions:

1.a. National Park Service regulations, intended for codification in Title 36, Code of Federal Regulations (CFR), are first published in the "Federal Register" as a proposal of rulemaking, prior to final issuance. It is the policy of the Department of the Interior to allow public comment in accordance with 5 U.S.C. 553. Therefore, CPA would have an involvement concerning regulations affecting a consumer interest of park visitors.

1.b. Part 8 of Title 36, CFR, provides labor standards applicable to employees of National Park Service concessioners. Section 8.7 provides a method for settlement of questions arising under Part 8.

Part 20 of Title 36, CFR, provides regulations to control commercial fishing at Isle Royale National Park Section 20.4 provides for an appeal procedure in instances of revocation of a commercial fishing permit.

By notice in the "Federal Register" of April 15, 1971, at page 7184, it was provided that appeals under Title 36, CFR, Part 8, and Title 36, CFR, Part 20 would be heard by the Director, Office of Hearings and Appeals, Department of the Interior.

2. A prime purpose of the National Park Service is to provide for visitor use and enjoyment of areas of the National Park System. In a large sense, the visitor is a consumer and some National Park Service activities could affect him as such.

National Park Service regulation, in Parts 1–7 of Title 36, CFR, in the main, control visitor use.

The charging of entrance and user fees and the control of concession activities have a consumer impact.

The handling of applications for special uses of park lands such as rights-of-way, in some instances, could affect consumer interests.

We appreciate your interest in this matter.

Sincerely yours,

LAWRENCE C. HADLEY,
Assistant Director.

OCEAN DUMPING

Mr. HOLLINGS. Mr. President, recently, the U.S. Army Corps of Engineers has granted permission to American Cyanamid Co. to construct a dock near Savannah, Ga., so as to load barges with sulfuric acid waste material for transportation to dumping sites in the Atlantic Ocean.

This issue has caused grave concern among citizens, environmentalists, wildlife experts, and fishermen along the coast from North Carolina to Florida. We in South Carolina are especially worried about the possible effects this action will have on coastal fishing and marine life in general.

South Carolina is justly proud of its quality of life. We still have clean rivers and beaches. We still have a number of unpolluted estuaries, and our leadership is dedicated to a statewide program of water quality, wildlife preservation, outdoor sports, and a clean, healthy environment.

Today, I have received from the South Carolina Legislature two concurrent resolutions which touch directly upon these issues of ocean dumping and clean water. Both resolutions bear out my belief that South Carolina must be considered among the leaders in those States committed to fighting pollution. I ask unanimous consent of the Senate that the two resolutions be printed in their entirety in the CONGRESSIONAL RECORD.

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

H. 3703

A concurrent resolution to request the Federal Environmental Protection Agency to investigate the possible harmful effects of proposed dumping of industrial acid in ocean areas southeast of Beaufort and report its recommendations to the Congress

Whereas, news reports indicate a plan has been proposed to dump industrial acids at or near the continental shelf south of Savannah; and

Whereas, with the northward flow of the Gulf Stream, such acids could flow through some of the most productive fishing waters off the South Carolina coast and might well pollute and destroy such waters for fishing; and

Whereas, numerous State officials, expert in such matters, have expressed grave concern about this proposed massive dumping of industrial acids.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the federal Environmental Protection Agency is requested to investigate the proposed plan for dumping of industrial acids in the waters off the South Carolina and Georgia coast and report its findings and recommendations to the Congress of the United States as to the effect of such dumping upon the marine life in the area.

Be it further resolved that copies of this resolution be forwarded to the regional office of the federal Environmental Protection Agency in Atlanta and to each member of the South Carolina congressional delegation in Washington, D.C.

H. 3674

A concurrent resolution to memorialize the Congress of the United States to take necessary action to insure the protection of fresh water supplies for Bushy Park and Metropolitan Charleston provided by the Back River Reservoir and the Cooper River.

Whereas, the water resources of this nation are one of our most valuable assets; and

Whereas, the maintenance of a quality water supply for the citizens of any area depends on the efforts of those in government to protect, preserve and control these resources; and

Whereas, it is in the best interest of the citizens of South Carolina to preserve the high quality and quantity of water now available to Bushy Park Industrial Area and Metropolitan Charleston area by way of the Back River Reservoir and the Cooper River in Berkeley and Charleston Counties, South Carolina.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly by this resolution does hereby memorialize the Congress of the United States to protect under all conditions the public and private interests in the fresh water supply now available to the Bushy Park and Metropolitan Charleston areas against any alteration or change that may adversely effect the continuing availability of high quality water to current and prospective users.

Be it further resolved that assurances be made to the end that no federally financed public works project be authorized for construction without such protection, including specifically any proposals of rediversion of flow from the Cooper River System into the Santee River System.

Be it further resolved that copies of this resolution be forwarded to all members of the South Carolina Congressional Delegation in Washington, D.C.

SENATOR ALLEN J. ELLENDER, OF LOUISIANA—IN MEMORIAM

Mr. HATFIELD. Mr. President, while I recognize a special time for tributes to our late fellow Senator, Mr. Ellender, will be set aside on a later date, I wanted to express today my extreme sorrow upon hearing the news of his death.

I will not recount earlier accolades as to his legislative accomplishments—such as the school lunch program—some of my colleagues mentioned these last Friday during the Senate session.

Instead, I wish only to express my profound sorrow at the loss of a friend and teacher. As a new member of the Appropriations Committee, I had the opportunity of receiving Senator Ellender's advice and his counsel many times, and I shall miss not only this guidance, but also his direct and straightforward approach to understanding the myriad complexities of our Federal budget.

I was not a member of the Appropriations Committee until early this year, so I cannot reflect on how our committee operated prior to that time. I do know, however, that all of us on this committee have been pressed to work as diligently on our committee business as did our able chairman, Senator Ellender.

I want to mention one other side of Senator Ellender's many faceted life today, and that is his human warmth. As many Senators are aware, my wife has written a number of cookbooks, and is very much interested, naturally, in cooking. We all know of Senator Ellender's love of cooking. My wife, Antoinette, and Senator Ellender talked many times about cooking and the relative merits of one recipe over some other one. I know she joins me in expressing sorrow at the loss of a warm, a charming, and a most gracious gentleman.

In his travels throughout the world, including his several visits to the Soviet Union, Senator Ellender showed the benefits of people-to-people contacts, and he knew the many advantages to both countries from such contacts. We all will miss the guidance and the counsel of one of our distinguished colleagues.

The citizens of Louisiana are mourning the passing of the courageous fighter for the interests of their State; the people of the entire country are mourning the loss of a leader whose imprint is on much of our legislation; we in the Senate are mourning the loss of a special friend.

There never will be another Allen Ellender, and the Senate and the country suffer because of it.

SCHOOL LUNCH HEARINGS ON S. 3691 AND H.R. 14896

Mr. HUMPHREY. Mr. President, last Friday, I testified before the Agricultural Research and General Legislation Subcommittee of the Committee on Agriculture and Forestry Committee on school lunch and child nutrition legislation. In that I have commented on earlier occasions before this body on the importance of the Congress acting promptly regarding this legislation as it may effect the coming school year, I will not dwell on that point again at this time. However, I would like to point out to my Senate colleagues that my amended version of S. 3691 contains two important provisions not contained in the House-passed bill, H.R. 14896: They are: First, a "grandfather" clause which would prevent any child participating in last year's child nutrition programs from being dropped in the future by reason of the new income eligibility standards provided in the bill, and second, provisions for the establishment of a new, but very modest, national infant feeding program to combat malnutrition among pregnant women and infants ranging in age from birth to age 4.

The only other difference between my bill and the House-passed bill is that my bill does not authorize the use of vending machines in schools to offer students supplementary nutritious foods.

The distinguished chairman of the Subcommittee on Agricultural Research and General Legislation, Mr. JAMES B. ALLEN, chaired last Friday's hearings. He reported to me following the completion of those hearings that he will get his subcommittee together at 9 a.m. this Wednesday, to markup and complete subcommittee action on this important piece of legislation. If he is able to accomplish that objective, the full Senate Committee on Agriculture and Forestry may be able to consider this legislation during its regularly scheduled session immediately following the subcommittee meeting at 10 a.m. on Wednesday of this week, August 2, 1972.

This timetable is very much in keeping with the commitment made earlier by both the chairman of our full committee, Senator TALMADGE and Senator ALLEN that prompt action would be taken on this legislation.

I hope that my Senate colleagues will join me in urging the members of the subcommittee (Senators ALLEN, JORDAN of North Carolina, EASTLAND, CHILES, DOLE, YOUNG, and CURTIS) and other members of the full committee (Senators TALMADGE, MCGOVERN, MILLER, AIKEN, and BELLMON) to support my amendments to H.R. 14896 which are contained in my amendment (No. 1367) in the form of a substitute to S. 3691.

Mr. President, in view of the fact that the record of the hearings will not be available in print prior to the markup session, I ask unanimous consent that the following items be printed at this point in the RECORD:

First. My testimony before the Subcommittee on Agriculture, Research, and General Legislation; and

Second. The testimony of several other witnesses who appeared at last Friday's hearings whose testimony was in general support of my bill and amendments: Dr. David Paige, associate professor of maternal and child health at Johns Hopkins University in Baltimore, Md.; Mrs. Virginia H. Ball, director of school food service; St. Paul, Minn.; Josephine Martin, chairman of the legislative committee of the American School Food Service Administration, and Mrs. Elizabeth S. Hitchcock, R.D., who serves as the acting nutrition services supervisor of the Virginia State Department of Health in Richmond, Va.

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

TESTIMONY OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman, Members of the Subcommittee, I am here to urge swift and affirmative action on the child nutrition legislation before you at this time.

The legislation is H.R. 14896, a bill which the House of Representatives passed by an overwhelming two-thirds majority, and my amendment S. 3691, the bill which I have introduced along with 12 Senators, Republican and Democratic.

I urge you to limit consideration of child nutrition legislation to these proposals for now. Other proposals are pending before this Committee, including a bill introduced for the Administration by the Chairman, Senator Talmadge, and the ranking minority member, Senator Miller; a bill sponsored by Senator Hart and many others; a bill sponsored by Senator McGovern and others; a bill sponsored by several other Senators and me.

All of them will involve major, and much needed revisions in the child feeding program. Together they will provide new authority, require improved regulations and support more effective procedures. However, they need careful examination and thorough discussion. The Administration bill, for example, will greatly restrict the operational flexibility of states and local school districts, and we should proceed very carefully to further concentrate authority over local conditions in the Federal bureaucracy. My own bill authorizes a meals program in schools which would make nutrition as much of a service as textbooks; what goes into a child's stomach is directly related to the knowledge the child's mind can retain.

Senator Hart's bill would greatly expand the school breakfast program, an action which more and more school teachers and administrators are coming to view as an urgent reform in child nutrition. Senator McGovern proposes to begin the universal food service program in a carefully structured model for pilot testing and evaluation.

These proposals all have merit, but it will take time to mold them into the first major reform of the child nutrition program since the School Lunch Act was passed in 1946.

We do not have this much time. School begins in less than a month, and the Congress must act now to help the States and school districts prepare to feed those children who will be coming in the school door. The major reforms must wait until the next Congress.

S. 3691 in its amended form and H.R. 14896 do not differ greatly in content. Both contain the same provisions for setting eligibility standards, the same provisions for breakfast and non-school food programs, the same level of reimbursement for local schools and the same authorization to help schools obtain equipment and food service facilities. The purpose of both is the same. They define a public policy which says the children should be fed and reject a USDA policy which threatens school officials who put good nutrition as a first priority.

There is substantial agreement that schools will need a higher reimbursement level if we are to avoid higher lunch prices this fall, a situation which will lead to fewer rather than more children obtaining a nutritious meal. The proposals call for an eight cent reimbursement on all meals served, or two cents more than the Congress provided last school year. The amount will simply enable schools to meet the cost of higher food prices and wages.

Similarly, we should join with the House in authorizing States and local districts to set eligibility levels which are broader than the Federal income eligibility level of $4,110 a year for a family of four. The USDA will urge a more restrictive policy, but anything less than these bills provide will be a harsh and inhuman effort to keep children from families with low and moderate incomes from being served by this program.

The breakfast provision will let any school, including the 22,000 schools which the USDA failed to approve for breakfast last year, start the program immediately. The provision also will correct an erroneous impression which the USDA has gained about the intent of Congress.

Senator Bellmon, in persistent questioning of the USDA before the Select Committee on Nutrition recently, got the agency to say the "basic legislation would not lead one to believe the intent of the Congress" was to reach substantially larger numbers of children.

As always, we must take the USDA by the hand and show it what compassion for people is all about.

That, in effect, is the purpose of the major new provision I have included in my bill, the amendment to authorize a program to supplement the diets of pregnant and lactating women and of children from birth through age four.

A program is operated by the USDA to distribute commodities which masquerade as a supplemental nutrition effort, but it is difficult to characterize it as a sincere effort to help mothers and infants.

The USDA has issued instructions that no new areas are to be added to this program, nor are any existing projects to be expanded. Witnesses can be brought from Detroit to confirm this, and to establish the fact that a quota of no more than 15,000 persons will be helped by this program in Detroit.

Witnesses can also testify that only through the strenuous intervention of Senator Griffin in Michigan last winter did the USDA reverse a policy of cutting back on the foods provided under this program.

The point is that the USDA has drawn the line on a program which, with creative administration could reach the one group which most needs nutritional aid and is least likely to be served by food programs. Infants from birth until nearly age two can be impaired physically and mentally by malnutrition, and the evidence is building that the damage is irreversible if not caught in time. Others will testfy here today in more detail on these facts, and I simply want to say that we can no longer afford to neglect our responsibilities to mothers and children who are at nutritional risk.

There is ample evidence, which also will be presented later to this committee, that a program which combines special infant formula with a careful demonstration and nutrition education effort in neighborhood clinics and in homes can bring malnourished infants from far below the average health level to a point far above average.

And, there is ample evidence that states and communities are ready and eager to begin such programs now. The State of

Maryland has requested, and has been rejected funds for a statewide program.

I am proposing that a new program, in addition to current USDA efforts, be authorized to serve pregnant and lactating women from low income populations which demonstrate one or several of these characteristics: Known inadequate nutritional patterns, unacceptably high incidence of anemia, high prematurity ratios or inadequate patterns of growth (underweight, obesity, or stunting). Low income individuals with evidence of previous high risk pregnancy as evidenced by abortion, premature birth, or severe anemia would also be included.

Infants or young children at nutritional risk who would be target groups include those in low income populations which have shown a deficient pattern of growth by minimally acceptable standards as reflected by an excessive number of children in the lower percentiles of height and weight.

I would emphasize that funds for this program would be used for grants to States and communities, and not converted into commodities by USDA. Any commodities would be provided in addition to funds authorized.

Further, it would be the sense of this legislation that mothers and infants at risk should be helped to obtain an improved diet, and that regulations, instructions, guides and other administrative devices should help people and not build bureaucratic prisons for program funds and authority.

Mr. Chairman, I have several articles relating some of the scientific evidence available in support of the need for this new infant feeding program which I would like to have inserted into the hearing record following the completion of my statement.

S. 3691 also contains a positive statement that no child who received a free or reduced price lunch last school year will be made ineligible simply because of a change in the law.

And, finally, my legislative proposal does not include the provision in H.R. 14896 authorizing vending machines. This food service technique poses some serious problems for school food service managers. Until adequate nutrition safeguards can be provided, the issue should not be raised.

Swift action on this legislation will enable school administrators and lunch room managers to be ready for the fall term. Failing prompt and affirmative action, lunch and breakfast programs will start in an atmosphere of great confusion and uncertainty, and the only thing which will be certain is that Congress has joined the USDA to help prolong malnutrition in this nation.

Mr. Chairman, I want to commend you and other Members of your Subcommittee and Members of our Full Agriculture Committee for their leadership and initiatives concerning improvements in our nation's child nutrition program.

I want to pledge to you and others on the Committee my continued support regarding these efforts. Thank you.

TESTIMONY BEFORE THE SENATE AGRICULTURAL SUBCOMMITTEE ON RESEARCH AND GENERAL LEGISLATION, JULY 28, 1972

(By David M. Paige, M.D., M.P.H.)

I am David M. Paige, M.D., M.P.H., Associate Professor of Maternal and Child Health, The Johns Hopkins University, School of Hygiene and Public Health, Baltimore, Maryland. I am also a member of the Board of Directors of the Maryland Food Committee and I am speaking here today in both capacities.

The Maryland Food Committee is a citizens committee dedicated to the elimination of hunger in Maryland. Organized in 1969 as a response to a report of thousands of undernourished children in Baltimore elementary schools without a school lunch program, the committee soon came to a realization of what was also the conviction of the medical profession, that the problem of malnutrition begins long before children reach school.

In 1970 a study of children entering the first grade of Baltimore's inner city schools showed 25% to be suffering from nutritional anemia and low serum Vitamin A levels. Another study of children in Baltimore City Health Clinics showed an incidence of borderline and unequivocal iron deficiency anemia among children 6 months to 2 years of age in over ⅓ of the population studied. Other survey data suggests that 40 to 60 percent of the children living under depressed conditions will exhibit this form of nutritional anemia at one year of age.

What we have said above is simply to state that the problem of malnutrition is a continuum: an insidious cycle of events often originating before a baby is born and continuing through the individual's life. The nutritionally deprived young infant, who manifests objective criteria of malnutrition in terms of stunting of growth and weight; small head circumference, nutritional anemia and many other measurable biological and biochemical parameters, begins life at a serious and very real disadvantage.

If the already poor nutritional status of such an infant is further stressed by continued inadequate food, a permanent loss of full potential of growth and development is noted. (The period of maximum growth of brain size is during the first two years of life with 85% completion by the end of that time.) This not only leads to intellectual impairment, but behavioral unresponsiveness as well.

Such a child does not relate well to his environment. His normally short attention span, fatiguability and distraction are all greatly increased. He therefore has less time to learn. His biological deficits are compounded and developmental landmarks are delayed. He exhibits poor cognition, slowness in learning, and poor retention of what has been learned.

We begin to see a spiral effect as this less than adequately nourished young child becomes increasingly unable to learn and to successfully compete in a highly technological society. Once these critical early years of growth, neurological maturation, and cognitive developments are passed it is impossible to go back. By the time the youngster enters school, remedial action is too late. The cost to the nation in terms of lost human potential and the high cost of remedial or custodial care is incalculable. The only sound approach is the reinforcement of the nutritional state or disadvantaged children during the critical formative infant and preschool periods.

We have taken such an approach in Maryland. Our population of disadvantaged children, cared for by the federally supported Children and Youth Project, demonstrated and reflected the same severe problem of poor nutrition seen among many disadvantaged children. The growth and development of these children were compared against standard charts: 20% of C & Y children, more than six times the number expected, during infant and preschool years are below the minimally accepted standards for eight (third percentile of the Boston-Stuart height chart). 15% of C & Y children, more than five times the number expected, are below the minimally accepted standards for weight (third percentile of the Boston-Stuart weight chart). 31% of the infants at twelve months of age showed iron deficiency anemia with a hematocrit of 31.0% or less.

Recognizing that the severity and scope of this problem demanded attention, a vigorous nutritional program aimed at infants was initiated. The Baltimore City Health Department and the Maryland Food Committee working in cooperation with the Johns Hopkins University School of Hygiene and Public Health developed a pilot project to improve the nutritional state of an indigent group of inner city Baltimore infants through the distribution of iron fortified powdered infant formula. The objectives were to provide:

(1) a rich source of biologically superior protein to enhance neurological maturation, growth, and development

(2) iron to modify and eliminate the alarmingly high prevalence of nutritional anemia

(3) nutrition education to assist mothers in applying sound nutritional principles in the feeding of their youngsters, as well as others in the home.

When these infants were initially evaluated at birth or their first clinic visit, there were six times as many children as normal below the third percentile for length; four times as many children as normal below the third percentile for weight, with approximately 40% of these children showing signs of anemia with a hematocrit of 33.9% or less. (8% had hematocrit readings under 30.0%). When one analyzes these records it is abundantly clear that this is a population of infants at considerable risk—similar in all respect to the population of children studied at the C & Y clinics. This handicap is clear from the overwhelming morbidity, or presence of illness, found in these children at their "*well* baby" clinic visits. More than 80% have some identifiable medical problem at clinic visits.

Preliminary results indicate, however, by the third clinic visit at approximately six to seven months of age, marked and significant improvement takes place with the continued consumption of iron-fortified formula. Only 5% of the children are below the third percentile for height compared to 20% in the non-supplemented group. Only 3% of children are below the third percentile for weight compared to 18%. Hematocrits indicate only 2% of infants now have a hematocrit less than 30.0% whereas 8% of infants had deficient hematocrits when enrolled in the study. The number of children completing the fourth clinic visit at approximately nine months of age is not sufficiently large to report in detail. However, all the evidence shows an even greater improvement in nutritional indicies.

These studies suggest that iron-fortified infant formula programs contribute significantly in upgrading the nutritional status of high risk infants. They significantly reduce the expected frequencies of iron deficiency anemia during the first nine months of life and contribute to an accelerated improvement in the height and weight of these infants. This program has shown itself eminently practical from an administrative point of view, so much so that the Maryland Food Committee, with the cooperation of the State Health Department expanded it in October 1971 into nine counties in Maryland. This spring Maryland applied for federal funds to operate a statewide program but the Department of Agriculture has not acknowledged this need.

However, the results of a study, such as the one just reported, underscore the importance and urgency of addressing our attention, energy, and money toward eliminating poor nutrition among infants. To be able to eliminate undernutrition among infants, and thus prevent the tragic and costly results in wasted human potential which this malnutrition can cause, and to neglect the opportunity is a serious distribution of National priorities. The $125 to $150 it might cost to provide iron fortified formula to one child for one year is only a fraction of the cost of medical or remedial care for that same child if he is undernourished.

I would therefore urge this Committee to

support and provide for presently existing programs aimed at improving the nutrition of the nation's infants, and to provide sufficient funds to encourage expansion or development of new programs. This is a matter of great urgency. It is our considered opinion that the distribution of iron enriched infant formulas during the first year of life represents a major step toward reinforcing the nutritional status of children in the United States.

Let us be very clear about one thing. No new money is being requested. The $20 million in the amendment in Sec. 7 of the legislation before you represents funds already appropriated by Congress, but not spent in fiscal 1972.

This Congress has demonstrated in the last year, through its passage of PL 92-32 and H.J. Res. 923, its very real concern with the hungry children of this country and its determination to do something about it. The funding of the School Lunch and Summer Lunch programs and the pressure on the Dept. of Agriculture to expand the School Breakfast and year-round non-school food service (day care) programs has been very heartening. It is a logical and essential addition to this effort that would reach infants with iron-fortified milk, so that children would not go through that most crucial, formative first year poor nutrition.

TESTIMONY ON H.R. 14896

(By Mrs. Virginia H. Ball)

Mr. Chairman and Members of the Committee: It is a privilege for me to represent the urban and rural areas, major city directors and the Board of Education of Independent School District #625, St. Paul, Minnesota, before your committee today.

By the way of background, the Board of Education and the school administration mandated, in 1967, food service for all children in St. Paul as rapidly as it could be accomplished. Eighteen (18) secondary schools and three (3) elementary schools serving handicapped children had been in the school lunch program for many years. Fifty-nine (59) elementary programs opened between September, 1967 and September 1971. All of the 49,837 children in the St. Paul Public Schools have a hot, well-balanced, nutritious lunch available today.

We have ninety-two (92) lunch programs and this includes satelliting the school lunch to four (4) parochial schools. There have been thirty-one (31) breakfast programs, and four pilot programs for feeding the elderly in operation this past year. We will expand the program for senior citizens to fourteen (14) schools in September. There are thirty-five (35) kitchens which provide the lunch for their school and fifty-seven (57) satellite schools. We have an average daily participation of 28,000 students or approximately 62% of the enrollment. As of the end of the last school year, we were providing free and reduced price lunches to 11,626 students or 24.2% of the student body.

We support H.R. 14896 but we have four major areas of concern:

TIME

The food service director at the local level today operates on the crisis approach to change. We desperately need to have legislation and its interpretation done in such a way that we may have an adequate amount of time to plan and implement the wishes of Congress.

P.L. 91-248 which is certainly the greatest thing that has happened to school food service since its inception requires, under guidelines developed by the U.S.D.A., that every parent receive policy statements, eligibility standards, applications for free and reduced rates, and acceptance or rejection notices for every applicant. This is both an extremely time-consuming and costly operation. We would normally send this information home with the children during the last two weeks of school in June and work all summer processing the thousands of applications we receive in order to be ready to provide this service on the opening day of school.

In St. Paul, we use a system whereby tickets are mailed to the students' home in our effort to protect their anonymity and increase their participation in the program.

Today is the 28th of July and we do not know the criteria for free and reduced meals which we will be expected to provide on September 5. We are apprehensive of our ability to provide this service because of the time element. If we are to have any degree of efficiency in our operation, these guidelines should be available to all of us by April 1st.

COSTS

We are grateful for the additional 2¢ per meal provided in H.R. 14896, but this will not really meet our needs. We, in St. Paul, lost approximately 200,000 dollars in the last school year. This was the result of a combination of circumstances. We were first notified of the change in reimbursement at the National School Food Service Convention in Minneapolis the first week in August. Controls mandated by the President prohibited an increase in the cost of the program to students. The ensuing settlement of the hassle between the U.S.D.A. and the Congress on reimbursement was not resolved until November, which meant that we, at the local level, did not know what appropriations we could expect until December, three full months after school opened.

One of the objectives of this program has always been to provide meals at a minimal cost, available to all students. This is no longer true. We are being forced to price ourselves out of the market. There is a direct relationship between the price of the school lunch and participation. Year before last, in St. Paul, we had twenty-six (26) schools in low-income areas on totally reduced rates. The maximum charge to students was 20¢ per lunch. Regulations were changed this last year, and we were not permitted to continue operating in this manner. Our records show that we fed 14.2% fewer children in these schools when the price of the lunch returned to 30¢ for elementary and 35¢ for secondary students.

Due to our loss in operation this past year, it will be necessary to increase the cost of the school lunch to 35¢ for elementary students and 40¢ for secondary. We anticipate that at least 10% of our students will be unable to participate in the program because of this increase.

Under the present bill, a family of four whose gross earnings exceed $5,138 for free lunch or $6,165 for reduced rates would be expected to pay full price. Families whose income places them in a bracket just outside of the maximum eligibility standards for free and reduced rate lunches—and these figures are gross with no allowance for even normal deductions—cannot receive assistance and at the same time cannot afford to pay for their children's lunch. This forces them either to do without or to carry bag lunches which in many cases do not meet accepted nutrition standards. It seems to us that we are feeding the affluent and the economically deprived while the "forgotten child" is the one whose family does not qualify for assistance and who cannot really afford to pay. If your family of four consisted of a parent and three children with gross earnings of $6,166 annually, this is one dollar more than the maximum earnings on a chart for reduced meals, would you be economically able to send $1.05 or $1.20 per day to school for your children's lunch?

We find that the administration of the guidelines for this program as outlined by the U.S.D.A. in providing all of the materials for every parent in our district as well as tickets, etc. to be very costly. We, in St. Paul, listed only those items to which we could attach a dollar value and found that in this last year we spent more than $28,000. Roseville and Bloomington, two nearby suburban areas, spent $24,691 and $36,900 respectively. St. Paul could have provided children with more than 49,000 lunches based upon our last year's cost figures for the same amount of money. These figures do not include the intangibles such as sorting paid, free, and reduced tickets; making daily reports; selling tickets in our schools, etc.

We would like to ask, if the minimum wage law before the Congress now goes through at $2.20 per hour, that consideration be given to increasing the 8¢ figure proportionately. Many, many districts throughout the United States will either have to increase prices and lose participation of those students who need to be a part of the program or rely upon the Congress for increased appropriations to cover higher labor costs. Most school districts, unless they are unionized or a part of a civil service system, pay minimum wage.

BREAKFAST PROGRAMS

The provision in H.R. 14896 to allow the expansion of the breakfast program to all schools and to make it permanent is most welcome. This is an important program and one many educators will say is more valuable than the lunch program. Many of the St. Paul principals have told me how tardiness has declined, attendance is up and children are more receptive to their classes as a result of having had breakfast. In St. Paul, we have thirty-one (31) breakfast programs. We would like to expand this number, but under the new regulations which demand that we use the same accountability system for breakfast as is required for lunch programs and a five cent (5¢) reimbursement for the paying child, makes us hesitant. Our breakfast prices to children for the last three years have been five cents (5¢) at the elementary level and ten cents (10¢) for secondary. This has been too low this past year and we will increase them to ten cents (10¢) and fifteen cents (15¢) in September. On the one hand, with a five cents (5¢) reimbursement, we cannot make ends meet, on the other, if we raise our prices beyond the five cents (5¢), we will reduce participation.

Innumerable studies have proven that poor nutrition affects all aspects of our society and we do not want to price our services out of the range of all students. We believe reimbursement for free and reduced breakfasts to be adequate. However, citing the same example used before—parent and three children with a gross earning of $6,166 annually, would have to provide the children with not $1.05 to $1.20 per day, but $1.95 to $2.10, if they were to participate in both the breakfast and lunch program and we were to break-even.

The lack of funds during this past year in the breakfast program has made it difficult to add schools and those of us with schools eligible under the old regulations for 100% reimbursement, could not get it simply because the states did not have the money.

VENDING MACHINES FOR NUTRITIOUS FOODS

We urge that Section 7 of the bill having to do with vending machines for nutritious foods and profits accruing to any organization approved by the school be denied.

In St. Paul, we recognize that children from junior and senior high schools need some choice in foods. We provide three lunches every day, two hot and a salad bar. They all meet Type A requirements. Our a-la-carte items are apples, oranges, ice cream and extra milk and they are sold over the counter.

If we must have vending machines, then

we would ask that those foods permitted be clearly specified. It is not possible to say that candy has no nutritional value. It does have, but three candy bars for lunch will not provide one-third to one-half of the nutrients required by the growing child.

The National Nutrition Education Conference in Washington last November pointed out the growing concern for the lack of good nutrition in the diets of teenagers today. Studies and surveys throughout the country have shown that teenage diets from every cultural, social and economic group are inadequate and deficient in many of the essential nutrients. That is not due to a lack of good food, but from improper choices and points up the great need for mandatory nutrition education in our schools today. Wise food choices at an early age must be taught just as we provide instruction in reading, spelling or arithmetic.

Vending machines are operated for a profit. If we must have them, we believe the profit should accrue to the food service programs to aid in off-setting the cost of the contribution to the programs by the Congress and, in turn, help reduce the burden to the taxpayers.

An obvious inequality resulting from the use of vending machines is the inability of children receiving free and reduced tickets to participate. These children would be tempted to sell or barter their tickets for money to use in these machines.

Parents send money to school for the purpose of providing their child with a nutritious lunch or breakfast. The vending machines would also tempt paying children to spend a part of their money, leaving insufficient funds for their meal ticket.

SUMMARY

In summation, this testimony may sound highly critical. It is not meant to be. The rapid expansion of food service programs today have made them "big business". In St. Paul this is more than a 2½ million dollar a year business. While in business the usual goals are profit and expansion, ours are to feed every child well. As money for schools becomes more difficult, we are asked to operate on a break-even basis. We believe you would find it very difficult to operate your business in the manner we are asked to provide a break-even food service. We would suggest that food service programs be put on a business-like basis with adequate time for planning and implementing the wishes of Congress and that funding keep pace. We would urge that all regulations and reimbursement rates be made available to all of us by April 1, at the latest, each year for the following year.

The children we are feeding today will replace you and me tomorrow and hopefully we will have offered to them the best we have available today.

Being a food service director is not all bad. When you walk among the children eating in an elementary school, feel a tug on your skirt and a little seven or eight year old freckle-faced, red-headed boy looks up at you and says, "Lady, this is the bestest lunch I ever had," it is all worthwhile.

STATEMENT OF JOSEPHINE MARTIN

Mr. Chairman and Members of the Sub-Committee:

I am Josephine Martin, Administrator of School Food Services Program in the Georgia Department of Education. I also serve as Chairman of the Legislative Committee of the American School Food Service Association. As I testify before you today, I represent the 48,000 members of ASFSA, an organization totally committed to meeting nutrition needs of children during the school day.

On behalf of the association I wish to thank the Sub-Committee for the opportunity to express our views on the legislation under consideration, H.R. 14896. Passage of this bill is both important and urgent. Members of the ASFSA are grateful to you for your support of more adequate programs in child nutrition. It was hardly a year ago that we were appealing to you to provide a solution to a crisis which resulted when USDA regulations proposed in August, 1971 would have denied lunches to thousands of school children. You and the other members of the Senate Agriculture Committee initiated the action that resolved that crisis for the 1971–72 year.

Today we face another crisis; a crisis of uncertainty and inadequate funding! Only Congress can resolve the crisis. At the present time, I and other directors who operate programs are faced with a dilemma. It's time that local school systems had information about rates and eligibility standards as the new school term will begin for many children August 25. To send information now will surely mean retracting and beginning again!

H.R. 14896, the bill being considered today would resolve many problems; it will do much to eliminate the confusion and uncertainty that exists at the state and local school district level with respect to funding and operation of the school lunch and child nutrition programs for this current fiscal year. Moreover, it will greatly simplify and make more efficient the state level of administration of these programs. Early passage of this is urgent because state school lunch agencies and local school districts are well into their planning operations for the programs which will begin serving lunches in late August or early September.

First, let me speak to uncertainties; uncertainties arising when legislation contained in P.L. 92–153 expired June 30, 1972. The following provisions expired:

(1) Guarantee of 6¢ for all lunches.

(2) Guidelines regarding eligibility standards for free and reduced lunches.

Although USDA has requested 6¢ in the 1973 appropriation, without a statutory guarantee we have no assurance of 6¢. With the freshness of the August, 1971 proposed cuts in reimbursement still in mind, it's difficult not to have apprehension regarding the rates.

Secondly, USDA has advised states that all free and reduced meal policies must be approved before school begins and before any agreements are extended. As a school food service administrator, I find it difficult to require systems to establish eligibility standards when the guidelines have not been set by Congress or USDA. Just this week a USDA official stated: "If you set them below the level Congress indicates, you'll be O.K.; if, however, you promulgate guidelines in excess of the congressional direction, then states will have to retract information." The Secretary has issued a guideline. The present legislation establishes no ceiling. The Administration Bill S. 3661 pending establishes a ceiling of 15% above the Secretary's guideline for free and 30% above the Secretary's guideline for reduced price meals. Section 5 of H.R. 14896 provides specific guidelines by which to determine eligibility for free and reduced meals. It establishes a ceiling of 25% above the Secretary's guideline for free and 50% above for reduced lunches. (The proposed ceiling in the Administration Bill (15% and 30%) will automatically exclude many children who received reduced lunches in 1971–72; it would exclude some children from free lunches.)

I am sure you recognize the dilemma faced by the states. It's time for school to begin. Information is needed by school systems. The *only* safe decision for states to make is one that will deny many children access to free and reduced lunches. The decision is intolerable—how do you make a choice between hungry children and playing it safe?

The purpose of P.L. 91–248 was to assure that all economically needy children would have a right to a free or a reduced price meal. Now in the absence of guidance from Congress this right is in question. A safe decision in some states will readily deny certain children free lunches or reduced lunches in the new school year and those same children received lunches last year. Such a decision could jeopardize the integrity of the program and of the people who run the programs.

We need your help now to provide legislation that will (1) give positive direction and (2) assure that no child receiving free or reduced lunches in 1971–72 would be denied lunches by new legislation. S. 3691 pending before the Senate would assure this.

Section 4 of H.R. 14896 not only guarantees a rate for all lunches, it provides an assurance of 8¢ per lunch. I wish to thank you for the guaranteed rate for lunches provided in 1971–72. The guaranteed rate was initiated in the Senate Agriculture Committee. It is interesting to note that apparently USDA has approved the concept of a guaranteed minimum as included in S. 3661 (the Administration Bill).

Although the rate of 6¢ in S. 3661 is too low, we are delighted to have a minimum rate included; and that's what we are pleading for in H.R. 14896, except we request that you support 8¢ per lunch.

Schools across the nation are facing a financial disaster. Food and labor increases are mandating increased revenues. Unless Congress provides higher levels of reimbursement for all lunches, schools must increase sale prices. A recent USDA study revealed that an increase of 5¢ in sale price resulted in 10% decrease in paying students. Gentlemen, when that happens, it's the "average taxpayer," "the working man," the young family who gets hurt. The House of Representatives has approved the guarantee of 8¢ which would help to offset the increased cost of preparing a meal which will result from the increase in the minimum wage which appears to be on the horizon.

An increase of 2¢ from Section 4 funds for all meals will result in a decrease in the use of Section 11 and Section 32 funds for free and reduced meals as P.L. 92–153 provides for a reimbursement of 40¢ or the cost of the meal whichever is lower.

Mr. Chairman there is a vital need to increase the level of general support for the program. The 8¢ requested in this bill is the minimum, the absolute minimum, necessary to maintain the program on a sound basis as a program for all children. Rapid increases in food prices and other prices in the past two years has made it necessary for nearly all schools to increase lunch prices with cost in reductions in participation. One million fewer children are paying for lunches now. I seriously feel that the financial stability of the program is very severely threatened. The witnesses to follow me will place considerable emphasis on this provision of the bill.

Section 6 of H.R. 14896 provides for an increased authorization from $20 to $40 million for nonfood assistance. According to USDA figures there are still 14,000 schools without food service programs and 4,000 of these are needy schools. There are still approximately 13,000,000 to 15,000,000 children in schools with food service programs who are not reached, and a large number of these do not eat because the facilities are inadequate and/or obselete. Nationwide State school food service directors and system directors plead for additional equipment funds. We listen to the phrase, "Now is the time to put an end to hunger in America's classrooms;" but when the facilities are stretched to the seams or there are no facilities, there is no way until additional funds

are available. Reorganization of schools has compounded the problem. Assignment of more children to a school than it was designed for results in over-crowding and inadequate school food service facilities. A survey made by ASFSA of the states indicated a need for $80 million for equipment. We feel that an increase in the authorization and appropriations is absolutely essential if we are to "put an end to hunger in America's classrooms."

H.R. 14896 provides for the USDA to survey the states to determine equipment needs, and this is necessary if we are to remove the barrier.

In order to assure the most rapid expansion of food service into no-program schools, the funds designated for that purpose should be used solely for no-program schools.

Section 3 of H.R. 14896 strengthens breakfast program legislation and makes the operation more parallel to school lunch. It eliminates one serious inequity in the present law as it provides for any school to be eligible to participate in the breakfast program with emphasis within these schools being given to target populations. At the present time many, many schools are being denied participation in this program because the funding is inadequate, and in addition the program guidelines have limited the program to special areas where there are large concentrations of needy children or where children travel long distances by bus; and on the other hand the ground rules have denied participation to schools which have perhaps limited numbers of needy children. This in itself sets up a situation of severe inequity. The breakfast program has proven very effective in improving nutrition of the children in selected low income areas.

The provision contained in this bill are essential if the program is to "be operated fully on the same basis as the school lunch program—available where needed at a free and reduced price for all needy children.

Section 7 of H.R. 14896 contains a provision which would, in our judgment, weaken the nutritional soundness of school food service programs and therefore a provision which we must oppose. It provides that regulations governing school food service programs permit the sale of nutritious foods through vending machines where the proceeds of such sales will accrue to the benefit of organizations other than the school lunch program itself. The bill will further provide that such sales would not substantially interfere with the programs authorized under the School Lunch and Child Nutrition Acts. We feel that this is bad legislation for several reasons.

First of all, in P.L. 91–248 the Congress authorized to the Department of Agriculture to issue regulations to control competition with the lunch program. Accordingly the Department of Agriculture has issued regulations which require that any food sold in the lunchroom must be sold on the basis that the revenue therefrom accrues to the school lunch account.

Accordingly it would be a very large step backward if we were at this time to authorize all types of vending machines to be treated in the lunchroom itself. Secondly, it is entirely clear that virtually every school lunch program has been meeting with extreme difficulties in attempting to finance their operations without increasing the charge to the children for a complete lunch. The establishment of vending machines directly in the lunch program itself would further threaten the financial stability of the program.

Finally, it must be recognized that the school lunch program is a nutrition program; a Type A lunch which contains ⅓ of the nutrients needed daily by the child is the heart of this program. Through the years the school lunch people have worked as hard as they could to provide each child with the proper kind of lunch at school. To allow children to pick and choose through a wide variety of food items made available through vending machines would, we think, destroy the whole purpose of the program which is to encourage children to eat not only at school but at home and to eat in the future the kinds of foods in proper combinations that contribute to the best nutrition. There would also be the serious problem, should this provision of the bill be included, of trying to administer the operation of vending machines, of trying to determine what food items are nutritious and of trying to determine whether or not the sale of such items would substantially interfere with the lunch program itself. "Nutritious" is a vague term and could mean "sweetened water."

Although we recognize a place for nutritious snacks in the diets of children, we oppose the sale of "nutritious foods" in competition with a nutritionally sound school food service program. We therefore, strongly oppose this provision and we would strongly urge that you oppose this provision or any legislation that would weaken the USDA's present position regarding competitive foods. We would strongly urge that you continue to support the concept of a non-profit nutritionally sound school food service program as we believe that this is the program in the best interest of children.

Finally, H.R. 14896 makes the following provisions for the summer feeding program:

(1) It provides an additional $25 million in Section 32 funds for lunches for needy children.

(2) It extends the Special Food Program for Children through fiscal year 1974.

(3) It would provide an open-end authorization.

As you know the Special Food Service Program for children covers both child care centers operating on a year-round basis and summer recreation programs which serve low income areas. Unless the appropriations authority is increased and the funds appropriated, it will not be possible to accommodate all the eligible institutions or summer recreation programs which are eligible for and have applied for the program. At the present time, we face the difficult situation where certain organizations are being permitted to participate in this program while others that are equally eligible under legislation are being denied participation. We do not believe that this is the kind of situation which should continue.

In summary, let me thank you for the opportunity to testify today, and again to express appreciation to this sub-committee and to the Agriculture and Forestry Committee for leadership in expanding Child Nutrition Programs. Just as we looked to you in 1969–70 for P.L. 91–248 and in 1971 for P.L. 92–153, we look again to you to resolve the 1972 crisis that has erupted from lack of funds and lack of direction through legislation. We believe H.R. 14896 or S. 3691 would provide the assurances needed to "carry out the mandate by the Congress relating to Child Nutrition Programs."

STATEMENT BY MRS. ELIZABETH S. HITCHCOCK, R.D.

In cooperation with the Virginia Departments of Welfare and Health the Supplemental Food Program, administered by the Department of Agriculture, was initiated on a limited basis December 20, 1968. This program, serving pregnant women and teenagers, infants and young children grew throughout the State, not only in number of individuals, but also in the number of localities receiving services.

During January, 1972, 49 counties and cities had activated supplemental foods in their respective communities. Those participants were: pregnant and lactating women, 271; children, 2,389; infants, 605—for a total number of 3,265 recipients in Virginia's Supplemental Feeding Program.

On February 29, 1972, the Supplemental Feeding Program was discontinued by the Department of Agriculture. Lack of State and local funds for storage and transportation was the reason cited. Prior to the discontinuation of this feeding program, questionnaires were sent to the 49 participating areas—47 were returned. The three questions and their respective responses were as follows:

Q. We see the Supplemental Feeding Program as definite value to the residents of this area?

A. 38 Yes—9 No.

Q. We would be willing to make a budget request to cover this expense?

A. 9 Yes, 6 Yes?, 32 No. (Because the questionnaire was distributed at a time when realization of exact financial status is revealed, a favorable response was not forthcoming from many localities—especially those located in already deprived and isolated areas.)

Q. The Supplemental Food Program is a success in our area?

A. 35 Yes, 12 No.

The majority of health directors participating agreed that there was a definite value; but in spite of administrative difficulties, the program was a success.

In a subjective survey done across the State, health officers in central Virginia reported that there seemed to be good evidence that the program was beneficial. Teachers were reporting that children seemed to be brighter and more alert with less behavioral problems and public health nurses found that underweight children were gaining weight and hematocrit levels were improved in children and pregnant women. Preschool learning also seemed improved. This was reported even though visible results were not expected, and originally there had been a somewhat pessimistic view of the program—chiefly because of the physical and administrative problems entailed.

Recently a public health nurse in a county with food stamps which had also used supplemental foods, found an infant drinking a powdered soft drink mixture from the bottle (extremely low in nutritional value). She inquired about this and the mother said that they were unable to buy enough milk for everyone, even though they were on food stamps.

It has been well substantiated that the most nutritionally vulnerable periods of the life cycle are, pregnancy, infancy, early childhood and adolescence. Marginally nourished persons encounter problems during these periods of rapid growth. The National Academy of Sciences in their report *Maternal Nutrition and the Course of Pregnancy* (p. 190), recommended "The determination of food policies on the basis of psychological need places infants, children, adolescents, and pregnant women in high priority. Special consideration should be given to these groups by officials administering food programs designed to benefit low-income families."

The Maternity and Infant Care Project #552 in Richmond City serves several census tracts with high-risk population groups. This interdisciplinary approach utilizes the services of physicians, nutritionists, nurses, social workers, health educators, neighborhood aides, home economists, a dentist and a dental assistant. All infants followed through this project are placed on an iron enriched proprietary formula at birth. This formula is then supplied through the clinics at a greatly reduced price. The infant is kept on the formula until 12 to 18 months of age. Older children on whole milk receive added iron and vitamins as well as nutrition education. It is difficult to tease apart the various medical, social and nutritional factors that have helped to lower the prematurity and infant mortality rates in this area as compared to some of the sur-

rounding areas. However, the nutrition aspect is a part of the total program.

Interestingly enough, a nutrition survey done by the State Health Department in Loudoun County (*Virginia Medical Monthly*, May, 1972), prior to the implementation of Food Stamps, but with a good school lunch program, showed that malnutrition, especially obesity, appeared equally among the high, middle and low income or socio-economic groups. Recommendations from that study included fullest implementation of food programs and nutrition education for all income levels.

We favor a system of food supplementation for the poor that would employ a minimum of administrative detail and avoid additional storage and transportation of food. Perhaps a modification of a food certificate system providing certain important food items could be a solution. These food items should be selected for promotion and insurance of optimum health and nutritional status for the most vulnerable portions of our population.

We believe that economic assistance is not the whole answer. Rather, a combination of programs with a strong nutrition education component is necessary to improve nutrition of all our citizens.

JOSEPH J. BONNER

Mr. HUMPHREY. Mr. President, Mr. Joseph J. Bonner, an outstanding young attorney in Maryland and the husband of my former assistant, died recently.

Joseph Bonner was a respected assistant attorney general of Maryland. He was well known on Capitol Hill, having been associated with the office of Senator Joseph Clark while he was a law student. Mrs. Humphrey and I wish to extend our heartfelt sympathy to his wife, Leila, and to his mother, Mrs. Jane Bonner, his brother, William Bonner, and his sister, Mrs. Maria Bonner Newton, all of Philadelphia.

We wish to say also to his children, Joseph J. II, Gregory Scott, and Christine Lee that their father was a very fine man, and that he and their mother have many friends among whom the Humphreys should be counted.

I ask unanimous consent to have printed in the RECORD the eulogy constructed by his friends and delivered at his funeral in Prince Georges County, Md., at the Fort Lincoln Cemetery Chapel, Tuesday, July 25, 1972.

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

EULOGY

Without warning, while still in his law office, a massive attack seized young Joseph Bonner and cast an indelible pall over all his fellow humans that were privileged to cross his path during life, for Joseph Bonner was a man of hard, unrelenting courage with an intense desire to be of service to his friends and associates.

Joseph Bonner was a distinguished veteran who served his country which he so dearly loved as a navigator and bombardier in the Korean conflict.

Joseph Bonner was a dedicated public servant who served his community as a police officer and prosecutor and his State as an Assistant Attorney General.

Joseph Bonner was a conscientious and hard fighting attorney who always looked out for the best interests of his clients.

Joseph Bonner was also a friend and counselor to all who came to him for help.

Many times throughout life, one comes in close lasting contact with another human only to later discover that some important part of that person's way of life lingers on in the form of influence. Joseph Bonner's deep commitment to practicality and competitive spirit were the very qualities that enriched the lives of his intimate friends.

Joe's close friends, of which there were many, knew him as a warm, sentimental, kind, and faithful friend who had a witty down-to-earth sense of humor. Above all however, Joseph Bonner was a very dedicated and devoted family man. His very drive of life was generated for the benefit of his beloved Leila and his three precious children.

Joseph Bonner was a warmly sensitive man whose seemingly hard exterior was often used as a camouflage for his tenderness.

Joe's life may be well characterized by saying that no matter what he undertook, from his early life onward, he was confronted with obstacle after obstacle. But regardless of the many hurdles, he was always imminently successful in all that he undertook. Joseph Bonner knew only too well that happiness and achievement was a restless and shifting creature which almost never stands still long enough to be identified, but he always persisted.

When in high school, as an example, although his stature was of only slight proportion, for football, he decided to try out for Philadelphia's powerhouse football team gathered from an all-male school where competition was fierce and toughness of spirit a must. He battled and fought his way as a center and was later offered a full scholarship to Drexel University.

From the inception of his military career to the culmination of his legal career, Joe devoted the same spirit and energy that characterized his early life. Due to his good spirit and adherance to high principles, he was truly a successful man.

Joe's style of speech was the same as his entire make up—straightforward, and understandable. Indeed, Joe Became appreciated by those who knew him intimately well for his disarming simplicity, objectivity of judgment, and directness of expression.

Joseph Bonner was generous in spirit and action and endowed with a cheerful and understanding nature that endeared him to his many friends.

Joseph Bonner was an extraordinary person. He tried his best to hide that fact—but it was a fact. His talents were many. He developed a keen knowledge of the business world, his taste for reading was all encompassing and his appetite for the printed word was voracious. He loved music and was something of a walking library of the classics of past centuries.

Joseph Bonner was a good samaritan in every phase of his life—while serving the public, in his home, and on the streets, he made no show of this trait of character, but his many acts of kindness were well known by his friends. He was constantly reminding his friends what true life was all about and holding out a helping hand for their benefit. He was always worried about the health of his fellow humans and would constantly take strangers from the street to the hospital for needed treatment and care whenever he came upon them in his travels.

One of Joe's happiest talents was his ability to tell stories, especially humorous stories. He could swap yarns by the hour and often did.

How he loved to take on a worthy adversary in a court battle. He reveled in the use of good trial strategy and tactics to win a case, and he was filled with stories of hard fought victories. With glee, prior to many trials, he would bend to his opponent's ear and caution in a rough whisper that he "had better put his helmet on".

Every trial was a war to Joe, and no client, including the State of Maryland could have had a more courageous, more dedicated or more competent soldier to fight its legal battles.

We are grateful for his life and the contributions he made. And because of his character, he has left his three children the most precious gift of all—a good and honest reputation upon which to build.

Yes, we will miss him greatly. We will miss his spontaneity; we will miss his wit. We will miss his many good natured stories of life. We will miss his warm fellowship and above all we will miss his rough tenderness and charm.

GALBRAITH, HELLER, SAMUELSON APPEAR BEFORE JOINT ECONOMIC COMMITTEE

Mr. PROXMIRE. Mr. President, during the course of its mid-year review of the economy, the Joint Economic Committee heard testimony from three of the most distinguished private economists in our country—John Kenneth Galbraith, Walter Heller, and Paul Samuelson. These witnesses appeared on July 27, the day following the President's request for a $250 billion spending ceiling. In view of the timeliness of their appearance I ask unanimous consent to have printed in the RECORD their prepared statements and excerpts from the subsequent discussion relating to a budget ceiling:

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

TESTIMONY BY JOHN KENNETH GALBRAITH, PAUL M. WARBURG, PROFESSOR OF ECONOMICS, HARVARD UNIVERSITY, BEFORE THE JOINT ECONOMIC COMMITTEE, JULY 27, 1972

(1) We meet for this mid-year review of the economic position under conditions which allow of a considerable agreement—something that does not always characterize the deliberations of economists. Spokesmen for the Administration and occasional critics such as my colleagues of this morning and myself will unite on two out of three basic propositions concerning economic performance. Accepting, though only for the moment, the conventional tests of such performance—the level of unemployment, the rate of inflation, the movement in industrial production, national income and product—all will agree that the past has been highly unsatisfactory. And all will agree that the present is less than good. The only difference of opinion concerns the future. Where economists are concerned, such convergence—on two propositions out of a possible three—amounts almost to unanimity.

(2) It is currently being emphasized that the present is better than the recent past—that unemployment at 5.5 percent of the labor force is somewhat better than the August 1971 peak of 6.1 percent and that the rate of inflation (in the consumer price index) of approximately 3 percent over the past twelve months is less than the 6.5 percent increase between 1969 and 1970 or the 5 percent increase between 1970 and 1971. And although the index of industrial production increased only fractionally in May and June—from 112.1 in April to 112.4 in May to 112.7 in June—there clearly has been a substantial increase so far this year in national product as a whole. I do not believe, however, that any Administration spokesmen will wish to defend either the present level of unemployment or, on a balanced view of food and the industrial components, the present rate of inflation. And others will wish to reflect that until the advent of the present Administration, the present combination of inflation and unemployment was thought, by the best scholars, to be impossible.

(3) As I have said, the one point of disagreement concerns the future. This, as usual, is unrevealed even to economists although, at any given time, the profession includes a certain number of people who do not know that they do not know. For what it may be worth, I would expect that under the combined stimulus of easy money and exceptionally daring deficit financing—policies that have not in the past been pillars of Republican policy—expansion will continue. And there could be some reduction in unemployment—although there is a distinction between policies designed to expand product with the existing labor force and those that are designed more deliberately to create jobs and the Administration has strongly favored the first.

Against this favorable prospect are two negative factors. The first is the considerable danger of continuing and accelerating inflation—especially if the policy on the industrial price controls continues, as in the past, to be one of ratifying price increases that would have occurred anyway. The second negative factor is, of course, the unconcealed preoccupation with the performance of the economy not over the indefinite future but in the last week of October and the first week of November of this year. This raises the spectre of abandoned controls and a sharply contractionist monetary and fiscal policy, sharply reversing the course of the present expansion, once the election is safety won—or lost. In this connection, if I might depart for a moment from the strictly non-political character of these proceedings, I would like to question the deeply held belief that the American people render their judgment on economic performance in accordance with the behavior of the economy in the week immediately preceding an election. This suggests that our compatriots are either singularly stupid or the victims of actute amnesia. A rational electorate must surely judge the performance of an Administration whatever its political complexion over either the whole of its four years or some appreciable portion thereof.

(4) Now I would like to change radically the subject and proceed to a question which, so it seems to me, should have been asked long ago in connection with these periodic examinations of economic performance. The question is whether it is fair and proper to appraise the economic performance of all administrations regardless of political complexion by the same economic tests. We take pride on all occasions of public ceremony in our possession of a two-party system. We do not suggest that the two parties appeal in economic matters to a homogeneous electorate; we take for granted that each appeals to a different (if not always sharply demarked) grouping of interests. Were it otherwise elections, at least so far as domestic policy is concerned, would be important only for their recreational value. Instead of maintaining the myth that unemployment, inflation, industrial output and economic growth are common and universal tests of all performance, it would seem to me obvious that we should test Democratic Administrations by their service to the broad groups whose interests they avow and that, similarly, a Republican Administration should be adjudged in relation to the groups with which it is identified. If Democrats avow their affection for minorities, the poor, the young, the women and the blue collar worker, the family of average or sub-average income, it is by their service to such groups that they should be judged. And if a Republican Administration is identified, generally, with the economically successful, the propertied, the otherwise affluent and the corporations, service to such interests should here likewise be a prime test of performance. There is nothing illegitimate in association between party and interest; no interest is unworthy of voice and representation. Nor is such representation denied in practice. And not many will think me wrong in associating the present Administration with the economically successful, the affluent and the corporations.

(5) Tested by its service to this supporting interest, the economic performance of the Administration becomes much more favorable. One can fairly say that, by such test, its policy has been very successful. Thus between 1968 and 1970 the income distributed to the highest fifth of families increased from 40.6 to 41.6 percent of all income going to families; that going to the top five percent increased from 14.0 to 14.4 percent. Figures are not yet at hand for 1971. However, the recent improvement in profits and the changes in the income tax effective last year allow one to predict with confidence a continuation of the earlier trend. Corporate profits show a similar and even more favorable response to Administration policy. While, as noted, unemployment remained high following the recent recession and median family income has kept pace only with inflation, profits have come back handsomely—from $75.4 billion in 1970 to an estimated annual rate of $91.9 billion in the first quarter of this year. The after-tax recovery has been even more rapid—from $41.2 billion in 1970 to a $52.5 billion rate in the first quarter of 1972—and with a sensational further 16 percent increase in the second quarter for 748 corporations just surveyed by the First National City Bank. These after-tax gains, as Congressman Charles Vanik has shown in his admirable recent testimony before this Committee, are being helped by large and increasing concessions in corporate taxation—concessions which already by 1969 had reduced the effective rate to 37 percent for all corporations and to an even more advantageous 26.9 percent for the hundred largest firms. Although profits are, by nature, the most mercurial item in the income accounts, the recent recovery—which has brought them to record levels—has been the most rapid in recent history. The result here is in contrast with the policy of stabilizing other income payments, most notably those to labor.

(6) In all, as Mr. Nat Goldfinger of the AFL–CIO recently pointed out in U.S. Department of Treasury Hearings, the share of corporations in all income taxes has declined over the last decade from a little less than 35 percent in 1960 to a little over 28 percent (estimated) for 1972. The tax position of persons of wealth has similarly improved. Personal income taxes, the tax that weighs most heavily on the affluent, more than doubled in yield between 1961 when it provided $41.3 billion and 1969 when it brought in $87.2 billion. Since then the yield has largely levelled off; the 1972 return will be an estimated $94.4 billion, that of 1973 an estimated $95.5 billion. The stock market, which may be taken perhaps more than any other indicator as mirroring the expectations of the very affluent, has reflected the forgoing changes. In recent months it has been near its all-time high. Very recent performance has been especially favorable. It would by common calculation have passed its previous peak, had there not been doubt about the continuation of some of the tax policies so favorable to the recent improvement. Thus by a rational performance test—one that measures the effect of economic policies on the interest which the Administration seeks to serve—the recent economic record cannot be seriously faulted.

(7) It will be suggested that if a Republican Administration should be tested by its service to the corporations and the affluent then a Democratic Administration should be tested by its service to minorities, blue collar workers, the young and the generally poor. And it will be held, further, that past Democratic Administrations would fail their test. With both points I agree; the new test of economic performance which I am here proposing—measurement of accomplishment in relation to interest served or services promised—will be even harder on Democratic than on Republican Administrations. In recent times—if I may simplify slightly but not to the point of error—Republican Administrations have had an unavowed commitment to the rich which they have kept. The Democrats have had an avowed commitment to the poor which they fell far short of keeping. Reform requires of a Republican Administration only that it declare its interest—that it affirm its commitment to the well-being of the affluent and the corporations. Of the Democrats, reform requires that they keep more fully their promises. This means that something effective must be done about the redistribution of taxes and income which, we should remember, was bad before the Republicans made it modestly worse; that effective action must be taken to reduce black unemployment which is far higher than for whites; that there must be similar action on unemployment of young people and especially of black youngsters where it comes to perhaps a third of that part of the labor force; that there be effective improvement in the median income of all families matching the improvement in incomes of those receiving profits and property income; that the median income of black families which is only 60 percent of that of whites be greatly increased; that steps be taken to arrest and reverse the slow increase, beginning in 1967, in families falling below the poverty line—a total of 25.6 million families in 1971; that the fantastically high proportion of black families (31 percent) which fall below the poverty line be reduced; that earnings of working women (the low level of which is a major cause of poverty) be brought into line with those of men. The median income of working women in 1970 was only 59 percent of that of working males and accounted for 40 percent of all the families falling below the poverty line.

(9) None of the foregoing will be easy; it is much easier, as a purely technical matter, to keep faith with the rich than with the average man or the poor. Also another advantage of those who aligned themselves with the less affluent may be disappearing. In the past it was possible to make promises without it being seriously proposed that they would be kept. Increasingly one senses an expectation on the part of the less advantaged that promises will be kept—that something will in fact be done about the very unequal manifestation of what is called the American dream. This feeling seems even to have communicated itself to wealthy idealists. For the first time some are asking whether promises currently being made are real, and are making no secret both of their personal anxiety and their inability to afford continued idealism. Thus my conclusion: economic performance tests that reflect not the abstraction but the reality—which measure performance against the promised response, unavowed or avowed to recognized interest—are long overdue. And they will be less pleasant than the present tests for all concerned. But their application will add lustre and distinction—and a large infusion of realism—to future proceedings of this valuable Committee.

STATEMENT OF WALTER W. HELLER

Mr. Chairman and Members of the Committee: Now that the U.S. economy is at long last on the move and inflation is at long last on the wane—thanks largely to the fact that Mr. Nixon at long last (in his August 15, 1971, about face and his liberal election-year budget) responded to persistent Democratic calls for fiscal stimulus, wage-price restraints, and liberation of the dollar—the voice of over-cautious conservation is raised again at the other end of Pennsylvania Avenue: "reach for the brakes, slash the budget, seek an end to wage-price restraints."

So, looking ahead to 1973, the constructive

critic has a new job cut out for him, with three objectives in view:

First, prevent men of little faith in the U.S. economy from aborting the current recovery short of full-term, i.e. short of full employment in fact, not just in name.

Second, correct the list to starboard of our present wage-price controls and batten down the hatches for next year's onslaught of cost pressures.

Third, restore fiscal responsibility without gutting the budget.

THE UNEMPLOYMENT PROBLEM

The greatest single threat to the five million unemployed in the United States today is the mistaken belief in high places that after only three quarters of up-to-snuff recovery (following three long years of economic slow-down, recession, sluggishness), the limits to U.S. economic expansion are not far off. The Nixon policy-makers, having found that their oft-promised and oft-predicted 4 percent unemployment level was beyond their grasp, seem to have concluded that it is also beyond their reach. So to all intents and purposes (except for the calculation of full-employment revenues, for which the 4 percent banner yet waves), the Administration now associates the U.S. economic potential with an unemployment rate of 5 percent or a bit below. Coupled with expectations of a booming recovery, this view of the world foresees an economy bumping against its ceiling and overheating by mid-1973. Small wonder that such dark forebodings lead to thoughts of hitting the monetary and fiscal brakes and dismantling the wage-price controls before they are swamped by a new round of excess-demand inflation.

But there is another view of the world that sees the cup of economic recovery as not half full but two-thirds empty, with lots of room for expansion before the cup runneth over. Even using only the modest interim target of 4 percent unemployment (rather than the 3 percent on which Chairman Proxmire has set his sights), one finds that full employment and excess demand are still $60 billion away, i.e. that our actual GNP is running $60 billion below our potential. Since it takes an $80 billion annual advance in GNP just to stand still—i.e., just to absorb the 4.4 percent annual growth in labor force and productivity and allow for 3 percent inflation—it would take at least two $110-billion GNP advances back to back or three consecutive $100-billion advances just to catch up once more with our economic potential. In this view of the world, which I share, we won't be reaching tolerable levels of unemployment and making full use of the potential of the U.S. economy until 1974.

Clearly, we face once again a test of faith in the power and flexibility of the American economy. What's at stake in this test? Just this: if the country accepts an economic policy that flinches at the first signs of real recovery, succumbs to the bogeys of timid economic thinking, and lowers its sights from a target of 4-percent to one of 5-percent unemployment, it will be giving up each year about $35 billion of GNP, $10 billion of profits before taxes, and $10–12 billion of Federal tax revenues. Settling for 5 percent instead of 4 percent unemployment would mean denying jobs to one million people, and denying the country—and especially the poor and the non-white, who are at the end of the job line—the benefits of the better living standards and the social advances we can buy with $35 billion of added output and $10 billion of added Federal revenue per year.

Since there is so much at stake, let me be more specific about how the two schools of thought differ in assessing the amount of slack in the U.S. economy:

What we might call the "uptight school" stresses

That today's unemployment rate of 5½–6 percent (a) includes much low-grade labor, (b) conceals the fact that less than 3 percent of adult married males are unemployed, (c) ignores the fact that it's as hard as ever to find good maids, gardeners, and handymen;

That current data showing 77 percent operating rates in manufacturing are based on slippery capacity numbers and include lots of obsolete productive capacity;

That the Department of Commerce estimate of the GNP gap (roughly a $60 billion, or 5½-percent, gap between actual and potential output) is based on the "old" target of 4-percent unemployment, so that $40 billion or less than 4 percent of GNP is a more realistic number.

In contrast, the "lots-of-head-room school" stresses

That today's unemployment rate doesn't even count millions of (a) hidden unemployed, i.e. discouraged dropouts and non-entrants who will seek jobs as the economy strengthens; (b) part-time workers who want full-time work; (c) skilled laborers and professionals forced to work well below their capacities;

That even if nearly half of the idle capacity (say, 10 percent of total capacity) is classed as obsolete or inefficient, that still leaves 13 percentage points of manufacturing slack to be taken up. (Indeed, the index of manufacturing output has barely regained its peak of 3 years ago);

That an economy which was operating at 3⅓ percent unemployment when Mr. Nixon took office, ought to be able to get back to 4 percent without rampant inflation, given reasonable fiscal-monetary and wage-price policies.

As I see it, then, the battle for full-employment is far from over, it has really only just begun. The major policy prescription has to be a negative one: don't prematurely cut off the monetary and fiscal life blood of this expansion. Don't choke it off in its infancy, but with the aid of carefully tailored wage-price policies and an eventual tax increase as we approach full-employment, permit it to grow to a balanced maturity.

I have been stressing the aggregate demand side of the problem. As the Committee may know, I have also repeatedly directed attention to, and made recommendations on, the structural changes that have to be made in man-power policy and the urgency of adopting the "Jobs Now" program. The Reuss-Mondale Bill to put 500,000 of the unemployed into public service jobs that badly need doing, deserves not the calloused contempt it gets from Mr. Nixon, but immediate passage to help reduce unemployment, particularly for the young, the women, and the disadvantaged job-seekers, both active and discouraged.

BUDGET POLICY

Let me turn now to Federal budget policy, an area of high economic importance that is super-charged with politics in an election year. What we are witnessing at the moment is an unseemly and undignified scramble by the Nixon White House—which has plunged the country deep into deficits demanding a tax increase by 1974—to pin the blame on the Democrats. Last year, as part of his economic revival program, Mr. Nixon pushed through over $12 billion of permanent tax cuts that the country could ill afford. This year, he has opened wide the election-year spending spigots and initiated new and bigger programs that, by his own budget reckoning, would add about $25 billion to the budget within three years and $33 billion within five years. By the meticulous calculations of the Brookings study, the Nixon program of tax cuts and budget boosts is building in a $17 million annual deficit at full employment by 1974–75 in the absence of tax increases.

Yet, in the face of that record, the White House is busily spreading the canard that if a tax increase is needed and if inflation breaks out again, it's all the fault of a billion dollars here and few hundred million there added by a Democratic Congress to beef up social programs. They would have us believe that when the Republicans pour on the budgetary coal to the tune of $10 and $20 billion, it generates the needed steam of expansion, but when Democrats add $3 or $4 billion, it feeds the fires of inflation. I doubt that they will get away with this blatantly cynical game of pin-the-tail-on-the-donkey—there is something incongruous about a donkey sporting an elephant's tail!

Since the White House has so thoroughly politicized the budget issue, one finds it difficult to sort out and stick to the economics of the issue.

One is even tempted to point out Mr. Nixon's all-time record in budget mismanagement, for example,

Forecasting a $2 billion surplus for 1971, only to see it turn into a $23 billion deficit, a mere $25 billion budget boner;

Forecasting a $12 billion deficit for FY 1972, then boosting the estimate to $39 billion last January and now, six months later, telling us proudly that it's only $23 billion (neglecting to mention the inexcusable blunders in underestimating tax withholding and overestimating expenditures that account for the latest dipsy-doo in the Nixon budget roller coaster).

Laying aside the record of budget chicanery and mismanagement, let's now look at budget economics.

Short run. For 1972–73, as things are turning out, our national fiscal policy has stumbled into a posture that will help sustain vigorous economic expansion;

Instead of the sequence projected in the Nixon budget—first a fiscal spurt generating a big full-employment deficit in the first half of 1972, and then putting the budget into reverse to generate a full-employment surplus in FY 1973—the over-withholding and under-spending miscues are generating just the reverse pattern. In national income accounts (NIA) terms, a full-employment surplus is now turning into a sizable full-employment deficit to provide further stimulus to economic recovery.

Given a large pool of unemployed to draw on (the five million visible job seekers, plus millions of invisible and part-time employed), the large idle capacity implicit in 77 percent operating rates, and the $60 million of head-room for expansion—not to mention the sharp productivity rises that accompany vigorous expansion—we are in a period of remission from both demand-pull and cost-push inflation. Barring a premature slamming on of the budget brakes, our fiscal policy (even if by inadvertence rather than design) is helping us capitalize on our large unused resources and declining inflationary pressures.

Long run. For the period beyond 1973, when we will again be approaching—indeed, with appropriate fiscal, monetary, and wage-price policies, not only approaching but reaching—full-employment, the realities of Mr. Nixon's budget tell us there is a tax increase in our future. Unless he suddenly decides to jettison revenue sharing, bury his Family Assistance Plan and welfare reform, and lower rather than raise the defense budget—a series of highly improbable events—we will have to have a tax increase simply to finance already programmed increases in expenditures.

If we fail to rise to this tax challenge, the alternatives are either (a) drastic slashes in needed programs, (b) an open invitation to a new wave of excess demand inflation, or (c) passing the buck to the Federal Reserve, which would mean drum-tight money and a credit cruch that will curl our hair. To ward off these grim alternatives will call for positive planning and action in 1973, to

bring into being a tax increase for 1974 and beyond.

The case for that tax increase rests not alone on Mr. Nixon's current budget, but is strengthened by probable developments that will swell rather than shrink the budget expenditure totals:

First are the add-ons that will inevitably come in the congressional process as well as future presidential budgets.

Second, Mr. Nixon's White House and HEW have dangled before the electorate the lure of $13 billion or so of property tax relief for local school districts. Democratic candidates have both preceded and followed Mr. Nixon in these promises for school tax relief and equalization. So if the Federal government lives up to its responsibilities in this area, expenditures will rise by a minimum of another $10–$15 billion—with or without the value-added tax on which the White House made such favorable noises some months ago but then fell strangely silent.

Third, it is also worth noting that if this country were to backslide from 4 percent to 5 percent as our official unemployment target, it would logically involve us in another $10 billion-plus tax increase (unless we were willing to cut Federal expenditures by that amount). That is, if we retained a balanced full-employment budget as a general fiscal target, and accept 1 percent more unemployment as our economic target, we would have to subtract over $10 billion of lost revenues from the receipts side of the full-employment budget statement. This would call for corresponding cuts in Federal spending or boosts in Federal taxes to be consistent with a balanced budget at "full" employment.

In the light of these cold budget facts, it's high time for the Administration in particular and politicians in general to end the double talk of higher spending side by side with lower taxes and tell the public to face up to the reality that:

It wants and needs these vital programs;

It wants and needs state-local tax relief;

It wants and needs protection against a renewed excess-demand inflation at full-employment;

Automatic growth in revenues, even at $20 billion or better a year, can't finance these wants and needs;

Therefore, absent Draconian cuts in defense outlays, there is only one place to get the money, namely, Federal tax increases.

So let's stop the charade and chatter about whether a tax increase is necessary (it is); who is to blame for any coming increase (the in's when they're in and the out's when they're in); and get down to the nitty-gritty of how to raise the money; whether by the good old income tax or the bad new sales tax (VAT).

WAGE-PRICE POLICY

Shaping national wage-price policies to fit the contours of expansion is a demanding business. It demands, among other things, that policy-makers

Don't clip the wings of our expansion prematurely, lest the cyclical productivity surge that underlies ebbing cost pressures be brought to an untimely end;

Do face up to their fiscal responsibliities by putting through a tax increase to avoid the build-up of excess demand pressures in 1974–75.

Given a responsible fiscal-monetary policy, there is no reason that a gradually restructured wage-price restraint program cannot play a key role in permitting us to get to 4 percent unemployment and beyond without intolerable inflation. (The economist cannot provide a definition of "tolerable," since that is a choice the body politic must make, given the trade-offs between jobs, prices, and controls. But it is worth noting that a 3 percent rate of U.S. inflation will look pretty good relative to the projected 5 percent rate this year and 6 percent next year in the Common Market countries.) That restructuring must first correct the imbalance in present wage-price controls and then convert them into a mechanism that can cope with later renewed cost-pressures without smothering economic freedom.

What do I mean by the current problem of imbalance? Primarily that, contrary to the fears that the Pay Board would be open-handed and the Price Commission tight-fisted, thereby squeezing profits, the recent trend has been the other way. Not only are profits and cash-flow being liberally aided by Mr. Nixon's tax breaks for business (which, in a political sense, "subsidize" the price side of Phases I and II), but the relatively liberal price rules plus the effective slowdown of wage increases are contributing further to rapid profit increases.

My point is not that profits have yet regained a reasonable ratio to GNP—but that the speed of their recovery has to be balanced against the speed of real wage increases. For the moment, the productivity upswing is muting the potential conflict—as President Kennedy used to say, "A rising tide lifts all the boats." But the question of distributional fairness in the wage-price controls is central and disturbing. I have the distinct impression that, in spite of the Pay Board and Price Commission, two things are happening:

In the unorganized labor sector, employers are only too willing to help the government administer the 5.5% standard. So this very large sector (some 70% of all workers) is getting less than its fair share relative to both organized labor (which can use the strike threat to get a better break) and the profits sector.

Too little of the productivity gain is being passed on to consumers in price cuts or more moderate price increases.

Let me expand on that latter point a bit. As production responds to rising demand and overhead costs are spread thinner, the benevolent effects on unit labor costs can be dramatic. The second quarter numbers, given what we already know about rapidly rising output and moderating prices, will give bright testimony on this point. If left to ourselves in these circumstances, producers will be sorely tempted to capture most of this productivity surge in higher profits and higher wages, sharing little of their gains with consumers. Here is where an effective incomes policy—a tough and balanced application of Phase II wage-price restraints—can nudge business and labor into sharing their gains with consumers and help convert rising output into receding inflation.

To correct the "list to starboard," then, the Price Commission has to tighten its net. A 2½% price standard is too generous in the light of current circumstances. Indeed, if the Administration is to achieve its price targets in the light of 3½% inflation in the service sector and the problems of containing food price increases, Tier I companies are going to have to be satisfied with less than 2½% price increases. Balance also requires a more even-handed treatment of organized and unorganized labor by the Pay Board.

Finally, a few words about the role of wage-price restraints in 1973 and beyond. One thing is crystal clear: To abandon wage-price controls completely in 1973 (and thereby repeat the mistake the Administration made in renouncing all wage-price intervention early in 1969) would be an open invitation to a resurgence of cost-push inflation:

In 1973 the country will have to run the gauntlet of critical wage negotiations in one big industry after another.

Moreover, many existing wage settlements have provisions for re-openers when and if controls end.

Eventually, we will run out of the lush productivity gains that are relieving cost pressures today.

Given this set of circumstances, active planning should be under way for Phase III of our price-wage restraint efforts. Contrary to the gloomy forecasts of the critics, Phase I helped break the back of expectational inflation and Phase II is helping (albeit, in an unbalanced and insufficient way) to convert rising productivity into a falling rate of inflation.

Now for Phase III: as 1973 unfolds, we should be converting mandatory controls into a set of semi-voluntary wage-price restraints focused primarily on those who occupy the seats of market power in both labor and business. I will not retrace here the familiar ground of wage-price guideposts, with clout—i.e., the case for a set of wage-price rules, anchored in productivity, that injects the national interest into private wage-price decisions; a wage-price review board to help the President distinguish between the good guys and the bad guys, focusing the spotlight on the latter; and a set of sanctions to apply in cases of flagrant violations of the public interest.

Given a semi-voluntary set of wage-price restraints of this kind, backed by a responsible fiscal-monetary policy which will let demand have its head today but prevent excesses tomorrow, the country could look forward to the third phase of a wage-price experience that contradicts the cliché that wage-price restraints and income policies don't work.

STATEMENT OF PAUL A. SAMUELSON, PROFESSOR OF ECONOMICS, MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Mr. Chairman, as a sheltered academic professor, I must express my appreciation of being able to appear here with these blue-collared gentlemen (referring to blue shirts worn by Mr. Galbraith and Mr. Heller) in a practical experience.

I apologize in advance for the brevity of my testimony, but I have learned from experience that such is the density of my thought that only one packed page is as much as your committee can take of my particular wisdom.

First, it should be emphasized that there has been no confusion of fiscal and monetary policy, that it has finally begun to pay off in terms of vigorous real expansion of output and employment. And let me say that those of us who were skeptical about the ability of the Phase II wage and price controls to moderate the rate of inflation—and here I am not speaking for my fellow members of the panel, nor am I speaking for that group of articulate economists who claim that controls would not work or would make the problem worse—well, everyone should have been pleasantly surprised by the recent second-quarter growth in real GNP at 8.9 percent annual rate, and the simmering down of the price-deflator index in that quarter to barely over a two percent annual rate, 2.1 percent.

This would seem to be the summer of our content. Even the stubborn index of unemployment dropped from 5.9 percent to 5.5 percent in June.

We have been reminded that total employment is up, and has been substantially. Profits are soaring, as predicted, and a bit beyond what was predicted. Even the government economists, who this year have rejoined the club, are having a good year in their general forecasts for the year. It is a case where every prospect pleases, and only the Dow theory is vile.

The first thing to emphasize is that economic law does operate. If John Maynard Keynes could come back to life he could say, I have seen the President, and it worked. Well, it has been working. You can take some credit.

The new macroeconomics has been working. The nagging of your committee, tedious as it may sometimes seem even to your own ears, is the Lord's work in this era when new ideologies and game plans attempted to set back the clock of governmental stabilization.

I think what needs to be emphasized here is the remarkable fact that the same medicine which has been working here at home has also been working abroad. Who can doubt that the successive crises in the foreign exchange markets, when taken against the background of the psychological slowdowns occurring in Germany, Italy and Japan, would under the laissez faire regime of a few decades back have led by now to a worldwide depression?

Instead, we see recoveries abroad from what have been mild and short-lived hesitations.

What you need to emphasize is that all this just did not happen. The present expansion required action—determined and sometimes unorthodox action—by the central banks and the legislatures of the modern mixed economies. Those who cursed the Federal Reserve for countenancing the growth in the money supply at an eleven percent annual rate earlier this year are rubbing their hands in glee at the gains in production and profits.

Congress has responsibly insisted upon budget deficits that by historical standards would have been considered large, but which the anatomy and physiology of the GNP accounts have shown to be vitally necessary to turn an anemic expansion into a vigorous one.

Mr. Chairman, you should not apologize when you go to heaven when St. Peter asks you what you did in your career in Congress. You should not say, St. Peter, I held down government expenditures. There is danger that you will have lamely to say that.

What you should be able to say to St. Peter is, I arranged that wasteful government expenditures were cut out, I insisted as far as my poor, soft, lone voice was concerned in the Congress that social priorities prevailed in the determination of government expenditures. And you should be able to say with good conscience that back in 1969, back in 1970, back in 1971, when different counsels were heard through the land, I was a responsible and prudent voice for modern macroeconomics.

Nobody expects an 8.9 percent increase in real output to last. The last part of the quarter was weaker than the first. If the Commerce Department comes to revise its GNP estimates, I suspect any significant change will be on the down rather than up side.

If Commerce comes to revise its estimates again, as you can confidently predict that it will, I suspect that it will be more likely to cut down a little bit upon that rate of growth than to add to it.

As has been already mentioned, the half-hearted converts to macroeconomic stabilization always tend, when the going improves, to fear that it is all too good to be tolerable. They can stand everything but success.

In the summer of our healthy advance, they look forward to the winter of our excess. Already official and unofficial witnesses are appearing before you—this was a prophecy, but it has now been proved to be true—warning that the strong growth is too much of a good thing, that the Fed must hew back to some fancied target rate of range of long-run growth in the money supply, that government expenditures that Congress considers necessary in the public interest be cut back to levels that unchanged tax rates can finance within some rigid limit on budget deficits.

I should emphasize that we are in danger of repeating the mistakes of the sorry Eisenhower decade. That is as close to a partisan statement as will emerge in my testimony.

When real GNP grew in early years of recovery from recession—seven and one-half percent in 1955, six and three-eighths in 1959— there appeared before you Administration and public witnesses warning against the excesses of Sodom and Gomorrah: And we reap the winnow which they sowed.

The record of that sorry decade is that from 1953 or 1952 to 1960 we showed annual rates of real growth of only two percent, and unemployment of an unconscionable level.

Now, by contrast—and I can say it in the presence of Walter Heller only with some embarrassment—

In the Kennedy years each time the economy showed signs of flagging prior to high employment, macroeconomic measures were renewed to keep the expansion a healthy one. No esoteric "fine tuning" is required to implement this lean-against-the-wind philosophy, but if it is to be dubbed fine tuning, then we should all try to be worthy of the title.

Let me conclude with a brief glance into the future.

No matter who wins the election, Congress will find itself legislating higher taxes next year. You do not have to read a Brookings study to realize the arithmetic of the problem. We are not an overtaxed nation, we were not an overtaxed nation in 1965, when so many of our troubles came on the wake of the Vietnam escalation.

Each of you here, and those members of the committee who are not here, should ask themselves, where was I when a tax increase was needed in 1965, and in 1966, in 1967?

You cannot say that the economists of the nation did not advise you to this effect. It is true, the President did not ask for that, but he must ask himself in retrospect, where was he upon this occasion. We are not overtaxed. We were taxed instead by cruel inflation.

Now, let me comment upon the future in terms of the election outcome. Alienists have discredited themselves. You can get one to testify with respect to the sanity of a witness or his insanity, ad lib.

Econometrics is beginning to discredit itself. We have computers which are apparently Republican computers and which estimate that if that man wins the election, the grass will grow in the streets of Main Street and Wall Street, and they work it out to the last fraction of a billion dollars.

I am referring to the Michael Evans Chase econometric computer. We have the Wharton School computer, or the Data Resources Computer, which tell an opposite story.

Now, lest we throw our cigarette lighters into the technological works, let me point out that literary economics is in no better position. The Pierre Rinfrets we have always with us prepared to testify that if that man is elected a disaster will strike.

By my own count, there are thousands of assistant professors in this land who are prepared in a literary way to testify in the opposite direction.

It is relevant to the economic performance of the economy for the rest of this decade which policies, broad philosophical policies with respect to taxation, are adopted.

So let me just give you my own back-of-the-envelope estimate, which says that the decade of the 1970s will be better economically—and I mean better for all the constituencies, almost all the constituencies—if we close the more flagrant tax loopholes.

Broadly, this means capital gains taxation, constructive capital gains taxation, at death, at the very least, and a lessening of the differential in the rate of taxation of so-called long-term realined capital gains, and depletion. If we also replace much of the present system of welfare aid with an intelligently formulated negative income tax and family income maintenance program, the country will be better off for it, Main Street will be better off for it, and even Wall Street will be better off for it.

Chairman PROXMIRE. Thank you, gentlemen, very much for stimulating, entertaining, and enjoyable, as well as very helpful advice.

I would like to ask each of you gentlemen to respond to the President's proposal for a ceiling on spending, and an attack on the spending policies of Congress as being inflationary.

I would like to ask first if, looking at the aggregate picture, economic picture, you gentlemen judge that a $250 billion spending ceiling is likely to give the economy the proper stimulus that we need under the present circumstances, number one: and number two, would each of you volunteer on how Congress can adjust current priorities, particularly those imposed by the President, if the President's ceiling is established.

Mr. Galbraith.

Professor GALBRAITH. I certainly would not like to see this done through a ceiling. The problem is for the Congress and the Administration effectively to address itself to the problem of military spending. We have had in these last years a very substantial change in the attitude of the United States in respect to its foreign policy. We are no longer committing ourselves—even the Nixon Administration is not committing itself to the notion of policing the world against communism. And it remains in Vietnam only as a matter of habit and faith. And yet we still have a military budget that is related to the military policy of five years ago, 10 years ago, which even in our relations to the Soviet Union does not take account of recent detentes, and doesn't relate itself to the phenomenom of overkill, which reflects extraordinary arms agreement in recent times, which apparently requires a substantial increase in arms spending.

So as long as this kind of expenditure is central to the budget as it is, then it would seem to me to be quite outrageous.

Now as to the overall ceiling, the overall effect, as the Chairman I am sure will agree, will be on the outlays for other than the Pentagon.

Chairman PROXMIRE. Dr. Heller.

Professor HELLER. I have associated myself with what Ken Galbraith has just said, and go on to note that an arbitrary ceiling tends to lead to arbitrary cuts. It leads to exactly those across the board cuts which seem to be the main thing that Arthur Burns could come across with yesterday.

Chairman PROXMIRE. Let me just interrupt to say that it may well be that a $250 billion ceiling is too high or too low. But it seems to me that the concept of a ceiling has some merit. It requires a Congress then to think in terms of overall priorities. What we do now is simply pass appropriations measures, that aren't related to each other, that have come up to some figure that may be enough, or not enough. And first I would appreciate if you would say why the idea of ceiling doesn't force a priority conclusion on the part of the Congress that can be quite constructive, and then whether the ceiling ought to be higher.

Professor HELLER. My only way out, in response to your intelligent question, is to note that I said an arbitrary ceiling. And what I mean by that is this. I feel quite strongly that the concept of the Congress sitting down and saying to itself, here is what the nation's priorities and economic policy of the time requires, and setting an overall goal in those terms makes good sense. It has to be done more adeptly than our comic opera attempt in 1947 and 1948. Ken you remember we had such a ceiling, and it was simply on order in the breach and not in the observance.

Chairman PROXMIRE. 1967?

Professor HELLER. No, 1947 and 1948 when

we had that procedure which required—that isn't before your time, is it, Senator?

When we had the Monroney Bill which required a joint Committee, the two spending and two taxing committees, to set a ceiling within which Congress was then supposed to make its appropriations. And they set a ceiling of $37.7 billion. I don't know why that figure is etched on my mind. And Congress went right up through it. What you need is a whole new setup within which the Congress would have a larger staff, and the ability to analyze the economic situation side by side with the priorities, and then set a ceiling which would represent both economic responsibilities and physical responsibility. And that kind of ceiling I would happily go along with.

There is one other thing. At the moment I am afraid that a rigid $250 billion ceiling would not be high enough to allow us to have fiscal stimulus that this economy still needs. We have such a long way to go before we hit the kind of ceiling that men of great faith in the American economy believe exists, in other words, the four percent or less unemployment ceiling, that I think the $250 billion ceiling would not be economically productive.

Chairman PROXMIRE. Do you think that the $250 billion ceiling is too low?

Professor HELLER. I think it is too low.

Chairman PROXMIRE. And you think we are not ready at the present time to arrange our priorities with such logic to make it work effectively, so that it gives the President the discretion to do whatever he wants to do within the ceiling?

Professor HELLER. I am happy to have those words put in my mouth. You are precisely right, that we are not geared up to this. What good is it to put in a $250 billion ceiling to which, among other things, now going back to the mechanics of it, the Congress can't possibly enter its present organizational conformances.

Chairman PROXMIRE. Senator Javits and Senator Mondale have just suggested in getting a bill through the Senate establishing an Office of Goals and Priorities which would try to do this. But I take it that that is a few years off, or at least a year or two off.

Professor HELLER. And without the Congress having that mechanism, it would all be left to the President to cut where he pleases.

Chairman PROXMIRE. Dr. Samuelson.

Professor SAMUELSON. We have a good deal of experience with public debt ceiling and other kinds of ceilings. And there are no substitutes for discipline by Congress in voting programs that can justify themselves in terms of intrinsic merits. Nor are they at all closely related to working out what the exact amount that the economy needs for macroeconomic health.

Now, just to give an example, I have before me the estimate of Dr. Michael Levy of the Conference Board—no radical organization—for fiscal 1973. Without the escalated bombing in Vietnam, his estimate is $250 billion, and his highest estimate was something like $255 billion. You have a 3 to 5 billion increase just for the escalated bombing. Does this mean that somebody in the innercity is going to starve because an increase which is not under the control of Congress takes place? And certainly no Congressman that is responsible is going to send an airplane over the sky unarmed and running out of ammunition. You know what is going to win out under those circumstances.

So instead of getting responsibility and responsive government spending and taxing to the needs of the people, you get the more haphazard things, including deception. Time and again we have sold the Post Office off on Friday and bought them back at a loss on Monday in the various backdoor financing schemes, which both political parties have learned to be so skillful at.

Any ceiling, if we came to a tough one, should include ceilings on the backdoor tax spending. And $250 billion would be ample, if you really did something about the erosion of the tax base. But who is to say that in the Appropriations Committee you are in fact going to wait upon that to happen.

So I think you would be very poorly advised to go along with an across the board $250 billion ceiling.

CONCORD, CALIF., CONSUMER HOTLINE

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to an innovative Consumer Hotline program that was introduced in the city of Concord, Calif., in 1971, under the guidance and encouragement of Mayor Daniel Helix, and with the extraordinary help of his assistant, Mrs. Olga Byrd.

Originally, the Hotline was created to provide a complaint referral service to the citizens of Concord, who, like so many other Americans, were overwhelmed by the multitude of State and Federal agencies exercising jurisdiction over consumer problems.

For a constituent to issue a complaint, he or she calls city hall and asks for the Consumer Hotline Service. A staff assistant receives the complaint, advises the caller as to the appropriate agency, including the name of the person to be contacted, and assists in the preparation of a complaint form prepared by the Bay Area Consumer Protection Coordinating Committee. A followup service has been commenced whereby the city can evaluate the effectiveness of this program.

Recently, at a Federal Executive Board Seminar for the Ninth Region, a new dimension was suggested whereby the Consumer Hotline can serve in an even more effective capacity by functioning as an intermediary between State and Federal agencies and local consumer protection groups. Private consumer action groups complained that Federal agencies were not doing enough to communicate the full range of their capabilities and powers. Consequently, representatives from 40 separate Federal agencies such as the Federal Trade Commission, Housing and Urban Development, Food and Drug Administration, the Health, Education, and Welfare Department, et al., outlined the many areas of consumer activity in each respective department.

To interface the Federal, State, and private groups, the Hotline's ideal role emerged as twofold—on one hand, to advise the Federal agencies of the existence of the many organized groups so that they might distribute information concerning the scope of their activities, and, on the other hand, to assist in advising local groups of the jurisdiction of the respective agencies.

I commend Mayor Helix for this Consumer Hotline Service as a valuable expression of local government receptiveness to the need for citizens to communicate with local bureaucracy on the problems of consumerism. The success of this program has illustrated that even the smallest city can provide such service with minimum expense to the taxpayer. I hope that other cities will take advantage of this progressive and important service by following its fine example.

FIFTIETH ANNIVERSARY OF AHEPA

Mr. WILLIAMS. Mr. President, I extend congratulations to the members of the American Hellenic Educational Progressive Association and their families on the occasion of the organization's 50th anniversary.

Every American recognizes the spirit of ancient Greece in our democratic social and political institutions, the fine arts, and in so many other important areas. It is fortunate for our Nation that the Hellenic spirit continues to flourish through the many contributions of the members of the Order of Ahepa.

AHEPA's members have given generously of themselves for diaster relief, orphans, education, refugees, and our national defense. These contributions have been made at every level of human endeavor, with the lack of fanfare that characterizes giving from an open heart and in the most noble ideals of America and the Hellenic culture.

I am proud that so many of my friends in New Jersey and the Congress are members of AHEPA and are continuing their devoted and distinguished public service.

AHEPA's objectives are admirable and they should serve as goals for all Americans during these troubled times. These are the goals of AHEPA:

First. To promote and encourage loyalty to the United States.

Second. To instruct its members in the tenets and fundamental principles of government, and in the recognition and respect of the inalienable rights of mankind.

Third. To instill in its membership a due appreciation of the privileges of citizenship.

Fourth. To encourage its members to always be profoundly interested and actively participating in the political civic, social, and commercial fields of human endeavor.

Fifth. To pledge its members to do their utmost to stamp out any and all political corruption; and to arouse its members to the fact that tyranny is a menace to life, property, prosperity, honor, and integrity of every nation.

Sixth. To promote a better and more comprehensive understanding of the attributes and ideals of Hellenism and Hellenic culture.

Seventh. To promote good fellowship, and endow its members with the perfection of the moral sense.

Eighth. To endow its members with a spirit of altruism, common understanding, mutual benevolence, and helpfulness.

Ninth. To champion the cause of education, and to maintain new channels for facilitating the dissemination of culture and learning.

Mr. President, I am delighted to have this opportunity to salute the outstanding individuals who make up AHEPA and share a common purpose.

SENATOR ALLEN J. ELLENDER

Mr. HUMPREY. Mr. President, it is with profound sadness that I observe the death of a dear friend and honored colleague, Senator Allen J. Ellender.

The long and distinguished career of Senator Ellender as a public attorney, leader in the Louisiana State Legislature, and U.S. Senator since 1937 constitutes a sustained record of dedicated public service of lasting benefit to his State and the Nation. It is a record of continuous hard work, fully recognized in the Senate by his selection as President pro tempore and his appointment to the chairmanship of the Senate Committees on Appropriations and Agriculture and Forestry.

Senator Ellender's knowledge of world affairs is well known and respected. He set a firm standard for responsible and expeditious action by Congress on appropriations for departments and agencies of the Federal Government. From the outset of his chairmanship of the Senate Committee on Agriculture and Forestry—a term of service that was to exceed that of any of the other 40 chairmen of this committee—his goal was the establishment of a prosperous, strong, and efficient agriculture. And millions of Americans will continue to benefit from Senator Ellender's extensive work on public works and water resources projects.

It was my particular privilege to serve with Senator Ellender on the Committee on Agriculture and Forestry benefiting from his partnership and leadership in the enactment of the food for peace and national school lunch programs which have accomplished so much in combating malnutrition at home and abroad. He had helped to draft the Agricultural Adjustment Act of 1938, which still stands as a basis of our vitally important farm price-support programs. And for those of us deeply concerned to advance rural electrification and land, forest, and water conservation programs, the legislative foundations laid by Senator Ellender will not be forgotten.

I have known Senator Ellender as a dependable coworker both in the Senate and in a Presidential election campign, and I shall continue to treasure the memory and inspiration of his commitment to public service. I extend my deepest sympathy to his son and to his grandchildren at Houma, La. I and all Members of the Senate share their sense of great loss, for Senator Allen J. Ellender was a man dedicated both to his family and to his Nation, in whose service he has placed us all in his debt.

GENOCIDE CONVENTION AND THE FIRST AMENDMENT

Mr. PROXMIRE. Mr. President, several critics of the Genocide Convention have argued that article III(c) of the convention, in prohibiting "direct and public incitement" to commit genocide is contrary to the first amendment's guarantee of free speech.

The various interpretations of the first amendment make it impossible to state categorically whether any given statement falls within its protection. Nevertheless, it appears that article III(c) was written so that it would not conflict with the first amendment. In its recommendation that the United States ratify the convention on the prevention and punishment of the crime of genocide, the American Bar Association cites several reasons for its judgment that article III is compatible with the Constitution.

Shortly after World War I, Justice Holmes stated the argument in favor of a provision such as article III(c) in speaking for the Supreme Court in Frohwerk against United States as follows:

> We think it necessary to add to what has been said in Schenk v. United States * * * that the First Amendment, while prohibiting legislation against free speech as such, cannot have been, and obviously was not intended to give immunity for every possible use of language. We venture to believe that neither Hamilton nor Madison, nor any other competent person then or later, ever supposed that to make criminal the counseling of murder within the jurisdiction of Congress would be an unconstitutional interference with free speech.

Thirty years later Mr. Justice Black expressed the same thought in a case involving an injunction against peaceful picketing to induce violation of a State law concerning trade:

> It has rarely been suggested that the constitutional freedom for speech and press extends its immunity to speech or writing used as an integral part of conduct in violation of a valid criminal statute. We reject that contention now.

The acceptance of article III(c) and the first amendment rests upon the distinction between condemnation of a racial, religious, or ethnic group and intent to destroy such a group. In defining the crime of genocide, the Genocide Convention has distinguished between advocacy and incitement, the dividing line set forth by Mr. Justice Brandeis in Whitney against California.

> * * * even advocacy of violation, however reprehensible morally, is not justification for denying free speech where advocacy falls short of incitement acted on. The wide divergence between advocacy and incitement, between preparational attempt, between assembling and conspiracy, must be borne in mind.

It is clear that article III(c) is not a barrier to ratification of the Genocide Convention. Therefore, I urge the Senate to approve the treaty without further delay.

JERSEY JOE WALCOTT, SHERIFF OF CAMDEN COUNTY, N.J.

Mr. WILLIAMS. Mr. President, a little more than 20 years ago, Jersey Joe Walcott reigned as the world champion of heavyweight boxing. Arnold Cream who fought so skillfully and courageously as Jersey Joe is still a heavyweight—this time fighting the urban problems of his home city, Camden, N.J.

Arnold Cream has become sheriff of Camden County, and he is displaying the same fighting spirit and dedication to the public welfare which endeared him to millions of sport fans two decades ago. Whether working to reform the county jail and rehabilitate prisoners or speaking to kids on the street and preventing juvenile delinquency, Jersey Joe has retained the title of champion. He is a champion of the common man who is trying to lift himself from the despair of the ghetto and years of discrimination and second-class citizenship. Arnold "Jersey Joe" Cream is a gentleman who has selflessly served his community and all New Jerseyites take pride in his outstanding accomplishments.

Mr. President, I ask unanimous consent that an article entitled "Walcott Has One Dream Left," published in the Washington Post of July 25, be printed in the RECORD.

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

WALCOTT HAS ONE DREAM LEFT

(By David Lamb)

CAMDEN, N.J., July 24.—The sheriff is 58 now, a gentle man whose face is unscarred from his many fights, and age has taught him that the roar of the crowd can be a silent, empty thing when a champion grows old.

Sometimes, early in the morning, he can be seen jogging in the parks, his huge arms moving like pistons at his sides, the sweat dripping from his brow. Jab. Jab. Pow! The arms stab at an imaginary opponent.

"Hey, mister," a youngster calls, "ain't you the champ?" And Arnold Cream, the sheriff of Camden County, N.J., shuffles to a stop, his bear paw-sized hands ruffling the boy's hair, and smiles, "Yes, son, I am."

It is a question that always delights the sheriff who carries no bullets in his gun, who never has had to use physical force on his job and who believes compassion is the most powerful law enforcement weapon. For he is indeed proud when someone remembers, as someone always does in Camden, that for 432 days two decades ago he was the world heavyweight boxing champion while fighting under the name of Jersey Joe Walcott.

"Through all those years when there was no food on the table, no coal in the bin," he said the other day, "I prayed and I promised God that if he'd let me be champion, even if it was for only one day, I'd dedicate the rest of my life to serving people.

"A man's got to have more than the cheers of the crowd. To me, if I can walk down the street in any given town and the people remember things I've done with my life beside fighting, that's a lot more important."

Cream was elected to the $15,000-a-year sheriff's post in November by one of the widest margins in New Jersey history. He gave all his talks off-the-cuff, hired no speech writers and refused to let his campaign staff say a derogatory word about his opponent. The day after the election, he took the Republican loser to lunch.

Almost every day now, he spends several hours walking the streets alone, popping in and out of bar rooms and pool halls, rapping with people to learn their problems. His mere presence has quelled volatile racial situations; his humble, uncomplicated manner has won him more respect and authority than a gun or nightstick ever could.

In the jail, he wanders from cell block to cell block, bringing prisoners cigarettes and gum and listening to grievances. He has started Saturday band concerts in the jail and recently received a letter signed by most of the 210 inmates thanking him for the drastically improved conditions during the past six months.

"These people are human beings and sometimes if they can find a friend who is willing to listen—just to listen—it can mean so much," he said. "I think some officeholders forget that."

But it is unlikely sheriff Cream will. His road to the top—he fought six times for the heavyweight crown, winning it from Ez-

zard Charles in 1951 and losing it to Rocky Marciano the next year—was too painfully meandering to permit him to forget what it was like to own nothing but dreams.

His father died when he was 14. Two years later, after quitting school to help support his 11 brothers and sisters, he won his first fight, a first-round knockout that earned him $7.50. For the next 21 years and 100 fights, he drifted in and out of retirement, often fighting unknowns for $25 or $50, before winning the title. At 37, he was the oldest man ever to hold it.

When a fight with Joe Louis in 1947 finally put Cream on his feet financially, one of the first things he did was pay back all the relief money he had collected. And when he won the championship four years later, his cavalcade carried him past 100,000 well-wishers lining the same Camden streets he had traveled as a garbage man a few lean years earlier.

Cream, raised in nearby Merchantville, went to work for the Camden city government in 1954, a little over a year after losing in the first round to Marciano. He worked as a juvenile officer and as the mayor's man-in-the-streets in Camden.

Now in demand as a speaker, Cream has been honored by having a local boy's gym and a hospital wing named for him. He is the man who has accomplished everything he set out to do in life, but there is still one more dream.

"Yeah," he said, "I want to live so that when I get at the age I'm unable to be active, that my family or whoever's responsible for me can set me on the porch and as people pass with their little ones, they'll recognize some of the things I've attempted to do in my lifetime.

"And they'll bring the youngsters over and say, 'See this man over here. This man used to be fighter. This man used to be a sheriff. But more important, this man done a lot of things to help your daddy and granddaddy.' "

It is a dream that began long after the arenas emptied and the crowds became silent. And like his other dreams, this one will probably come true, too.

LEAGUE OF MINNESOTA MUNICIPALITIES AND REVENUE SHARING

Mr. HUMPHREY. Mr. President, as Members of Congress know, I have been a long and consistent advocate of revenue sharing. I have spoken in favor of this idea before countless meetings of mayors, county government officials, State legislators, and boro officials.

Revenue sharing was the first bill I introduced when I returned to the Senate in 1971. I have now joined with the Senator from Tennessee (Mr. BAKER) to cosponsor the House of Representatives-passed revenue sharing measure.

I am hopeful that the Senate will shortly consider this bill.

Mr. President, I invite the attention of Senators to a letter supporting revenue sharing that Philip Cohen, president of the League of Minnesota Municipalities, wrote in response to an editorial of the Minneapolis Tribune asking for a delay of revenue sharing.

I ask unanimous consent that Mayor Cohen's reply to the Tribune editorial and the Tribune editorial be printed in the RECORD.

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

LEAGUE OF
MINNESOTA MUNICIPALITIES,
Minneapolis, Minn., July 11, 1972.

Minneapolis Star,
Minneapolis, Minn.

Attention: Mr. Peter Vanderpoel.

TO THE EDITOR: As one of those municipal officials who has strongly supported federal revenue sharing, I would like to comment on your recent editorial entitled "A Poor Time for Revenue Sharing." I cannot agree with your conclusion that ". . . the case for revenue sharing is very weak from a national viewpoint, and even weaker, for the House-passed bill, from Minnesota's viewpoint." However, it is not your conclusion which causes my concern as much as the arguments upon which your conclusion is based. Therefore, I would like to comment on the four arguments which you apparently used to justify your opposition to federal revenue sharing at this time.

Your first argument is that "Revenue sharing carried a good deal of basic logic in 1964, . . . But the fiscal picture looks quite different now. Federal deficits are large and growing. The post-Vietnam fiscal dividend has disappeared. (and) . . . For the first time . . . federal spending on civilian programs is rising faster than revenues from a growing economy. So for Congress to commit the federal government now to a $30 billion bill (over a five-year period), at least without an accompanying tax increase, is irresponsible."

This argument assumes that the adoption of federal revenue sharing will inevitably mean that the federal deficit will be much larger in each of the next five years. However, this need not be the case. Every legislative body, whether it be local, state or federal, must periodically reassess priorities and and allocate the available funds among those services and programs which in their judgment are most essential and beneficial to their constituents. Admittedly it will be difficult for the Congress to curtail or eliminate any of the existing federal programs. However, it will also be difficult to continue to have large deficits or to increase federal taxes. In short, both the Administration and Congress will be forced to make some difficult choices, just as their counterparts in state and local government must.

This is not a valid argument for not adopting revenue sharing. The plain fact is that money is always scarce in government and if Congress delays revenue sharing until there is a budget surplus, it will never be adopted.

Your second argument is that in the last eight years ". . . Congress either has eased, or is moving to ease, state-local fiscal burdens by providing large aid increases in specific program areas . . ."

Although the federal government spends $25–30 billion a year through some 530 categorical aid programs, financial burdens at the local level have not in fact been materially eased. This has happened for two reasons. First, since each of these grant programs has its own bureaucratic machinery and "red tape", the federal grant administration process has become so time consuming and expensive for the recipients as to be quite literally unworkable. Second, since such grant programs seldom provide any operating funds for local units of government, they do not serve to relieve local financial burden where they are most acute.

In striking contrast to the unsatisfactory experience with federal grant programs in our own experience with the state government sharing state collected revenue with municipalities, counties and townships on a "no strings attached" basis. This system, which is very similar to federal revenue sharing, has proved to be not only administratively simple and inexpensive but a highly efficient means of assisting local units of government to serve their citizens better. While it is perhaps unrealistic (at least in the short run) to conceive of federal revenue sharing as a replacement for any of the present categorical aid programs, we desperately need to experiment with simpler and more effective ways of channeling federal funds to local units of government. If revenue sharing at the federal level proves to be as successful as it has been here in Minnesota, it will almost surely have a profound long-term impact upon the way in which federal aid is administered. Thus, far from being an argument against federal revenue sharing, the present federal categorical aid programs are a forceful argument in favor of it.

Your third argument focuses upon the shortcomings of the revenue sharing bill passed by the U.S. House of Representatives (H.R. 14370) and particularly on the distribution formula which you allege does not give sufficient advantage to states (like Minnesota) with high levels of taxation. In your own words, "Why should high fiscal effort states send money to Washington to help relieve so-called fiscal crisis in states that are unwilling even to levy an income tax?"

I'd like to make three comments in reply to this argument. First, without question there are states which have not seen fit to tax themselves very heavily, but two-thirds of the funds will go to local units of government where all too often the fiscal crises are very real. Second, although the formula does not go as far as some of us would like, it does provide a bonus for those states which do make a high tax effort. Third, as a practical matter the high tax effort states will continue to send money to Washington whether federal revenue sharing is adopted or not. The question is whether we are content to receive substantially all of the federal funds which come back through categorical aid programs o whether we wish to receive part of it as federal revenue sharing.

Your final argument is that ". . . the revenue sharing bill does not represent enough money to justify the urgency with which mayors and governors are lobbying for it." You add that the state government would receive an amount equal to only about 3.4 percent of its present budget.

While this may be true for the State of Minnesota, local government in Minnesota would receive an initial allocation of $62.4 million annually. This would be a significant new source of non-property tax revenue which could be used to support essential local services and/or to reduce local property taxes. It would be helpful if those who opposed federal revenue sharing would suggest an alternative means of providing a similiar amount of money to local government.

In making the comments above, I am not inferring that federal revenue sharing is some type of cure-all for state and local fiscal problems. Nor am I unaware of the shortcomings of H.R. 14370. But the fact remains that revenue sharing is a very important concept which could represent a major break through to federal-state-local fiscal relationships. As such it deserves the support of all those who would foster the continuing evolution of the American federal system.

Sincerely,

PHIL COHEN,
Mayor of Brooklyn Center and President of the League of Minnesota Municipalities.

A POOR TIME FOR REVENUE SHARING

A member of Gov. Anderson's staff and a conservative state legislator reacted almost

identically the other day to passage by the U.S. House of Representatives of the federal revenue-sharing bill. Although they aren't often in agreement, both were enthusiastic. So the bill's formulas aren't particularly helpful to Minnesota, each said; so it's a strange time for a deficit-ridden Congress to be approving a new aid program. No matter. Any new revenue for the state is welcome.

That's typical of the attitude of the coalition of state and local officials who helped lobby the bill through the House and are now working to get it passed in the Senate. The proposal would provide $5.3 billion in the next fiscal year—$3.5 billion to cities, towns and counties, $1.8 billion to states—and more than $30 billion during the next five years.

We think the case for revenue-sharing is very weak from a national viewpoint, and even weaker, for the House-passed bill, from Minnesota's viewpoint.

Revenue-sharing carried a good deal of basic logic in 1964, when it was first proposed by the University of Minnesota's Walter Heller—then chairman of the President's Council of Economic Advisors. The argument then was that the progressive federal income tax soon would produce much more money than the national government needed, particularly in light of an expected post-Vietnam windfall.

But the fiscal picture looks quite different now. Federal deficits are large and growing. The post-Vietnam fiscal dividend has disappeared. The Brookings Institution, in a book-length analysis last month, made a convincing case that federal taxes will need to be increased just to support present program levels. For the first time, the study said, fedral spending on civilian programs is rising faster than revenues from a growing economy. So for Congress to commit the federal government now to a $30-billion bill, at least without an accompanying tax increase, is irresponsible.

Another difference between today and 1964 is that Congress either has eased, or is moving to ease, state-local fiscal burdens by providing large aid increases in specific program areas—higher education, elementary and secondary education, welfare, water-pollution control.

Revenue-sharing as proposed is particularly disadvantageous for states such as Minnesota, which already are taxing themselves relatively heavily. Few states have done all they can for themselves or their local units of government. One recent rating of state fiscal systems by the federal Advisory Council on Intergovernmental Relations gave only three states (including Minnesota) a "passing grade" of 70 or more, based on factors such as fiscal effort, progressivity of the state-local tax system and amount of state aid paid local units. Eleven states don't even have a personal income tax. in a number of others, rates are flat (not progressive) or very low. Only 35 states have both general sales and income taxes.

Why should high-fiscal-effort states send money to Washington to help relieve so-called "fiscal crises" in states that are unwilling even to levy an income tax? In this regard, the House bill was at least palatable when introduced last December: It provided no money for states lacking a personal income tax. But that provision has been dropped, and the bill as passed contains only a slight bonus for states that tax themselves heavily.

As a practical matter, the revenue-sharing bill does not represent enough money to justify the urgency with which mayors and governors are lobbying for it. In Minnesota, for example, the state government would get an amount equal to about 3.4 percent of its present budget.

The Senate Finance Committee chairman, Sen. Long, has promised to process the bill promptly so that it can be voted on by the full Senate this summer. If the committee can't at least improve the bill, we'd like to see it killed. Revenue-sharing was proposed as way to channel expected federal revenue surpluses to the states, not as a high-priority federal expenditure in the face of massive deficits. As a minimum, the committee should take time to devise a better distribution formula—one giving more weight to high-tax states—and require that funds go only to states with broad-based, progressive personal income taxes. And we hope the mayors and governors who are pressuring the Senate for the bill will tell their constituents that its passage will increase the likelihood of a federal tax increase in 1973.

PROVISIONS OF HATCH ACT DECLARED UNCONSTITUTIONAL

Mr. MOSS. Mr. President, for more than 30 years, Federal employees have been prohibited from any form of active participation in our democratic processes. The Hatch Act, which was enacted in 1939 for the purpose of protecting Federal employee rights, has served to deny them. Its reform has been long overdue.

Today Federal employees all across the country received good news. The U.S. district court in the District of Columbia has ruled a central provision in the Hatch Act unconstitutional. Specifically, the decision dealt with a section which "prohibits—Federal employees or employees in federally financed programs—from taking active part in political campaigning." The district court ruled that the language in the law was "broad, ambiguous, and unsatisfactory" and in violation of the first amendment.

Mr. President, while this decision remains subject to rulings by higher courts, I believe it offers real hope that Federal employees may soon be able to exercise the same political freedoms enjoyed by other Americans, freedoms which have been denied to them for far too long.

The decision comes at a particularly crucial time. The Senate Committee on Post Office and Civil Service, of which I am a member, has been studying a number of proposals to reform the Hatch Act. All of them would restore considerable political freedom to the Government worker.

One of these bills, which may not now be necessary, is S. 3417, a measure which I introduced to give Federal employees the right to participate freely in National, State, and local elections. It would also allow them to serve as officers of political organizations, to serve as delegates to conventions and to run for office at the local level. More fundamentally, it would permit these workers to express their political opinions publicly, a basic right they have long been denied.

No one can deny the need for reform of the Hatch Act. Today, Federal workers, at all levels, are being denied any role whatsoever in active politics. They cannot give public support to a candidate, write an article in support of a candidate or in support of a particular political issue. They cannot distribute campaign material, solict funds for candidates, nor serve as delegates to political conventions.

Mr. President, today's action by the U.S. district court must give all Americans hope that our basic political freedoms are expanding more vigorously than ever, that participation in the political process is now open to more Americans than at any time in the past. I support this great new expansion of democracy.

CARGO LOSS, THEFT, AND PILFERAGE

Mr. WILLIAMS. Mr. President, on numerous occasions I have expressed deep concern in the Senate about the growing threat of cargo theft, loss, and pilferage within all modes of our Nation's transportation systems.

The July issue of Transportation and Distribution Management, one of the Nation's most prestigious and influential commerce journals, contains a series of excellent articles which provide one of the most accurate pictures of the problem that I have seen to date.

This issue is devoted to exposing the true impact of crime in transportation. It presents the message in such a way as to motivate those sharing the responsibility to seek affirmative-action solutions. Associate Editor Richard Bickerton in the magazine's lead editorial states:

> We who are involved in transportation can help ourselves. And we can begin by recognizing the carriers operate at the public convenience and necessity, which imposes upon them the responsibility of not being apathetic over cargo theft. The thief who steals from transportation steals from the public. The transportation industry cannot, therefore, do as the regular merchant might do and simply write the problem off.

Mr. President, I, and I am sure most of my colleagues, agree wholeheartedly with this statement.

One fact which comes through loud and clear in this publication is that the distinguished senior Senator from Nevada (Mr. BIBLE) is the one person who called the attention of the Nation to this growing threat to the very vitality of our Nation's commerce/transportation system. The transportation industry, air, truck, rail, and maritime, owe to him a debt of gratitude right along with the Nation's shippers and the consumer public.

To quote Transportation and Distribution Management:

> For many years, the transport criminal operated more or less freely. That situation is changing, thanks largely to an energetic Senate Committee that doesn't hesitate to use the unofficial big stick to accomplish whatever can't be done through orthodox channels.

Mr. President, the chairman of this "energetic committee" is both an energetic and, I might add, dedicated Senator—ALAN BIBLE. As a member of the Small Business Committee, I can personally attest to the difficult and in many cases unrewarding task which ALAN BIBLE undertook to shake up a lethargic carrier industry and numerous Federal Government agencies on behalf of all shippers nationally, particularly the small business shipper who is victimized

to an even greater degree than the larger shipper with more economic leverage.

I commend to Senators this series of articles in Transportation and Distribution Management.

I ask unanimous consent that the article concerning Senator BIBLE be printed in the RECORD.

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

THE LEGISLATIVE BATTLEFRONT

(NOTE.—For many years, the transportation criminal operated more or less freely. That situation is changing, thanks largely to an energetic Senate committee that doesn't hesitate to use the unofficial big stick to accomplish whatever can't be done through orthodox channels.)

The Small Business Protection Act of 1967 required the Small Business Administration to undertake a study of crime's impact on small business. In cooperation with the University of Michigan and the Stanford Research Institute, the SBA did as it was directed and in January of 1969, it presented to the Congress a book entitled "Crime Against Small Business."

In the same year, a third-term United States senator from Nevada, Alan Bible, was made chairman of the Senate Select Committee on Small Business. He read the SBA book and characterized its findings as "a shocking profile of lawlessness in America."

Sen. Bible's committee subsequently began investigatory hearings aimed at developing legislation to correct the situation, and it wasn't long before the particular problem of crime in transportation began to burn with special intensity through the general testimony.

When the Bible committee responded to the obvious by seeking special information on crime in transportation, says Chester H. Smith, the committee's staff director and general counsel, "we found very little interest on the part of most carriers, the government or most anyone else, except the small shipper suffering skyrocketing losses that all too often put him out of business entirely." Even today, Smith barely manages to conceal his outrage as he recalls that "no government body, no trade association, no one at all knew what was being lost through cargo theft. Our committee had as witnesses representatives from the federal executive branch and federal regulatory agencies, who calmly informed us they knew nothing about the problem, had very little concern over it, and, after all, wasn't it someone else's responsibility anyway?"

The Senate Small Business Committee early on in its hearings identified "six contributing factors to the cargo theft problem and barriers to the development of effective solutions." Those six factors: (1) lack of uniform loss data; (2) lack of carrier management interest in or knowledge of basic security practices; (3) lack of interest on the part of governmental regulatory agencies about cargo theft as a result of inadequate liability limits, embargo practices, and insufficient claims rules and procedures; (4) lack of private sector initiative to improve security, probably most pronounced in the air and maritime carrier areas; (5) inadequate coordination among law enforcement agencies and between those agencies and the private sector; (6) failure of federal departments and agencies to identify the problems and mount an effective response to them.

Today—in the fourth year of continuing Small Business Committee hearings the record of which at the moment fills four volumes of small type printed on 1,148 pages—the matter of responsibility has been settled, a battery of legislative artillery is in the process of being deployed for use in the war on transportation crime, the various transportation regulatory agencies have been convinced there is, after all, much they can do administratively by way of making carriers more cognizant of their own crime-related problems, and the carriers, in turn, are organizing themselves into a more effective front-line force.

In brief, here are the various pieces of legislation.

S. 942, To Establish a Commission on Security and Safety of Cargo. This bill has passed in the Senate and is awaiting House action. Called unofficially the "Cargo Commission" bill, it would establish a study group of 10 members drawn from air, truck, water and rail carriers, cargo unions, shippers, import/export concerns and the offices of the United States attorney general, secretary of transportation and secretary of commerce. The federal transportation regulatory agencies and the insurance industry would be represented ex officially.

Briefly, the commission's duties would be to: (1) define the causes, scope and value of cargo losses and their disposal methods; (2) evaluate cargo theft deterrents, including packaging, containerization, personnel security, physical security and law enforcement liaison; (3) establish a uniform, centralized loss reporting system for all cargo; (4) examine insurance liability limitations; (5) encourage development of crime prevention technology; (6) recommend appropriate legislation to Congress; (7) conduct an inquiry into the feasibility of federal licensing and/or identification systems; and (8) provide statutory authority for the secretary of the Department of Transportation to establish minimum physical security standards.

The bill would require that the commission make a preliminary report at the end of one year, a final report at the end of two years.

This Senate bill has two House counterparts—H.R. 5080 and H.R. 10295. The first is identical to S. 942, the second—introduced by Rep. Jake Pickle (D.-Tex.) differs in that it would have the commission make its first report at the end of six months, its final report at the end of one year. The Pickle bill also would have representatives of state and local officials on the committee. Hearings on the House bills are being held before the Committee on Interstate and Foreign Commerce.

S. 1763, To Amend the Federal Aviation Act of 1958 so as to Add Thereto Provisions with Respect to Through Bills of Lading and Liability for Loss, Damage or Injury. Briefly, the central feature of this bill would impose by statute a legal limit of liability for cargo air carriers that would conform more closely with present cash value liability levels of surface carriers. Unlike the "Cargo Commission" bills, S. 1763 carries a fair share of controversy, with the air carrier industry generating most of the opposition.

The present rate of liability for domestic air carriers is generally limited to $50 per shipment, or 50 cents a pound for shipments weighing in excess of 100 pounds. A shipper can claim a higher value for his freight and, by paying 10 cents per $100 of claimed excess value, be better protected. Sen. Bible says "one very important aspect of the liability of the carrier as provided by statute is the fact that the shipper is deemed to have knowledge of the provisions of the tariff, as filed with the Civil Aeronautics Board, irrespective of whether or not he does. Thus, the carrier is under no obligation to affirmatively inform the shipper of its legal limit of liability or the fact that he can be covered for a greater amount" by paying the additional premium.

Bible claims the present level of air carrier liability, which the CAB notes has been in effect without change since the 1944–47 inception of the air freight industry, is on its face absurdly low. Under the terms of the Warsaw Convention, by contrast, air carrier liability for international cargo is $7.52 per pound.

This bill, at the moment, has been referred to the Committee on Commerce, where it rests in apparent limbo—the reason being, the CAB is attempting a rule-making proceeding that would accomplish the same ends and Congress regards such voluntary administrative moves by regulatory agencies themselves as the preferred road to change. The airlines, however, have moved to block the CAB proceeding with a complaint that it would be too burdensome to, first, designate shipments as either domestic or international and, second, to separate loss claims as between air and ground movements.

Sen. Bible says the air carriers have a "horse-and-buggy" outlook accompanied by "head-in-the-sand" security attitudes, and complains further that the air carrier industry does not "meet the responsibility owed to the shipping public it serves." He likes to prove his point by citing testimony before his committee by Walter Perry of the American Institute of Marine Underwriters concerning the 1968 theft from New York's John F. Kennedy International Airport of diamonds and cash having a real value of $262,000. "The shipment weighed 48½ pounds," Perry testified, "and the air carrier's liability was a mere $362.79."

S. 1654 To Increase the Security and Protection of Imported Merchandise and Merchandise for Export at Points of Entry in the United States from Loss or Damage as a Result of Criminal and Corrupt Practices. This bill originated in the Treasury Department and was introduced by Sen. Wallace Bennett (R.-Utah). It has a House counterpart—H.R. 8476—cosponsored by representatives John Byrnes (R.-Wis.) and Elwood Hillis (R.-Ind.).

Both versions of the bill would provide increased port security at international air and seaports by designating tightly controlled security areas, imposing physical security standards and licensing and identifying all employees in security areas.

The Senate version of the bill has been referred to the Committee on Finance, the House version to the Committee on Ways and Means. Again, both versions of the legislation seem assigned to limbo in the hope the Treasury's Customs Bureau can bring about the sought-after ends through jurisdictional rulings.

S. 2426, To Add a New Section to Title 18 of the United States Code Relating to Crimes Involving Property in Interstate or Foreign Commerce to Provide a Civil Action for Damages Resulting from Violations of Section 659. Someone has very sensibly shortened this unwieldy title so that the bill is known as the "Treble Damage Act."

Whatever it might be called, S. 2426 could prove, if enacted, to be the most effective piece of anti-crime legislation to come down the pike in some time. It would permit carriers, shippers or anyone lawfully in possession of goods moving in interstate or foreign commerce to recover triple damages from any person who steals, buys or receives such goods, having knowledge of their stolen character. The bill is in effect a civil remedy reinforcing present criminal statutes, notably the Theft in Interstate Shipments Act (18 Stat. 659). It is aimed at the professional fence who makes crime profitable or at least worthwhile. Bible says the bill is designed to "dislocate the criminal market by taking the profit motive out of the picture."

There is precedent for S. 2426 in the Organized Crime Control Act of 1970 (84 Stat. 922) which allows those persons injured as

a result of the racketeering conduct of others to recover treble damages without a dollar limitation.

The whole idea behind S. 2426 as a civil action matter is that the burden of proof in a civil action is considerably less stringent than in criminal law. Evidence insufficient to obtain a criminal conviction usually is strong enough to warrant a successful damage judgment in a civil action.

An example of how it would work is provided by a tort action in Georgia. In that case, a judgment was entered under a Georgia state law for the value of merchandise stolen from a commercial trucking firm and punitive damages were assessed against those who participated in the theft and against the owner of a company who purchased the stolen goods.

The thieves stole $26,000 worth of wire fencing from a motor carrier and immediately contacted a fence, who says Sen. Bible, "by a middle-of-the-night call sold the fencing to the owner of a retail building supply firm for $2,600. Subsequently, the Federal Bureau of Investigation solved the case, recovering some of the wire. The two thieves and the fence." Bible says, "were tried and found guilty under federal criminal law. The final buyer was not brought to trial on criminal charges because of a decision that proving he had knowledge of the theft at the time of his purchase might be too difficult to secure a criminal verdict." Bible says, however, evidence was sufficient for a civil suit under a Georgia state law having to do with receiving stolen property. Suit was brought and "the plaintiff trucking company was awarded full actual damages of $11,877.12 and $4,375 in punitive damages were assessed against each of the four defendants—the two thieves, the fence and the buyer."

Bible has also entered various and broadened provisions of S. 2426 in the form of amendments to other pieces of proposed legislation, most notably Sen. John McClellan's (D.-Ark.) S. 2994, the so-called "Victims of Crime Act of 1972." Hearings on the McClellan bill have recently been concluded by the criminal laws and procedures subcommittee of the Senate Judiciary Committee. The Bible amendments to the McClellan bill would: (a) empower the United States attorney general to enter civil damage suits on a class-action basis in behalf of all United States citizens, which would make it possible to bring the fence into court even if potential witnesses had been frightened out of the picture; (b) give federal district courts the power to issue injunctive orders forcing divestiture of business properties and other assets being used as fronts by persons engaged in the purchase and resale of stolen property; and (c) an extremely important provision, make the selling of goods at less than fair market value prima facie evidence that the seller is trafficking in stolen goods.

In arguing for his various pieces of legislation, particularly S. 2426 and his amendments to the McClellan bill. Sen. Bible asks his auditors to merely "consider the hard facts: each year there are $3 billion in employee thefts. Each day there are $8 million in shoplifting thefts. Each year there are $250 million in auto thefts, and each year there are $1½ billion in cargo thefts. This vast amount of consumer goods must go somewhere; it must be handled, it must be moved, it must be sold, it must go through a marketing distribution system. Obviously, it must be fenced, and there's where the criminal gets his profit. Let's put the fence out of business and take a big step forward in the fight against crime."

A CRISIS IN HIGHER EDUCATION

Mr. PROXMIRE. Mr. President, higher education has long been regarded in this country as the key which unlocks the door, the lamp which illuminates the path to a better job and a brighter future. Parents and educators urge our young people to attend college, and thanks to countless State, Federal, and private scholarships and loan programs, it is possible for nearly every high school graduate who so desires to further his education.

This fall some 9 million young people will be college bound in pursuit of the American dream of success through education. Unfortunately, that dream may end for many in a nightmare of failure and frustration. If current trends continue, all too many college graduates will find themselves unemployed or underemployed in a job market which has reached the saturation point for degree-bearing job seekers. In 1960, college graduates constituted one-twelfth of our labor force; today that figure is one-ninth, and by 1980 one out of every six job hunters and holders will have college degrees. Unfortunately, jobs are not being generated at the same rate. A survey conducted by the Department of Labor last October revealed that 7.4 percent of those 1970 and 1971 college graduates who did not enter graduate school had not yet found employment. This represents more than 80,000 young people, and compares unfavorably with an overall unemployment rate of 5.8 percent. Equally tragic is the fact that many of those graduates who had found jobs were working below their capacity and outside their fields in a simple effort to make a living.

It is apparent that we are fast approaching, if not already faced with, a crisis resulting from the overeducation and underemployment of a vital segment of our population. One obvious but often overlooked solution to this problem is to be found in vocational and technical education. A rapidly growing number of 2-year institutions across the country prepare students for worthwhile careers in a variety of fields. For a minimal investment of time and money, they reap maximum financial and personal rewards while performing needed services for society. Most importantly, the need for the technicians and paraprofessionals produced by such institutions often outweighs the demand for the overabundance of college graduates.

Colleges will always play an important role in our educational systems; we will always need the professionals which only those institutions can produce. But it is time that we gave vocational and technical education the credit and support it deserves, and began presenting it as a viable alternative to our college bound youth.

On May 25 of this year, CBS News presented a highly acclaimed report entitled "Higher Education: Who Needs It?", which graphically portrayed the plight of today's college graduates, and highlighted the advantages of our fast-growing 2-year institutions. I ask unanimous consent that the transcript of this program be printed in the RECORD.

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

HIGHER EDUCATION: WHO NEEDS IT?

Thursday, May 25, 1972

(Produced by CBS News.—Reporter: Hughes Rudd)

HUGHES RUDD. This is supposed to be a happy time for the young: graduation from college at last, with the world waiting out there as their oyster.

MAN. Dorothy Badmer, Jeffrey Bamford . . .

RUDD. It's the season when almost a million young men and women on more than 2,000 campuses take their synthetic sheepskins and leave the academic nest. The college degree has been part of the American Dream, a passport to success, money and the better life. But it may not work that way any more.

How about you? Have you got a job lined up yet?

MAN. No, I haven't. I've applied to 15 places, I've had two interviews and I have not heard from any yet. But all the rest have been no vacancies.

WOMAN. Anybody that needs an excellent phys. ed. teacher, here I am.

MAN. With a bachelor's, it's almost impossible to find a job.

RUDD. When you started in school four years ago, did you think it would be this tough when you got out?

WOMAN. No, not at all.

RUDD. Have you got any jobs lined up?

MAN. No, not even close.

RUDD. Have you got a job lined up?

WOMAN. No. I hope I do. I don't know yet. I have another interview Tuesday. I doubt it.

RUDD. Have you got a job lined up?

MAN. Nope.

MAN. What is available is just something you could have gotten without much of an education before, and opportunities are not so great, that any optimistic outlook now is a bit of a sham.

ANNOUNCER. CBS Reports: "Higher Education: Who Needs It?"

(Announcements.)

ANNOUNCER. And now, here is CBS News Correspondent Hughes Rudd.

RUDD. Americans, of course, like nothing better than success; the bigger the better. Our national motto says we place our trust in God, but we're considerably more pragmatic than that. In our pursuit of success, we place an incredible amount of trust in higher education. It's an article of faith in this country that the more education you have, the more money you can make. As a result, the vast machinery of higher education in the United States is behaving like a runaway factory, producing ever-increasing numbers of graduates. We are exposed to more education than any people in history and proud of it.

Today just about any American can go to college. Next year some nine million students will be on the nation's college and university campuses, and we're spending some $31-billion on higher education this year. Twenty years ago there were not quite 2,000 institutions of higher learning in this country; today there are more than twenty-five hundred. The boom in two-year community or junior colleges is especially remarkable: in 1960 there were about 400, today there are almost 900, with two and a half million students enrolled—and a new community college opens every week.

All this seems very American, somehow, very democratic: anybody who wants a college education should be allowed to have it and plenty of it. Degrees, we believe, equal dough: you can exchange the sheepskin for shekels in the marketplace. But it turns out that ain't necessarily so.

This is a recent gathering of college graduates, but they haven't gotten together to sing the old college fight song or to brag about how well they're doing in the real world. This is an employment agency in New Jersey, and the young men are not doing well at all.

THOMAS PITOSCIA. Well, I was trained basically in biology and chemistry, and it's very difficult. The market is very tough.

RUDD. Not having any luck?

PITOSCIA. I've been trying since May, or even before that, before I graduated. I have about 50 applications out, been to about six employment agencies, and it's really a wild goose chase.

KEN KENSINGER. I've had numerous employment agencies tell me, "Well, it's going to be much better in six months." Six months isn't going to do me any good. I'm living with my in-laws right now. I've got a three-month-old baby and a wife to support. Where do you go? I've tried to remain flexible and not finding a place to live so that I could relocate. But sooner or later you've just got to take something.

MARK WILENSKY. I have to drive a taxicab to support myself. And every time I drive a taxicab I take along a batch of resumes. I hand them out to anybody who sounds—anybody who seems interesting and anybody who seems interested in what I'm doing. And this is one way of looking. I have to do this on weekends. I have to drive that taxicab and I drive it all around New York, and I pick up interesting people and I ask them, "Do you have a job for me?"

ALAN RUDOLPH. I've been looking for a job full-time now about a month and a half. I worked for a while doing various jobs just to get some money and now I'm out looking for something in management or marketing or sales or just about anything I can find at this point, and it's rough anywhere you go.

EDWARD GABRIELSKI. Well, I've been looking pretty hard since January. I've sent over 60, 70 resumes out to the major companies and I've answered all the ads in the paper, anything close to what I'm looking for. I'm looking for maybe even a management trainee job and I'd see any employment agency just about, and just anybody, talk to anybody who thinks they might know of a place where there's a job open.

RUDD. Would you take anything?

GABRIELSKI. Anything, anywhere, just about.

RUDD. Youth must be full of hope, of course: one condition defines the other. So these young men hope, deep down, that things will get better. But older and perhaps wiser heads are often pretty gloomy. They certainly are about the employment prospects for today's graduates. Economist Joseph Froomkin used to be assistant commissioner of the United States Office of Education and he's made a study of college graduates and the job market.

FROOMKIN. I'm afraid that the difficulty of college graduates in finding jobs is going to last for at least the next 10 years and probably longer if present college-going rates stay at the present level. As a matter of fact, I feel that by 1980 roughly eight percent of all college graduates will be either looking for jobs or will be in jobs which college graduates have usually not filled up to now.

RUDD. Why? What's causing that?

FROOMKIN. Look, there are some very simple figures which will show you what the problems are. There were 6.8 million college graduates in the labor force in 1960. Today there are about 9.2 million college graduates in the labor force, which means that those are the people who either have jobs or are looking for jobs. In other words, one out of 12 workers in 1960 was a college graduate. Today it is one out of nine. By 1980 one out of six workers will have a college degree. Now this is a tremendous increase.

RUDD. Dr. Froomkin is also concerned about what's happening to young women in our educational system.

FROOMKIN. By the end of this decade there is going to be a real crisis with respect to females. Right now, you see, most women go into female-dominated professions. One out of two is either a teacher or a nurse. By 1980 only one out of three is going to be a teacher or a nurse, and they too will start competing for those jobs.

RUDD. Won't jobs keep pace with the increase in graduates?

FROOMKIN. I have grave doubts that our technology is developing that fast and that the skill mix of the labor force by 1980 will justify the employment of one college graduate for every six workers.

RUDD. Do you feel that the whole college experience was a waste of time, then, or what?

WILENSKY. I don't think it's a waste of time. However, I think that the colleges should have prepared us. They should have been more efficient in preparing us for the outside world. I think that the academic world and the business world operate totally differently.

GABRIELSKI. I feel the only good—best background that college gives you is to go on for your master's or your doctorate. I mean that's what they actually train you for. They train you for more education. Now someplace along the line somebody is going to have to decide either to train you after you come out of school or during the last few years of your school—your schooling to go out and get a job, or persuade or force the companies to offer programs such as that.

RUDOLPH. In my situation, it wasn't a question of going to college, it was simply assumed that, like on a commercial, "Without that sheepskin you're not going anywhere."

FRANK NEWMAN. What is it that we have told people about college, over and over again—and almost all of us are guilty of this: to go to college is essential to your career. What we've said is: college is the vehicle for getting to the good life. And you may think that this argument is dead, but it isn't. Think of the arguments about—for example, the Yale argument about the contingent repayment loan plan. What was the thing they said? They said: "You can afford to pay this higher tuition. We'll give you a loan and you can pay it back over a very long period of time, because for the rest of your life, you're going to make a much higher income."

RUDD. Frank Newman is a Stanford University administrator who heads a group looking into the problems and promises of higher education, at the behest of the Federal Government. The first Newman report came out last year and immediately ruffled a lot of academic feathers, although many educators thought it was "right on." The report accused the universities and colleges of "lukewarm interest in innovation and self-reform." Mr. Newman and his associates are still in the gadfly business, telling it the way they at least think it is. Here he is before a recent educators' convention in Chicago.

NEWMAN. . . . obviously, and where we're all now aware of it, run into an enormous, if you—we have called it an oversupply problem. If you want to choose the euphemisms of the trade, it is an underemployment problem. There is no logical way out of that in the future, in terms of changes in the job market. Consequently, we've got to begin to ask ourselves, even if we don't want to: what is the function of college in relation to this?

I think we're going to have to begin to examine what the Swedes have been calling recurrent education. But they're already terribly worried about this underemployment-oversupply problem. What they argue—and I would argue it too—is that we must move toward the concept where college does not determine your place in life. Rather, you succeed in life by your own energies and ability and that college is an educational process which aids you in that, for whatever you choose your life to be. Consequently, what has to happen, then, is we have to have the kind of relationship where one can return—go to college when one finds it appropriate, leave college when it's better to be off doing what you want to do, return to college without any great premiums, and educate yourself further as you move on in whatever it is you choose to do. And I don't mean that college should only be functional toward a career. It may very well be that you will find later that you need a sense of liberal arts for simply your sense of participation in society.

RUDD. The second Newman report will come out this fall and Mr. Newman says it will emphasize creating a more realistic relationship between college education and careers. The question is whether or not the universities and colleges will pay any attention to its recommendations. George Bonham is editor of Change magazine, the leading monthly journal devoted to higher education. We asked him what sort of reception he thinks the Newman report will receive.

BONHAM. I think it will be very mixed. There has not been much evidence by most campuses that they're willing to face up to this relationship of education and jobs. I just came from a faculty relationship of education and jobs. I just came from a faculty meeting up in New England, and I asked this question of department chairmen: are they concerned about the fact that their graduate students cannot get jobs? Well, they didn't seem to be very much concerned. One of the people said: "Well, that's not our business. Our business is education and it's up to society to provide the jobs once they get out."

RUDD. That attitude seems to be general among true-blue academics, but at Michigan State University—enrollment 44,000—the deans are at least willing to listen to a voice from the marketplace. Jack Shingleton is placement officer at Michigan State and his job is finding jobs for the graduates.

SHINGLETON. The so-called elite jobs are not available in sufficient numbers to meet the aspirations of the multitudes graduating from our colleges and universities. Now educators have never said, "Go to college and get a job," but this has been implied and now students expect it. If this is not the case, we need to tell students as emphatically as we can that they are being educated for other than career purposes. If we care what happens to these students after college, then let's get involved with what should be one of the basic purposes of education, and that is career preparation.

RICHARD E. SULLIVAN. And I'd like to submit that survival in this coming age is not going to be in the world of work so much as it's going to be in the world of deciding what's good and bad, what's humanly livable and what isn't, and so forth, and that the real challange before the university world of the future is to adjust people to that kind of thing. I wonder if you are not just defining for us the world of work, as you see it from a placement officer's point of view.

SHINGLETON. I would agree with you that I'm probably inclined to look at it more from the hard, cold world of work. But on the other hand, when we look at what happens to our gradutes today—and the graduates that you're turning out—about 75 to 80 percent of our graduates are going into that world.

RICHARD E. CHAPIN. Jack, I want to follow up some on what Dean Sullivan was saying. You refer to a couple of things that should be the goal of the university—a rich and rewarding career.

SHINGLETON. One of the purposes, yes.

CHAPIN. I wonder if maybe a rich and rewarding life might be more appropriate.

SHINGLETON. That is more important.

CHAPIN. And if we look 10 years hence, Jack, the amount of time our students spend in the real world—as you call it—or the work world is going to be much less than what they spend in the real world today. They're going to work fewer days, they're going to

work fewer hours, and then what are they going to do with their life the rest of that time if we design a curriculum around a career-development program all the way?

SHINGLETON. Well, very definitely we've got to educate the people for the free time, but don't underrate the importance of jobs. To enjoy their leisure time they're going to have money to do the things that they want to do in those leisure time—in that leisure time. They're going to get that through their job.

MILTON E. MUELDER. I'd like to make a comment. I think we have in Jack Shingleton a very fine placement officer and we're grateful for all of the work that he's done. But when you get over into the problem of educational philosophy—the type of research and so forth in education—I just think that you're completely out of order on that thing and I think it's a rather fruitless, often sophomoric discussion when it comes to that level. This is not an easy problem and it's not up to you to try to solve the problem. But I just think it's out of order for us to try to discuss what the educational philosophy of Michigan State University should be in this context, and I for one think we ought to conclude the discussion.

SHINGLETON. May I just have a rebuttal to that, John? I think you've touched, Dean Muelder, on one of the most significant problems in American education today. If you'll please excuse my sophomoric approach, as you've described it, the whole problem with American education is that they have not listened to the American public, nor have they listened to the taxpayers in society at large, in terms of the major issues in American education. I think the time is now due that someone speaks up to some of the ivory-tower thoughts that have been generated over a long period of time and that have been perpetuated. I think some of those should be examined. And I do believe that all of us—and I know I can certainly stand it—can do to hear from other people outside of my area, and perhaps you would do well to consider the same. I congratulate this group on giving me the opportunity . . .

RUDD. Such discussions as this, impassioned and important though they may be, are really academic. More than 75 percent of our college students go to public colleges and universities, which exist only because of the taxpayers. That means the muscle which moves the academic body is not on campus but under the domes of the state capitols. In Michigan, State Senator Charles Oscar Zollar heads the appropriations committee, which controls the way the taxpayers' money is spent. As a businessman who's met plenty of payrolls in his time, the Senator is getting pretty impatient with those academic types who haven't.

ZOLLAR. In many areas I think we've made tremendous progress in higher education in Michigan. I'm not satisfied in many of the other areas, especially in the area of accountability—that is, establishing in the taxpayer's mind, and that's the person who's really paying the bill, that we're getting a dollar's worth for a dollar spent.

RUDD. But how can one determine in higher education whether or not you're getting your money's worth?

ZOLLAR. There are many ways that you can measure accountability. And this is the thing we're demanding. We're demanding now of higher education that they be accountable to the legislature and to the taxpayers through us that they are producing the type of education that is usable to the student.

RUDD. That means that would tend to get him gainful employment when he gets out?

ZOLLAR. That's exactly it. You put your finger right on the word.

RUDD. Some of the academic people don't seem to think that's any of the university's business.

ZOLLAR. Well, I think it is, now I disagree with them. I think if they're training people, and it is their duty to train them so that they're efficient enough to go out and become useful in a commercial way—because I think that's what we're really talking about, you know, to go out and make a living—then it's their responsibility to see that they're trained in the proper fields and that they come out equipped to go into society capable of making that living.

RUDD. But as I understand it, more and more college graduates are not able to find employment nowadays.

ZOLLAR. This is one of the reasons that the accountability factor is so important. Now we knew, in our committee, that four or five years ago that there were too many teachers being trained for the incoming influx of students in the elementary grades. And yet because of the bureaucracy that was built into the educational—higher educational system, they continued to train teachers. Now you have a surplus of teachers in Michigan, and the number given to me last year was about 10,000 certified teachers that couldn't find a job. Now this is the thing that we want to avoid.

RUDD. I would imagine you're going to get an awful lot of opposition to these ideas from the more, well, traditional academic types, aren't you?

ZOLLAR. Well, I think you always have that problem. Those that are embedded in a system that has been traditional for years always oppose change. This is nothing new in government. You have to fight that as it comes along.

RUDD. Well, how do you punish them if they don't change? How do you . . .

ZOLLAR. By not giving them as much money as they want. Quite simply, that's the answer.

(Announcements.)

RUDD. Emil Bonaduce graduated six months ago from Haverford College with a degree in economics. Haverford is one of the best small colleges in the United States. Emil is married, has been looking for months for something related to economics, without success. He works now as a newspaper deliveryman in Newtown, Pennsylvania, but he likes to think that's only temporary. We asked him how much he makes from the paper route.

BONADUCE. Oh, jeez, 70, 60, 70 dollars a week, I think, right now.

RUDD. That's not much nowadays.

BONADUCE. No, doesn't go far at all. I can't even get off the ground. Been doing this for three months. I can't get off the ground.

ROGER HANSEN. Got out of school the 21st of January and since then I've been searching full-time for a job. Actually, I'm looking for social work, but, oh, for the past four or five months I've been looking in state bulletins and there's just no jobs that'll take you without experience. A lot of my friends have had similar experiences, where it's been—they've been out since June and they're still seeking jobs. So I didn't feel I was going to have much success.

RUDD. When you went to college in the first place, did you go there in order to learn how to make a living, do you think, or something else?

HANSEN. Well, when I was encouraged to go to school, you were always told you'd be received with open arms by whatever prospective employer you might go in to, and I found just the reverse.

PETER CRICHTON. Well, to my knowledge—ours was a very small graduating class, so there aren't too many people—there's only one girl that I know of who graduated who's working—for the Rochester Pure Waters Agency. Another one got an assistantship of some sort with the University of Rochester. The fellows in our class—one is working for a hospital, not in biology but more in medical technology. There's another one in a motorcycle shop repairing motorcycles. Another one, as far as I know, stayed on with the college working in their library. And another one went to work as a janitor for the college.

GREGORY KOPIA. I started actively looking for a job in September of this past year and I've been looking ever since. I've been hitting employment agencies regularly. I'm trying to be as optimistic as I can. I have this job that I'm working at now, as a painter. It's not really what I want to do, but it's paying me and it's keeping me active. I just can't get down about it. I'm sure that things are going to change and I'm hoping they'll change soon.

WILLIAM WRY. Well, I'm not giving up, but I'm not as optimistic as I was in the beginning. At the beginning, I thought my chances would be a lot better, but now, looking around for about six or seven weeks, I feel that it's going to get rougher. It's just that I don't go to every interview like I did in the past. Some of the employment counselors you go to, they promise you a lot and tell you about all they've done for people in the past, but it seems like for you they're just not doing enough or they're not doing anything at all.

RUDD. Well, when you started out in college, what did you think: "Well, by going to college I'll earn more money and get a better job"?

WRY. Right. I think it was the old American Dream there that, you know, go to school, get ahead and you'll be a lot better off for it. But I think a lot of times it doesn't really happen. I know it seems that quite a few people in my age bracket right now are going through the same experience I am—of a degree but no job.

RUDD. Well, there's obviously plenty of money in the liquor business. That's not your primary concern, I guess.

WRY. No, my primary concern really isn't money. It's more or less happiness in what I'm doing and the desire to be in that position. Money isn't really my main object, because right now I'd (phone ringing) make more money in a job like this than any starting training job with a company in the United States.

Hello. Broad Liquors.

RUDD. Well, Mike, where did you go to school?

MIKE SMITH. I went to New Mexico State University for my bachelor's and my master's and I went to the University of Toledo for any doctorate—work on my doctorate.

RUDD. What was your field?

SMITH. My field was American history, specialty in the American Indians.

RUDD. Well, what are you doing driving cars in a garage for a living?

SMITH. Paying the bills. I'm looking for work in the daytime.

RUDD. You couldn't get anything in your profession?

SMITH. No, absolutely nothing. Nothing available.

RUDD. How hard did you try?

SMITH. Well, last year for example, I sent out over 300 letters to different colleges and junior colleges, got no responses—good responses.

RUDD. Well, are you tempted to go back and get a degree in something else? Change your field?

SMITH. No, that wouldn't be any good, because I'm overqualified already for most of the jobs I've applied for. I'd just be wasting my time. I'm not getting any younger.

RUDD. Mike is probably right when he says there's no point in getting another degree. We're pumping out 34,000 Ph.D.'s this year, with almost 300,000 graduate students still in the pipeline, despite the fact that most professions requiring graduate studies are oversupplied already. It's almost impossible

now to get a job in the classroom: by 1980, experts predict, we may have a surplus of a million and a half neophyte teachers. At the same time, we have an enormous shortage of people for those jobs which don't require college degrees. Richard Rosensteel of the Ford Motor Company.

ROSENSTEEL. In this company currently, we need approximately 20,000 trained automotive mechanics right now. And we have only about one-fourth of the franchise dealerships within the nation. So if you extend those figures, you would come up to a figure of something near 80,000 mechanics needed in franchise dealerships. And if you could add to that the back-alley garages and other kinds of organizations that require automotive mechanics, the number could easily go over 100,000. Yet where are those people coming from now?

RUDD. Well, one place where some of them can come from is Ferris State College in Big Rapids, Michigan. Ferris State has been in business for about 90 years, and its main business is vocational education. The school's 9,000 students get a sprinkling of liberal arts and total immersion in how to get the job done, whether it's mixing medicines, building buildings or binding books. Ferris State College offers 65 vocational programs as well as the usual four-year baccalaureate degree. We asked the school president, Robert Ewigleben, what sort of students Ferris attracts.

EWIGLEBEN. Today we're finding some kids that could get into any school in the country coming here. But for the most part, though, we do get a different cut of cloth. We get middle-class, lower-middle-class kids, kids that come from working-class families where the work ethic is still a very, very strong motivating factor. We tend to get first-generation college students, as opposed to families that have had two or three generations of higher education before them.

RUDD. Dr. Ewigleben's students are here—and Ferris State itself is here—because of a curious imbalance in human supply and demand in this country.

EWIGLEBEN. Now in this very community there isn't a licensed plumber and yet we could tomorrow hire 20 Ph.D.'s in physics. We have a waiting list of 120 applicants—of masters and Ph.D.'s—that would like to come to Ferris in that particular discipline and go to work.

RUDD. But no master plumbers.

EWIGLEBEN. But no master plumbers. Well, that's kind of where we are in this society.

RUDD. Well, Dean, how many students do you have in this program?

AARON L. ANDREWS. We have 1,004 students in our School of Health Sciences and Arts. This includes a total of 13 programs in the school at the present time.

RUDD. Well, is that an unusually large number or is that fairly standard for a school teaching this sort of thing?

ANDREWS. No, we are one of the largest schools in the United States, if not the largest, at the present time in our field.

RUDD. Well, when these dental technicians or dental hygenists get out, are they pretty much guaranteed a job, would you say?

ANDREWS. Definitely yes.

RUDD. What sort of money do they start out at?

ANDREWS. The money they start out at will vary according to the area of study and the geography. Students starting in the programs such as we're in the area at the present time—dental laboratory technology—they're going to be starting at around $9,000 per year. The . . .

RUDD. That's after a two-year course?

ANDREWS. That's after a two-year course, yes. Students in our four-year program in environmental health, they'll generally be starting at around $10,000 per year. Basically, starting salaries are going to run in an area of $9,000 to $12,000.

RUDD. Well, what excites you about this? The fact that these kids are all getting jobs or the fact that it's really going to alter living conditions in the United States?

ANDREWS. The thing that really excites me—and I've been in, working with schools of this type for about 15 years now—is the fact that these graduates are going to make the availability and the accessibility as well as the quality of health care in the future to the people of the United States a meaningful and realistic thing.

RUDD. Well, in this part of the school, just what subjects do you teach—avionics and what else?

EUGENE BYCHINSKY. Yes. We teach radio, TV and transmitter service and avionics. This particular room is the laboratory—electrical and electronics laboratory—that you see. And the equipment you see on the benches back there are from private planes and we're repairing them—we're certified to repair them. In the automotive service we have a 30-car garage, which always has 30 cars waiting to go in from people in this community that have a problem—it could be a banged-in fender or an overhauled transmission required. We'll do that as part of the curriculum. They have nothing but real-life situations in each of our courses.

TEACHER. When you get that connection made back in there, we'll hook up . . .

RUDD. What are the students when they get out of that, after two or four years?

BYCHINSKY. They generally become lead mechanics in automotive shops. They also go into the insurance field and become adjusters and all the ancillary things that relate to the automotive field: service men, they become supply people, sales people. They are very well indoctrinated into all aspects of the automotive service field.

RUDD. Well, what about the parents? I would think an awful lot of people in this country think that a college education is a, oh, a kind of a magic password almost to higher things, and yet most of these young men are not really getting that, are they?

BYCHINSKY. Yes, that brings us to a very interesting point. Many of our parents are disappointed in their youngsters when they first announce that they want to be a radio and TV man or come into avionics. They maybe wanted them to be a doctor or lawyer or a professor or something else. We consider it a dignified skill to be able to analyze a car problem and do it accurately and expeditiously and economically, or to assist in repairing an avionics piece of equipment that's being needed by industry. These are very high-minded types of enterprises. They are needed by our society; they are essential to our society. And thank goodness that the monetary rewards now are not so much different from the so-called white-collar workers. These gentlemen that you'll meet as you go through here will tell you that, gee, they have high expectations to make a good living at what they're doing. They have removed the stigma between white and blue collars.

STUDENT. I've always had an interest in airplanes and flying, and I was glancing through the college catalogue this year and I found that they had this avionics program that they just started. So mainly that's what I was in here for, was the flying and the part of the planes, but the more I got into the electronic part of it, it was real interesting and also, I think, there's great opportunity in the avionics field.

RUDD. What about your parents? What do they think of you studying this instead of business?

STUDENT. Well, my father sort of wanted me to go on and get a four-year degree, but the more I told him about it the more he got interested in it. He also likes to fly, as I do.

RUDD. What does he do?

STUDENT. He's a senior machine designer at Fisher Body in Detroit.

STUDENT. I'm in automotive heavy-equipment technology.

RUDD. What is that going to mean? What will you be when you get out?

STUDENT. Well, I can go into the field of the auto industry, not—I won't necessarily be a mechanic. I can be a representative or some managerial job.

RUDD. What do your parents think of all this?

STUDENT. Well, my father was a doctor and he wanted me to be a doctor. And then I quite didn't want to be a doctor and I didn't know really what I wanted to be and went into the service. And after I finished the service I decided I'd have to pick up a trade, and my father asked around and he wanted me to be a plumber.

RUDD. Why? Why a plumber?

STUDENT. Well, he asked around his patients. He's—being a doctor, he's kind of money-minded, and he wanted me to go in that field because of that reason alone. And I quite didn't want to be a plumber so I chose to be a mechanic. And after I went through automotive service I decided to go two more years and get a degree.

RUDD. Well, is he reconciled to it? Does he think you can make enough money this way?

STUDENT. Oh, yes. He's really happy now.

RUDD. Professor Harold Hodgkinson of the University of California has visited or investigated more than 2,000 campuses. He sees a great economic leveling process affecting white- and blue-collar workers: in his view, they're both shading into gray.

HODGKINSON. You find that today, if you look at the income levels of all American workers, in 60 percent of the cases you can't tell whether the person who made that salary was a college graduate or a non-college person just from the salary level. So these matters have really indicated that the blue-collar worker, especially in unionized areas, has overlapped the salary levels of those who've been to college.

In my case, for example, I have a bachelor's degree, a master's degree and a doctorate from Harvard, and my average salary is about $4,000 below the mean of intercontinental truckers who drive trucks across the country. Now I'm not sure that's necessarily bad. That is, I'm not sure myself that I should be compensated for every year of graduate study that I've engaged in, because I've done it primarily for my own self-interest.

RUDD. Clark Kerr, former president of the University of California, currently chairman of the Carnegie Commission on Higher Education.

KERR. We may be getting into a period in the future in the United States where people get paid not just for their skill but also the disagreeableness of their work. And somebody who's doing a very disagreeable job may end up getting as much money as a person with a good deal of skill. And there'll be a certain amount of social justice in that and I really think the American people will live better with each other that way.

(Announcements.)

RUDD. This is not really a commercial.

"COMPUTER". Hi, Tommy.

TOM SMOTHERS. Hi. Hey, are there really good jobs for kids without four years of college?

"COMPUTER". Yes, as technicians. Look in my visual communications center. You will see openings in engineering, chemistry . . .

RUDD. This public service message is aimed at convincing young people that they don't have to have a college degree in order to get a good job. The same message is going out on radio and in a poster campaign all over the country.

SMOTHERS. What's that address again? 'Cause my brother, he's looking for work.

"COMPUTER". Careers, Washington, D.C.

RUDD. All this originates in the Office of Education of the Department of Health, Education and Welfare.

TAPE-RECORDED VOICES. You're nothing in this country without a college degree.

If you can't afford college, you'll never get a good job.

You're both wrong. There are thousands of college graduates who can't find work, yet today there is a crying need for technicians. You don't need four years of college to become a technician. All you . . .

RUDD. Sir, it sounds like you're discouraging young people from going to college.

COMMISSIONER OF EDUCATION SIDNEY MARLAND. On the contrary, I've been a school man for too long to disregard the very important job of the schools to include college, certainly among the expectations of young people as one of their alternatives. But we're now hoping that young people will have greater freedom of choice in deciding about post-secondary education and not feel that it's the only road to glory. We know, for example—the Department of Labor tells us that fully 80 percent of the jobs in the next decade will be filled by people who don't require a college education.

RUDD. The Commissioner also pointed out that too many young Americans don't even bother to finish high school, much less college, and he drew some conclusions from that.

MARLAND. Well, there's something wrong with the system. We don't denounce any part of it, but we say that we can be better. And we can especially be better for those young people in the United States who are disenchanted with the system of education at all levels, particularly high school students and college students who are moving aimlessly through a network because someone says the network is good and it's supposed to be there for everybody—and indeed it is. But we're now adding what we hope will be a sense of purposefulness to that network.

RUDD. As more and more young Americans begin to realize that a four-year degree has not a guarantee of employment, we may expect an increase in enrollment in the already-booming two-year community or junior colleges, which offer both vocational training and the liberal arts. Any high school graduate can get into a community college, no matter what grades he or she made in high school, and tuition costs next to nothing.

When Miami-Dade Junior College opened with one campus in 1960, it had fourteen hundred students. Today there are two campuses and 38,000 students. Another campus is under construction and there are more on the drawing boards.

TEACHER. Chekhov and Ibsen died within a year of each other: Ibsen in 1905, Chekhov in 1904 . . .

RUDD. At community colleges, 70 percent of the students say that they want to go on to a regular four-year institution and get a degree, but the dropout rate is enormous and nobody really knows how many actually do go on and get that degree.

TEACHER. He may frisk you if he has probable cause to believe that you are armed and dangerous to him.

RUDD. Curiously enough, only 30 percent of the nation's community college students choose vocational courses. For those who do at Miami-Dade, the most popular program is police science, which trains men and women for all sorts of law enforcement work.

STUDENT. . . . stop the guy, like say he was belligerent to you and then you'd stop and frisk him, but then you thought he might have something in the car. Would you be allowed to go in the car?

TEACHER. No, a stop and a frisk does not allow a car search, unless you have further probable cause to believe that the car is carrying what is, the court says, material offensive to the law.

RUDD. Some people have said that community colleges are just educational holding basins which society has created to contain those young men and women who have not yet decided what to do with their lives or who couldn't get into four-year colleges. We put that proposition to Miami-Dade's President, Peter Masiko.

MASIKO. If your conception of a college is somebody who ranks in the top ten percent of his high school class and anybody who ranks below that is not worthy of any consideration in higher education, then I can't argue with you. My philosophy is that anybody, regardless of where he stands, if he wants to move himself up, if he has higher ambitions, it's not inappropriate for us to try to work with him and develop his talent.

RUDD. We asked Clark Kerr if he thinks everyone should go to college.

KERR. To begin with, I don't think you can deny young people that opportunity if they want it. And there may be a lot of people that don't get the jobs they want to get, but still there are other things that come out of college aside from just getting a job. Generally, the studies show that people who've gone to college enjoy life more, they have more varied interests, they participate more in community activity, et cetera. So it isn't just jobs. But it just seems to me that in a democracy, almost regardless of the consequences, that every young person ought to have a chance to develop his ability and, as a matter of fact, they're going to have that chance.

HODGKINSON. The question one has to ask is: given increasing years of education, is there any increased quality of the human beings who come out of the other end of the system? Are we really adding that much to people's competence or ability to live well as a human being? I think that's an open question.

RUDD. Well, I suppose that raises the inevitable question of what higher education is really for.

HODGKINSON. There's been a continual debate over that question and clearly there's no answer. The problem is that the elitist models that we're following—like Harvard, Yale and Princeton—have for years proclaimed that the B.A. did not certify anybody to do anything. That is, the bachelor's was never assumed to be a marketable commodity. Today more and more students are saying: "What can we do with this kind of tool? You've given us this degree. What does it now mean?" And I think some changes are going to take place along that line.

RUDD. Well, do you think that everybody should go on and get a higher education or not?

HODGKINSON. I don't think necessarily that everybody should get a baccalaureate degree from an accredited school. I think everybody who wants to should have some chance to further his educational interests, some of which may be in colleges, some of which may be not. It would seem to me that many American young people could, without ever going to a college at all, build a very satisfactory life around a good income, a good home, reasonable knowledge of cultural values, self-expression, the time to develop their own code of ethics and morality, and time to participate in community affairs. There's very little evidence that college students are necessarily any different along those lines. And the stereotypes we've held about college as being the only stepping-stone to high-status careers, I think, is going to break down.

RUDD. Meanwhile, the million members of the class of 1972 are upon us, destined—in all too many cases—to join the ranks of the unemployed members of the class of 1971.

Brockport State College in upstate New York graduated fifteen hundred young men and women this month. It was, as usual, a cheerful scene.

(Voices)

But underneath the graduation-day euphoria lie some tough statistics. In the past, Brockport has been successful in finding jobs for its graduates; this year twelve hundred of the graduates registered with the placement office for employment, but only 16 actually had firm job offers at graduation.

Excuse me, miss, what was your major?

WOMAN. Elementary education and history.

RUDD. Have you got a job yet?

WOMAN. Partially. I have a promise of one from Buffalo.

RUDD. You sound sort of doubtful about it.

WOMAN. Well, they have a list that they place people from and I'm number 40.

RUDD. Forty?

WOMAN. Out of 401.

RUDD. Well, how many job openings are there?

WOMAN. They said they didn't know yet, so that's why it's doubtful.

MAN. I figure there's a 25 percent chance I'll have a job come September.

RUDD. Did you have to borrow money to go to school, by any chance?

MAN. Yes, all four years, on the New York State Higher Education Assistance.

RUDD. How about paying it back? Are they pretty lenient about that?

MAN. I think we have 10 years—I'm not sure—to pay it back. So I should get it done, one way or another.

FATHER. It's been a pretty tough four years, but we finally got around to it. She's been here for the four years.

RUDD. Well, I just wonder if a lot of these young people are feeling pretty bitter about this. Are you? About the employment situation?

WOMAN. Well, I think there should be more jobs, but there aren't. There's nothing anybody can do.

MAN. I sent out about, I'd say, 20 letters of inquiry. You get back maybe five applications—some of them just throw the letters away, I guess. And from that maybe I'll fill out the applications, send them in from there. Have to wait until they call you. And they haven't called.

RUDD. Well, as parents, how do you feel about all that? Do you think—have you wasted four years of money, do you think?

FATHER. No . . .

MOTHER. We're very proud.

FATHER. . . . definitely not. No waste. He'll make it. He'll find something. He's very ambitious.

RUDD. What are you going to do if nothing turns up in your field?

MAN. Possibly go on and get a master's, but as of yet I'm undecided.

RUDD. Are these your parents?

MAN. Yes, they are.

RUDD. What's your reaction to that, sir? When he started in school, did you expect him to be able to get a job when he got out, fairly easily?

FATHER. We hoped he would, but he hasn't been able to as yet.

RUDD. Does that seem like a terribly frustrating thing to you, I would imagine. Is it?

MAN. Yes, it is, very much. It seems that if you spend all this time and money in a college investment, that you would expect some reasonable return, but I guess I have to try harder.

RUDD. There's an old saying in this country: If you're so smart, how come you're not rich? Well, of course, a college degree never guaranteed smartness, but it did give you an edge in the job market over those who didn't have it. Actually, of course, the rewards of

truly "higher" education are almost by definition intangible and Americans are not noted as a people fond of intangible rewards. We like a return on the dollar, preferably in cash, but most of today's graduates are not getting it. Of course, for the graduates of the elite Ivy League schools, the "old boy" network will probably continue to function: they won't have as much trouble finding jobs as those from Old Siwash. And the ones who are highly motivated and scholastically inclined will probably—and should probably—go on for the four-year degree and graduate school. But most young Americans don't fit those categories, and that vast majority is in trouble, with no agreement at all on how to get them out.

There are those who blame the problems of most graduates on the temporary sluggishness of the economy, although many economists say that it isn't temporary for college graduates. Some blame the colleges and universities for not warning the undergraduates that it's tough out there; but the school men argue, with tradition on their side, that their function is to educate, not to run employment agencies. Also, of course, revolutionary changes in higher education would mean changes in faculties, and it's only human to try and protect one's job. Then, some blame the American Mom and Dad, who simply want their kid to go to college.

But blame implies guilt and guilt implies something wrong has been done and wrongdoing implies that something right could have been done. Well, we thought, of course, we were doing the right thing, but as we're learning more and more these days, the road to hell sometimes is paved with good intentions, and with the best intentions in the world, we've put our young college graduates in one hell of a fix.

This is Hughes Rudd for CBS Reports.

(Announcements.)

SPEECH BY SENATOR GEORGE McGOVERN AT ANNUAL CONVENTION OF NATIONAL EDUCATION ASSOCIATION, ATLANTIC CITY, N.J., JUNE 29, 1972

Mr. WILLIAMS. Mr. President, recently Senator GEORGE MCGOVERN addressed the National Convention of the National Education Association in Atlantic City, N.J. I have read the text of that speech and found it to be a most thought-provoking dissertation—particularly to someone like myself who has been intensely interested in education, what we have done, what we have not done, and where we are heading. Like all good speeches, it contains matters with which some people will disagree, while others will agree. But, I found the speech to be of such overriding interest that I felt it should be made available in our general documents. Therefore, I ask unanimous consent that the speech be printed in the RECORD.

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

SPEECH BY SENATOR GEORGE MCGOVERN AT THE ANNUAL CONVENTION OF THE NATIONAL EDUCATION ASSOCIATION, ATLANTIC CITY, N.J., JUNE, 29, 1972

For some months now the political commentators have been doing their best to explain how an obscure small state Senator low on charisma has come so close to what Disraeli once called "the top of the greasy pole."

I think that ultimately, much of the credit—or blame, if you will—must go to a few teachers in South Dakota, the well-known hotbed of radicalism.

There was a time, forty years ago, back in the first grade in Mitchell, when I was so afraid of public speaking I wouldn't even read aloud in class. Because of this my first grade teacher was on the verge of keeping me back. She finally passed me, but only "on condition." In the second grade I had a teacher who made it clear that I would read out loud—or else.

Later, in high school, two other teachers got me interested in debating and politics. Of course, the times were simpler then, and so was I. But the first lessons in grit stayed with me, and so did the memory of teachers who cared enough about one boy to go out of their way to coax, prod, sometimes threaten and finally inspire him.

I don't think that the essentials of good teaching have changed much since then. It still comes down to caring for a single boy or girl, simply because they are a single boy or girl. I tried to remember that when I taught in the History Department of Dakota Wesleyan University, concern for others is a pretty good credo to live by, not only for teachers, but for politicians.

So I come to you today as a politician, a candidate for office, but also as a former teacher who hasn't forgotten either its joys or its frustrations.

Education today is being blamed for many of our problems, from dropouts to drug abuse. Overnight everyone has become an expert on what is wrong with our schools. It some times seems as if the most qualified experts on education are those who have the least to do with it.

I do not wish to diminish or dismiss their complaints. One does not have to spend every day of his life in the classroom to know that something is fundamentally amiss. To have a son or daughter of school age is sometimes expertise enough.

Plainly, American education is in trouble. It is not doing its job—certainly not the job it did for me.

After 200 years of boasting an educational system that provides free and equal opportunity for all, we have forgotten what free and equal for all really means.

As a nation, we are neither free nor equal, when a child's chance to quality education depends not on his own initiative and energy, but on where he is born or where he is bused, or where his family runs to escape a declining urban environment.

We are, as a nation neither free nor equal, when, within a single state, the money invested in education can range from $569 per pupil to nearly $2500.

Equal opportunity is not a privilege, to be dispensed to the wealthy, and withheld from the poor. It is the right of every American, whatever his color or birth or neighborhood. Making equal educational opportunity a reality is not a choice, but an obligation, and that obligation is not fulfilled by a government that vetoes funds for education, ties the hands of school boards trying to obey the law, whose priorities are so distorted that it pays for 90% of the cost of the inter-state highway system and only 7% of the cost of education.

The budget of the United States government shows us a nation whose commitment to education—in terms of national wealth—is smaller than that of any other major country of the world;

A nation whose federal government will ask of each citizen a $400 contribution for the military, and a $12 contribution for elementary and secondary education;

A nation which spends $21,600 to kill a Vietcong soldier, and $44 federal dollars per year to educate each of her primary school children.

It is time to stop spending money killing Asian children, and start spending it to teach American children.

To do what we must in the field of education will cost a great deal more money than we are spending today. But an affluent society which believes in equal access to education should be willing to pay for it.

I am not the first candidate for the presidency to make such a statement. In 1968, another candidate, in an open letter to the teachers of America, said flatly: "When we talk about cutting the expense of government—either federal, state or local—the one area we can't shortchange is education. Education is the one area in which we must do everything that is necessary to achieve the American dream."

Those are the words of Richard Nixon, the same man who, as President vetoed an education appropriations bill, and who would have killed a second had not the Congress overridden his veto. In the four years since Richard Nixon was elected President, federal aid to the schools has declined 12% and would have slid further if the President had had his way.

We must find new funds for education, outside of the unfair and inadequate system of school finance we have today.

The ordinary working man, who scrimps and saves to come up with the monthly mortgage payment is fed up with a system which taxes his property at full value, and permits United States Steel to earn $154 million on profits and pay no income taxes at all.

Working people are directing this rage at desperately needed school bond issues. Teachers are being laid off, classes are being cut back, essential services curtailed, and some schools are faced with having to close their doors.

We cannot depend on these old declining sources for the funds we need. Nor can we look to heaven and pray for additional revenues from economic growth, which may or may not come in and may or may not be monopolized by the rising costs of current programs.

I have made it a rule in my campaign not to propose additional federal expenditures unless I can show where the money is coming from. That is why I have made proposals for tax reform and defense reductions. They may be controversial, but it is far more responsible to propose and debate them now than to make fake promises and raise false hopes among our people and our children.

Specifically, as President, I would immediately take the $4 billion we are spending this year to finance the increased bombardment of Indochina and use it to more than double the current federal assistance to elementary and secondary education.

I would recommend to the Congress that the Federal government pay one third of the total costs of public elementary and secondary education, while continuing to provide funds for existing compensatory and special purpose aid. Based on current expenditures, this program would amount to about $15 billion per year.

Three of every four dollars of that money should be allocated to the states based on their ability to raise revenue, and their educational needs—including numbers of students in average daily attendance, and special conditions which increase per pupil costs.

The remaining dollars would be allocated among the states under an incentive program, designed to achieve fair administration of the state and local tax structure. This money would be used to encourage such steps as publication of property valuations, uniform statewide property assessments, simplified procedures for citizen action to assure equitable tax enforcement, and the elimination of special local tax privileges.

Finally, all of the federal education money allocated to the states would be distributed under a formula designed to equalize educa-

tional opportunity, by achieving minimum standards of educational quality in all school districts from the combination of federal funds, state aid and uniform local school tax effort.

In doing so, we should pay special attention not only to the needs of inner-city youth, but to the special bilingual needs of Mexican-American youth, in those parts of the country where they live; and to the needs of Indian children not just for better schools, but for preservation of the rich heritage of Indian culture.

These proposals in no way pretend to be the final solution to why, after billions of dollars, and hundreds of millions of dedicated man-hours, there are too many children who are not learning enough, or are not learning at all. So far at least, a great deal of money has not been able to reach them. This is the real dilemma in education. For all our expertise, we are still fumbling for the key to what makes children learn.

As a former teacher, and the father of five children, I do not believe that "death" must necessarily come "at an early age." I offer no ultimate answers. I only propose we begin to look for them, in ourselves, and in the children we seek to serve.

One obvious way to centralize our efforts is in a single government agency of cabinet-rank, a department which can bring the full force of our creative educational talent to bear. As President, I will ask the Congress for authority to create a separate Department of Education, run by educators and responsive to them. And since women today account for 75% of all our teachers in the elementary and secondary schools, I would put their practical experience to work by naming a woman Secretary of Education.

Teachers may not have all the answers, but it is high time we start to ask them the questions.

If the self-esteem of pupils is, as the experts say, crucial to the learning process, the self-esteem of teachers, and the respect we show them is no less so. Too often, I have talked to young men and women across the country, who, when asked what they do, reply, with a trace of embarrassment, "I'm only a teacher."

Teaching ought to be our highest calling. As far as I am concerned it is.

But while we have talked long about teachers' responsibilities, I think we have fallen far short on teachers' rights. And that is a condition we must change.

That means first of all that we must have speedy ratification of the Equal Rights Amendment. I returned from the campaign trail to help defeat the crippling amendments which were offered to that amendment on the Senate floor. As in all other jobs and professions, I want to see the teachers who are women paid and advanced on the basis of worth, and not according to old, arbitrary and senseless prejudices.

Beyond that, I want to see that all American teachers have a Federally-assured right to collective bargaining. We need that not only to achieve decent treatment on pay and benefits; we need it to back up the public interest in quality education. I want teachers to have the same right to bargain collectively that people in the private sector enjoy. I applaud your growing insistence that you be assured the full right of collective bargaining. I know that you want this power not alone for your own interest, but to lift the quality of education for our own children.

Once teachers are accorded this proper respect, once they are paid as the professionals they are, once the blame for educational failure is placed where it belongs—on regressive tax situations, on discriminatory hiring, on outmoded curricula, on the plain unwillingness of a few to allow free and equal opportunity for all—and not solely on the backs of teachers, then will teaching regain the eminence it had in the earliest days of our republic, when the surest sign of civilization was the arrival of the village schoolmarm.

I am proud to have been a teacher. I hope, as I move around this great country of ours in the coming months, to do a little teaching on my own, because, in the final analysis, that is what the President must be: a teacher for the nation.

If America educates less well than it should, it is in part because the man who should be the nation's leading educator has abdicated that role. Instead of schooling the nation in the rule of law, there is an evasion of and contempt for the law.

I do not believe this is what the Presidency is all about. It is not what America is all about, and it certainly is not what teaching is all about.

As a candidate for President, I think we can do better; as an American, with children of my own, I know we must.

TAX REFORM FOR SMALL BUSINESS

Mr. BAYH. Mr. President, much has been said during recent months about the need for revision of the Tax Code. A great deal has been said about the closing of loopholes, of aiding the poor, of doing something for minorities.

Needless to say, I endorse these statements, and have myself been the sponsor of many of them. I have noted however, during the preceeding months an absence of remarks on the need for tax reform affecting a major economic and social sector of our economy, namely the small business community. Let us not forget that this vital backbone of the country is responsible for employing some 40 million of our entire labor force.

In my own State of Indiana, of a total of 82,510 business reporting units, 78,651, almost 97 percent employ 50 or fewer people. This Mr. President, is the force of small business, true not only for my State, but true, as well, for the Nation as a whole.

Bearing this picture in mind, I would like to call to the attention of my colleagues the efforts being made by the National Committee for Small Business Tax Reform. This is a committee, formed by the National Small Business Association. The chairman of this committee is Mr. Ed Larson, president of the Anderson Co. of Gary, Ind. The sole purpose of this committee is to foster tax reform for small business. To date, I believe the committee has done an outstanding job and as proof thereof I am extremely happy to see that 169 Members of the House of Representatives and 28 Members of the U.S. Senate have either introduced or cosponsored legislation aimed at assisting the small businessman.

Mr. President, I am proud to have been able to add my name to this growing list of small business supporters in the Congress and I would urge those of my colleagues who have not as yet been able to do so, to come forward in support of small business by either introducing measures of their own, or by cosponsoring bills already introduced.

Mr. President, I know that the National Committee for Small Business Tax Reform has already met with leading members of the House Ways and Means Committee to urge that hearings be held on this matter. I add my own voice to that of Ed Larson, his committee and all the members of the National Small Business Association in this plea.

"NEWS FOR THE DEAF"—A PUBLIC SERVICE

Mr. WILLIAMS. Mr. President, there is a growing awareness in the television industry of the need to provide programs and do research to increase the utility of this media for the handicapped. It is my understanding that many stations currently provide a video recap of news bulletins which preempt regularly scheduled broadcasts as well as captions for some popular shows and special programs.

One television station in Washington area, however, has a regularly scheduled news summary for the deaf and deserves special commendation.

During the recent devastation of Hurricane Agnes, WTOP–TV recruited a deaf person to report on the weather, flooding, road conditions and evacuation plans for the Washington metropolitan area.

Because of overwhelmingly favorable public response, WTOP–TV has decided to include "News for the Deaf" on the CBS morning news with John Hart. This creative and spontaneously originated programing in sign language represents a milestone in public service telecommunications.

As the sponsor of S. 3407, the Supplementary Education Services for the Handicapped Act of 1972, I am particularly pleased that WTOP–TV has taken a pioneering lead in providing equal opportunity for deaf persons to receive information in emergencies as well as increased access to educational, cultural and recreational opportunities. These are some of the purposes of S. 3407 and "News For the Deaf" is a prime example of the vital role television can play in integrating the handicapped into the mainstream of society.

Mr. President, I am proud to commend WTOP for its responsiveness to this long overdue need of the handicapped and for its continuing leadership in promoting civic responsibility. I am hopeful that "News For the Deaf" will provide an example of expanded community service for every television station in America.

MILITARY PROCUREMENT AUTHORIZATIONS, 1973

The ACTING PRESIDENT pro tempore. The time for morning business having expired again, under the unanimous-consent agreement the Chair lays before the Senate the unfinished business, which will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 15495) 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 authorize construction at certain installa-

tions in connection with the Safeguard antiballistic missile system, 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.

The ACTING PRESIDENT pro tempore. Under the previous unanimous-consent agreement, the Senator from Washington (Mr. JACKSON) is recognized to call up an amendment on which time for debate is limited to 30 minutes at this time.

Mr. JACKSON. Mr. President, I call up my unprinted amendment which is at the desk, and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The amendment was read, as follows:

On page 23, after line 4, insert a new section 605 as follows:

"SEC. 605. Notwithstanding any other provision of law, the authority provided in section 501 of the Defense Procurement Act of 1970, Act of October 7, 1970, Pub. Law 91–441, is hereby extended until December 31, 1973."

The ACTING PRESIDENT pro tempore. Will the Senator from Washington permit the Chair to state the remainder of the unanimous-consent agreement pertaining to this part of the bill?

Mr. JACKSON. So long as it is not taken out of my time.

The ACTING PRESIDENT pro tempore. The time will not be charged to any Senator.

There will be no vote at this time on the amendment of the Senator from Washington. Immediately after the time has expired, the Senator from California (Mr. CRANSTON) will be recognized to call up his amendment, on which there is a limitation of 1½ hours, to be followed by recognition of the Senator from Indiana (Mr. HARTKE) to call up an amendment on which there is a limitation of 1½ hours. Votes on these three amendments will occur later in the day.

The time will be equally divided between and controlled by the authors of the amendments and the manager of the bill, the Senator from Mississippi (Mr. STENNIS).

The Senator from Washington is now recognized for such time as he desires to yield.

Mr. JACKSON. Mr. President, the amendment I am proposing is not only simple, it is even familiar. I offer it here today as I did on an earlier occasion and for much the same reason. The amendment merely extends the life of section 501 of Public Law 91–441 for an additional year, until December 31, 1973, rather than this September 1972, when the existing authority will expire.

Without this amendment, we face the very real possibility that the President will be left without the authority to extend much needed military credits to Israel in a timely fashion and on the basis of interest rates the Israelis can afford. In the ordinary course of events authority for these purposes would have been enacted by now in the military assistance legislation that last week failed to obtain a majority in the Senate. It is therefore essential, if the uninterrupted flow of equipment to Israel is to continue, that we move now to extend the life of the current authority granted under my amendment to the 1970 Defense Procurement Act.

Mr. President, the Foreign Assistance Act contained some $300 million in credits for Israel. These credits were to enable Israel to pay for defense items made available under negotiated arrangements with the U.S. Government. There is now a very considerable risk that these funds will not be authorized in a manner that would permit the flow of equipment to continue free of interruption or uncertainty. My amendment would alleviate that situation should the inability to obtain alternative authority persist, as well it might.

The provision of law that I am seeking to extend is simple: It authorizes the President to transfer to Israel by credit sale such equipment as may be necessary to maintain the military balance in the Middle East. This authority was first enacted into law in October 1970, when my original amendment passed the Senate by an overwhelming vote. That authority, signed into law on October 7, 1970, formed the basis on which the flow of vital Phantom aircraft to Israel was shortly thereafter resumed.

Mr. President, let me recall for my colleagues the previous vote in this body on the measure that I am seeking here to extend, in point of time, for another year. The vote came on an amendment to delete the present authority largely on the ground that jurisdiction was lacking in the procurement bill. The Senate, in its wisdom, acted to uphold my amendment by a vote of 87 to 7. Senators felt then, as I am sure they will now, that the crucial authority I was seeking to enact into law dwarfed in importance any technical matter of jurisdiction.

Mr. President, the events of the last several days in the Middle East, in which Egypt has moved to reduce the Soviet presence on her soil strongly support the view I have many times urged upon the Senate: That the determination to maintain the military balance in the Middle East by helping Israel remain strong is the key building block on which peace and stability are based. Only by helping to assure that Israel will always be in a position to defend herself will her hostile neighbors be brought to understand the futility of resort to military force and the importance of direct negotiation toward a lasting peace.

Mr. President, I am confident that the Senate will act today to extend the law it so strongly supported and passed when I offered it before. It was important then as it is now to the security of the United States and to the safety of its brave and trusted friend, Israel.

Mr. President, I ask unanimous consent that the amendment I have just offered be printed at this point in the RECORD together with section 501 of Publac Law 91–441.

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

On page 23, after line 4, insert a new section 605 as follows:

"SEC. 605. Notwithstanding any other provision of law, the authority provided in section 501 of the Defense Procurement Act of 1970, Act of October 7, 1970, Public Law 91–441, is hereby extended until December 31, 1973."

SECTION 501, PUBLIC LAW 91–441

SEC. 501. The Congress views with grave concern the deepening involvement of the Soviet Union in the Middle East and the clear and present danger to world peace resulting from such involvement which cannot be ignored by the United States. In order to restore and maintain the military balance in the Middle East, by furnishing to Israel the means of providing for its own security, the President is authorized to transfer to Israel, by sale, credit sale, or guaranty, such aircraft, and equipment appropriate to use, maintain, and protect such aircraft, as may be necessary to counteract any past, present, or future increased military assistance provided to other countries of the Middle East. Any such sale, credit sale, or guaranty shall be made on terms and conditions not less favorable than those extended to other countries which receive the same or similar types of aircraft and equipment. The authority contained in the second sentence of this section shall expire September 30, 1972.

Mr. ALLOTT. Mr. President, will the Senator yield me 4 or 5 minutes?

Mr. JACKSON. I yield to the Senator from Colorado such time as he may need.

Mr. ALLOTT. Mr. President, I am pleased to join with the distinguished junior Senator from Washington in sponsoring this amendment.

The purpose of this amendment is to extend until December 1973, the life of a policy first adopted nearly 2 years ago, a policy whereby the President is empowered to meet the credit needs of Israel relating to weapons purchases, and especially to the purchase of Phantom jets.

This amendment reaffirms established policy at a moment when reaffirmation is needed. It is needed for three reasons.

First, Congress has been having substantial trouble producing a military assistance bill. We cannot allow the security of Israel to be jeopardized while we sort out our differences on military assistance. It is clear that our differences do not pertain to aiding Israel.

Second, peace has not yet come to the Middle East. It would be rash for us to act as if it had, and it would be folly for Israel to act as though it had. There are some hopeful signs. We all pray that they are harbingers of real progress toward a peace consistent with the demonstrated requirements of Israel's security. But there have been false dawns before in the Middle East. Thus, it is important that we do our part to enable Israel to maintain the strength that is a necessary—though, alas, not a sufficient—condition for stability.

Third, this policy permits the President the kind of discretion that it is proper that he have in administering aid. This policy enables him to help Israel finance weapons procurement in the United States. This policy involves funds which are repaid in their entirety by the recipient nation.

Mr. President, it is my earnest hope

that in jointly submitting this amendment, Senator JACKSON, Senator RIBICOFF, and I are giving to a watching world a clear exposition of one of the touchstones of U.S. foreign policy. That touchstone is a broad and unwavering bipartisan commitment to maintaining the security of Israel by maintaining the military balance in the Middle East.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. STENNIS. Mr. President, may I ask the Senator from Washington, on my time, two or three brief questions?

Mr. JACKSON. We will not be yielding any more time.

Mr. STENNIS. This is on my time.

As I understand it, the Senator's proposal does not contain anything in the nature of a grant; is that correct?

Mr. JACKSON. It does not. It is merely authority.

Mr. STENNIS. All the authority here, then, relates to credit sales in the amendment?

Mr. JACKSON. Credit sales.

Mr. STENNIS. Yes. I wanted to get that clear in the record, unless the Senator wants to say something else on those points.

Mr. JACKSON. In that connection, my amendment would simply extend the loan now in effect until December 31, 1973. The law would otherwise expire September 30 next.

Mr. STENNIS. Mr. President, I am opposed to the amendment, as floor leader of the bill, as chairman of the committee, and also as an individual Senator, not for the fact of the credit assistance. I have favored that before and I favor them generally now. To put it bluntly, this matter pertains to the balance of power in the Middle East. Credit sales are justified. I would vote for them in a bill from the Committee on Foreign Relations covering the same purposes, but I oppose it here for the sound reason, I think, that we should not mix apples and oranges insofar as committee jurisdiction is concerned.

This is a matter that the Committee on Foreign Relations has unquestioned jurisdiction over. In fact, it has sole jurisdiction over this subject matter. We should not draw the line so loosely that we bend it around and change the rule, in effect, to meet every wind that blows or situation that might arise. It is true that the bill to which this proposal would ordinarily be attached was defeated here about a week ago, by a fairly close vote. That has nothing to do with jurisdiction. As a matter of fact, that strengthens the point that I have just made—that because a bill out of a committee that has jurisdiction is defeated, regardless of the good purposes of the amendment, that is no justification for coming over into another committee and putting a part of the defeated bill into a bill from the other committee's province. Here, the jurisdiction belongs, as I said, to the Committee on Foreign Relations, and clearly does not belong with the Armed Services Committee. On its face it is a contradiction to the rules of the Senate. If this amendment is adopted, it will be a contradiction by the Senate of those rules. I cannot avoid mentioning the fact, as it seems to me that we are going further and further and further afield from our own rules with reference to the jurisdiction of our committees. That means that we are depending less and less on the committees for their recommendations on important legislation—depending on them less and less, I submit, at a time when we should be depending more and more on them.

Anyone familiar with the great amount of business that the Senate now has to pass upon, with the flood of bills being introduced from the time we convene until the end of the session—grinding through the committee sessions being held from early in the morning until the evening hours, many times, and passing on a budget here which is running into colossal sums—must realize, I think, that we should be traveling in the other direction, back to committee jurisdiction.

Furthermore, this is a bill from the Armed Services Committee that relates primarily, I think—and should relate solely—to questions that the law provides be passed on in this military procurement bill. That is set up more than by the rules of the Senate, it is set up by the law itself with reference to there being no appropriations until the programs are authorized.

Here last year, or 2 years ago, we passed a law, not a Senate rule but a law, providing that this committee also set the manpower levels and also the vast problem of research and development funds which have to be authorized before there can be any appropriations. Those are all in this bill. I have uniformly opposed adoption of amendments unless there was some real necessity not foreign to the primary purpose of the bill. This is a bill that you might say, Mr. President, has to pass. So any amendment that can be put on it has a good chance of riding along and reaching the President's desk. He has to sign something on this subject matter.

So I am urging now, and will urge again strongly, that however a Senator may feel about the merits of the amendment—and I am sure that many, many of the membership support the amendment on the merit of the substance—in view of the fact that there are other avenues open expressly designated by the rules to follow, I hope that they will defeat this amendment and let it come in an orderly way. Let it be placed on another military assistance bill which we know, as a practical matter, we are going to have here, and I imagine in not too long, or in a few weeks anyway.

So we will discuss this later. I have no complaint. The Senator from Washington has been consistent. He got it in the bill once before with the acquiescence of committee itself. I was opposed to it then, as he will recall. I hope that instead of continuing to travel in the wrong direction, we will retrace our steps today.

The Senator will get the loan some way, before this session is over. He does not have to have it on this bill.

I reserve the remainder of my time.

Mr. JACKSON. Mr. President, I am prepared to yield back the remainder of my time if it is agreeable to the Senator from Mississippi.

The PRESIDING OFFICER (Mr. CHILES). Is all time yielded back?

Mr. STENNIS. Mr. President, a parliamentary inquiry. We have 15 additional minutes for each side prior to the vote on this amendment; is that not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. Mr. President, well, under the circumstances, with no overwhelming requests here for time, I yield back the remainder of my time.

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

The PRESIDING OFFICER. All time on this amendment has been yielded back, other than for the 15 minutes on each side reserved prior to the vote under the original unanimous-consent agreement.

The Senate will now proceed to the consideration of the amendment by the Senator from California.

PRIVILEGE OF THE FLOOR

Mr. CRANSTON. Mr. President, I ask unanimous consent that during the consideration of these amendments two members of my staff be allowed the privilege of the floor: Ellen Frost and Murray Flander.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, does the Senator wish the staff members on the floor during consideration of all the amendments today or just this amendment?

Mr. CRANSTON. I should like them here during consideration of all amendments relating to this bill.

Mr. ROBERT C. BYRD. I have no objection.

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

Mr. CRANSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 12, line 22, strike out "$1,885,786,000" and insert in lieu thereof "$1,714, 386,000".

On page 13, between lines 7 and 8, insert a new section as follows:

SEC. 203. No funds authorized to be appropriated under this or any other Act may be expended for the purpose of carrying out research, development, test, and evaluation in connection with the SAM–D ground-to-air missile program.

Mr. CRANSTON. Mr. President, I first want to express my admiration to the distinguished chairman of the Committee on Armed Services for the very fine work he has done. His efforts reflect the will of the Senate and, I think, the will of the country, to do what can be done to hold down the defense budget.

I note that cuts were made by the committee in the amount of $2,751 million. If looked at in one way, that is an 11.8 percent cut. Part of that cut was voted because there was not time to consider all the material before the committee. The overall reduction in relation to decisions that had been thoroughly

reviewed amounted to 7.5 percent of the request submitted by the administration.

Mr. President, I think that is a very fine move toward the sort of economy that we need in government, and most of all in defense. I am one of those who believe that we are spending considerably more than is necessary.

The amendment that I have introduced calls for deleting $171.4 million authorized for continuing the development of the SAM–D.

I might say that before coming to the floor I reviewed the secret material in the possession of the committee in regard to this weapons system. And I found nothing there to alter my views on this matter.

A motion identical to the pending amendment was offered in the Armed Services Committee. It failed by a fairly close vote of nine to six. Six members of the Armed Services Committee, including the chairman of the Armed Services Committee, voted to delete funds for the SAM–D.

Since the committee report states, "The committee considers an approval of the $171.4 million in fiscal year 1973 does not constitute a commitment to production," I think we should take a hard look at this program. I am delighted that that language exists in the report. It indicates that we are not yet committed to the staggering figures associated with the actual production of the SAM–D.

The SAM–D is a surface-to-air missile system designed primarily to protect the field army from hostile aircraft. Its primary role would be to replace the Nike Hercules and Hawk missiles in Europe, with a second optional role in the air defense system of the United States. I understand that the system was basically planned for use in Europe, and that it would be mainly used there. This point raises questions about another matter that has been before the Senate a number of times. That question is: how long we are going to continue spending so much money in Europe so many years after the end of World War II? I ask this question in view of the reluctance of our NATO Allies to carry their fair share of the cost of all of this, and in view of the general easing of tensions in Europe.

The amendment offered frequently by the distinguished majority leader, the Senator from Montana (Mr. MANSFIELD), is designed to cut back our NATO troop strength. As such it is directly related to the issue I bring before the Senate. If SAM–D went into production, its astounding cost would represent an addition to the costs of our NATO operations in Europe.

No one doubts our duty as Senators to see that our soldiers on the ground receive adequate support against hostile aircraft. But the SAM–D is basically redundant. It offers us only a little more for far too much more money.

To illustrate why I think that SAM–D is unnecessary, let me describe the range of sophisticated antiaircraft weapons already deployed—or soon to be deployed—by our field army. I will begin from the ground up—literally.

The field army already has a system called Manpads, or Man Portable Air Defense System. Its missile, which is now being improved, is called the Redeye II. Weighing 30 pounds and reaching 60 inches in length, the Redeye II is a portable, shoulder-fired homing missile. It requires a two-man team on foot—$18 million has been requested for research, development, test, and evaluation, or R.D.T. & E., in fiscal year 1973.

Also included in the low-altitude forward area air defense system are the Vulcan gun system and the Chaparral missile system. Together with Redeye II, these systems are served by Forward Area Alerting Radar—FAAR—which provides target location and identification to all three. Together they are organized in a composite battalion.

The Vulcan and Chaparral fire units are deployed throughout the division to protect critical targets. They are low-altitude, fair weather missile systems designed to counter the Soviet MIG–17 ground attack fighter, the SU–7 fighter-bomber, and the MIG–21 when used in a close air support role. Planned expenditures through 1974 include $388.5 million for the Chaparral and $187.9 million for the Vulcan.

At the next level up, the improved Hawk missile system provides the field army with low to medium altitude all-weather support. Its Soviet counterpart is the SA–3.

The improved Hawk system includes a so-called information coordination center. This nerve center houses an automatic data processor which can detect targets, set firing priorities, and make assignments to the launching sections. It is equipped with two types of radar, one of which is designed to provide target range in the midst of electronic countermeasures or ECM, such as jamming and deception. Because of its swift reaction time, high speed, intercept range, accuracy, and thrust, the improved Hawk is formidable. Some half a billion dollars is tied up in this system.

The Nike-Hercules missile system, first deployed in 1958, surpasses the Hawk in both range and altitude. It is this system above all which is supposed to be replaced by the SAM–D. Accordingly, no major upgrading program is being considered. The reasons for this decision not to improve the Nike-Hercules rest mainly on the high cost of an extensive upgrading program. So the Nike-Hercules will be phased out. A very strong argument can be made that we can get along fine without it. And if the Army wants to come up with plans for a simpler, more cost-effective missile to replace it, then we can consider the proposal on its merits.

A final component of the field army air defense system is the brandnew F–15 fighter. Grant Hansen, Assistant Secretary of the Air Force, took the occasion of its debut to announce that the F–15 will "outclimb, outmaneuver, and outaccelerate any fighter threat in existence or seen on the horizon." The Air Force officer in charge of the F–15's development told the public that the plane is "equal to anything the Soviet Union is flying now," including the Mig–23. and in hearings before the Senate Armed Services Committee, Defense Department spokesmen claimed that the F–15 can reach and shoot down the advanced tactical fighter Foxbat traveling at three times the speed of sound at an altitude of 70,000 feet.

One reason why the F–15 appears to be so effective is that simplicity has been a guiding rule in its blueprint. Unnecessary structural "extras" were avoided. Avionics features which did not specifically contribute to air-to-air capability were deleted. A complex missile was rejected in favor of a relatively advanced Sidewinder type. With successful flight test experience, the first squadron of F–15's might reach initial operational capability by the mid-1970's.

Mr. President, there seems to be a military trend these days to hatch weapons systems which are ever larger in size and ever more varied in function. The CVN–70 and the Trident submarine are cases in point. But the F–15, by contrast, has been described as the first plane produced since 1948 which is specifically designed to achieve superiority in air-to-air combat.

It can fly at up to two and a half times the speed of sound and travel 500 to 600 feet a second at combat altitudes. According to the Air Force, its operational ceiling exceeds that of the Soviet Mig–23, which is 80,000 feet. But while the F–15 can perform well at high altitudes, the major attraction advanced by the Air Force is its maneuverability at lower altitudes.

Mr. President, I have gone on at length about the present components of our air defense system in order to show where and how the SAM–D fits in. I think it is already clear that even without any contributions from our European allies, the field army's air defense system already covers low, medium, and high altitudes.

The SAM–D program began in 1964. Formal concept formulation and definition were completed in 1967. After four and a half years the SAM–D has finally completed advanced development and entered the stage of engineering development. After some disagreement, the Department of Defense has decided in favor of the project.

The technology incorporated in the SAM–D is indeed impressive. The so-called firing section of the SAM–D consists of the following:

First, a radar unit which can be reoriented;

Second, a weapon-control unit equipped with a digital computer;

Third, a launcher unit carrying four missile rounds;

Fourth, the missile itself, which is 16 inches in diameter and 16 feet long, and

Fifth, the prime power module.

Advanced development hardware includes a phased-array radar antenna, a display and control console, a transmitter, an airborne guidance section, and a weapon-control computer.

This computer maintains position data on several tracks at once. This

data is then evaluated by what is called Mark XII Identification Friend or Foe. Several targets may then be engaged simultaneously.

Before all this technology dazzles us to the point of blindness, I think we should consider exactly what the SAM–D does. It is capable of multiple targeting at medium to high altitudes. It is effective against electronic countermeasures.

But the F–15 services similar protective functions at the same altitude range, together with the Nike-Hercules and improved Hawk systems. The Hawk has been equipped with radar equipment designed to offset electronic countermeasures.

The SAM–D does have some distinct advantages, including more advanced radar, a multiple targeting capability, longer range, and an ability to fire several shots at a single target. It incorporates very sophisticated technology.

But I still say we are getting a little more hardware and a little more protection for a lot more money.

Mr. President, total cost estimates for the SAM–D have exploded upward, and I use the word "exploded" advisedly. In 1969 the estimate for procurement plus R.D.T. & E. was $2.5 billion. In 1970 it had expanded to $3.5 billion, and by 1971 to $3.9 billion. The 1972 estimate was no less than $5.2 billion, representing a 108 percent increase over a 3-year period.

So far, a total of $386.9 million has been spent on R.D.T. & E. for the SAM–D. An additional $171.4 million is requested in fiscal year 1973, with a final $641.7 million required for completion of that portion of the program. The total R.D.T. & E. pricetag, therefore, is some $1.2 billion, with procurement estimated at $4 billion. These pricetags do not include associated costs, such as family housing. They have all been the subject of sharp questioning by the Armed Services Committee.

It is small wonder that in classic Pentagonese, Lt. Col. E. S. Parchinski of the Missiles and Space Directorate of the Office of Chief of Research and Development admitted in hearings that:

Since 1967 SAM–D has had funding perturbations which have caused program slippages.

Mr. President, Senators have not been the only people concerned about the SAM–D's worth. A study of electronic warfare sponsored by the Electronic Warfare Board in the Pentagon recently recommended some 70 changes in the SAM–D to insure effectiveness. At the end of 1970, the Secretary of Defense disagreed with the results of a 9-month study conducted by the Air Defense Evaluation Board and delayed the onset of engineering development. Last fall the Government Accounting Office produced a study showing that the SAM–D's unit costs had already doubled.

If the SAM–D is so important, why have not the Europeans built their own system, or at least offered to share the costs of ours? The answer presented in the Defense hearings was that we initially withheld technology from our allies, but that they could be expected to share the costs of the program from now on. I would like to hear more about this subject before I vote for any more money for the SAM–D.

Finally, Mr. President, I would like to raise the point that the SAM–D may be incompatible with the recently concluded ABM treaty. Like the distinguished Senator from Wisconsin, Senator PROXMIRE, I believe that the cost and redundancy of the SAM–D system are sufficient to make me vote against it. But he has raised some important questions. Specifically:

Pentagon spokesmen have testified that SAM–D has some ABM capability.

The ABM treaty specifically prohibits mobile land-based ABM systems.

No upgrading of SAM systems to incorporate an ABM capability is allowed.

There is a prohibition against the deployment of strategic early warning radars anywhere but on the borders of each nation, and the SAM–D includes radar units.

Dr. John Foster, Director of Defense Research and Engineering, has stated that in order for the SAM–D to constitute a violation of the SALT agreements, it would have to be fitted with a nuclear warhead and tested against reentry vehicles. But I think we should all be aware of the danger that my colleague from Wisconsin has raised.

Mr. President, I simply do not agree that promoting our national security means voting for every weapons system on the books, regardless of its demonstrated cost-effectiveness. I believe approval of the SAM–D would mean that this body would once again pour money into a wasteful program. The people of this country are looking to us for leadership, and it is high time we stopped letting them down.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Mr. President, how much time do I have on this amendment?

The PRESIDING OFFICER. The Senator from Mississippi has 45 minutes on this amendment.

Mr. STENNIS. I thank the Chair very much.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, first I wish to thank the Senator from California for his very fine remarks concerning the efforts of our committee this year to scrutinize carefully the items in the bill and to try to bring a definite recommendation here based on testimony we had developed. I appreciate his attitude. He is always very concerned and also very reasonable about these matters.

Mr. President, in this discussion reference to "SAM–D" sounds a little odd. As is often true, these letters represent the first letters of phrases that are highly descriptive. "SAM" means surface-to-air missile, one that starts from the ground and tries to knock down something in the air. That is highly descriptive. The letter D means the D version of this missile or this undertaking, just as in the old days we had the model T Ford and the model A Ford, I believe it was.

This is the model D of the SAM missile.

Mr. President, this is a matter of judgment. We must have more modern and more up-to-date ground-to-air missiles that will incorporate the current up-to-date technology that has been developed since we had technology of the Hercules family of missiles. We should be capable of producing, now, a much better missile than the Hercules and the Hawk. We have now a modernized version of the Hawk. That technique has been exhausted and we are down to the point now where we must have a new and modern missile.

I have been disappointed that this research and development has gone for so long a time and cost a great deal of money. Just as a layman, I thought they were trying to make it do too many things. At one time they were trying to make it knock down not only aircraft but also incoming missiles, and that is a horse of another color altogether. They now say they have abandoned that part of the undertaking, and they are going to limit it to attack against aircraft.

So it is true that, at the markup of this bill, the Senator from California said he learned from the committee record—and it is a public record—that I voted against including $171 million for research and development funds for this SAM–D missile for I did so largely on the ground that I thought we ought not to abolish it, but that we ought to call a complete halt and get a new start and more definite delineation of what the object was going to be in view of the experience we had already obtained, and also learn something more definite about the number we were going to produce, because this matter can run well over $5 billion. It was my idea that we ought to call that halt now.

But that position was not agreed to, and I have no complaint about that.

I have been gratified to learn that it is clear on the record now, as I understand it that the military authorities are not going to try to develop it into an antimissile missile.

I do not favor the amendment striking out SAM–D altogether. I believe that would be an error. My purpose was to call it to a halt until we could get some committals on some matters, and then some money in the bill this year to carry on this new mission. But the amendment proposed would strike out all of the funds. I would not favor that at all.

I point out here, too, that we are not required to make a decision now as to the production of this missile until about 1977. So this is still in the research and development field. Even though costly, it is confined to that part of the program, and this is by no means a committal for production.

Moreover, Mr. President, as I said, this system as a whole is extremely costly, and I believe that a more simple system can be available. Also, this is a weapon primarily welcomed by NATO to be used

by the Army in Europe, although it can be used in the United States against attack from aircraft.

As I said, it is my understanding that at one time they were trying to inject some capability for knocking down some types of missiles. Apparently, however, that has been eliminated.

The reason why I think it is unwise to terminate this program at this time is that it is still in the research and development stage. There has been no commitment to go to production, and that decision will not be required, as I said, until 1977.

I think it is a mistake to totally stop the program. I feel, however, that it should be closely watched in order to bring down the cost element and still be kept as near as possible on schedule.

I repeat for emphasis that I think we ought to have a more definite understanding as to the number of the missiles that are going to be procured, if it does reach procurement. Just to be totally frank about it, I am not in favor of spending $5 billion in missiles and putting most of them in Western Europe, in a program the other countries will not go into in any part or bear a part of the cost.

But I urge my colleagues, for the time being, let us not kill this program, but keep it in the bill at some level, and I join at this time with the committee in recommending the level it has already fixed.

I yield to the Senator from South Carolina (Mr. THURMOND), a very capable man in this field, 15 minutes.

Mr. THURMOND. I rise in opposition to the amendment which would strike from the pending bill the Army's surface-to-air defense system commonly known as SAM–D.

It is my belief that the Army's SAM–D air defense missile program represents vitally needed muscle for defense to our modern field Army. Further, deployment of this system will reduce defense expenditures by replacing two aging air defense missile systems with one modern system and reducing the manpower required to produce a needed level of defense against a determined attacker.

There are known deficiencies in the present air defense of our field forces. To correct these deficiencies, major research and development efforts are being devoted to SAM–D to insure the earliest possible deployment of this next generation system. Present priorities dictate the design of SAM–D primarily as a field army weapon for the 1980's and beyond. In this role, this system will counter advanced-maneuvering-type attack aircraft—and this is important, because many of the weapons we have have not been able to do this—at low, medium, and high altitudes in an intense electronic countermeasure environment.

SAM–D will insure that penetration tactics and modern countermeasures technology in potential future conflicts will not be able to defeat our air defenses in the way we were able to overcome the Soviet-developed surface-to-air missile systems in North Vietnam.

The present SAM–D concept, which resulted from over a decade of studies on the part of the Army and various industrial firms, stresses high performance against the advanced tactical air threat, high reliability, and equally important, low-support costs.

A graphic indicator of these potential cost savings is that today's technology allows the replacement of 10 radars—I repeat, 10 radars—presently used in Hercules and Hawk by one SAM–D radar. This single SAM–D radar performs all the functions now performed by the 10 radars in the present systems.

Although the cost savings resulting from deployment of the SAM–D system are significant, we would be remiss to consider this aspect alone without a corollary consideration of the function of this system in defending field forces wherever they might be.

Hawk and Hercules have performed well against their design threat but these present systems do not provide the necessary defense capability against the advanced threat of the late 1970's and beyond. At the most, improvements being incorporated in these present systems are only interim measures to reduce the military risk until an advanced system is deployed.

These performance deficiencies represent an ever-increasing, ever-dangerous threat to the troops comprising our field army. For example, both existing systems, Hawk and Hercules, are deficient in terms of firepower capability. This means that a determined enemy can saturate present systems relatively easy, thereby achieving free access to his objectives. The SAM–D system with its high firepower and target handling capability can cope with many targets simultaneously.

The SAM–D is the only system specifically designed to overcome the present weaknesses and to fully counter the penetration tactics envisioned for the future.

Mr. President, the field army of the 1980's—and that is what we are preparing for now, because it takes about 8 to 12 years from the time a complex weapon like SAM–D goes on the drawing board until it is ready for deployment—must be defended against a sophisticated air threat.

Mr. President, in summary, I want to say:

First, the SAM–D is the Army's only long-range air defense sytem for the future, and the field army will be unprotected against high-altitude bomber attacks without it.

Second, the SAM–D is mobile, and any deployment to Europe could be brought home if we pull out there. It would not be a waste of money. It can go any place that the field army goes.

Third, the Soviets have placed great emphasis on SAM—which means surface-to-air missiles—with great success. There are Soviet SAM's in Vietnam, and this is something that I think is very important: The Soviet SAM's in Vietnam have accounted for the vast majority of U.S. aircraft lost over the North.

Fourth, the present system, Hawk and Hercules, has proved more vulnerable, in that electronically-guided maneuvering actions by enemy aircraft have reduced their effectiveness.

Fifth, the SAM–D program needs to proceed at least through engineering development before any final decision is made, and that is what we are doing here. We are providing the research and development to see just how effective it is. We know we need a system like this. We are hoping that the research and development here will be able to produce the weapon that we need to protect the field army.

Sixth, while the radar only searches a 90-degree quandrant at one time, it can cover 360 degrees by simply rotating around.

Seventh, SAM–D will require 40 percent fewer personnel to operate than now required for the Hawk and Hercules.

Eighth, the SAM–D can handle eight targets at one time, compared to two by the Hawk.

So, Mr. President, any way we look at it, we know that the SAM–D offers a tremendous potential for the field army. We know that this weapon, or some such weapon, is needed by the field army. The complaint that it will just be used in Europe and will not protect this country is a lot of bosh. This system is mobile and, as I have stated, it can be brought home if it is not needed in Europe or it is determined to bring it home. It will not be a waste of money.

If we are to protect the field army—and that is the force that has to do the hard man-to-man fighting—then our personnel are entitled to the best of weapons and equipment, and we cannot just say now that we are going to have it next year. We will not have it next year. This is for the field army of the 1980's, and we have to start this far ahead, and do the research and development, in order to get this weapon ready for the 1980 field army.

Mr. President, I hope the Senate will see fit to kill this amendment and allow this research and development to go on, so that we can proceed to develop this weapon. We are not committing our selves to production; we are merely committing ourselves to research and development; and if this weapon is successful, we certainly want it. If it is not successful, we ought to know it, so that we can discontinue it. The Army thinks it will be successful, and the Army wants it, because it feels the need of such a weapon to protect our people fighting in a theater of war.

I hope the amendment will be defeated.

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 24 minutes remaining.

Mr. STENNIS. Mr. President, I yield 14 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, in presenting the first of several arguments that I shall present to defend the SAM–D, I want to get into history a bit, because I feel there is not much understood about weaponry on the floor of the Senate, except by those who make it their business to study it, and apparently it is not much understood by the Peace through Law group or the Brookings Institution, and particularly among Senators who are trying to cut down on weaponry and cut down our strength.

I would like to go back into history, because, being a conservative, I believe that what is past is prelude, and we like to study the past because what we are going through today we have gone through before.

Mr. President, in any approach to the non-nuclear warfare problem in Europe substantial lessons and insights can be obtained by an examination of historical data in World War II. Toward this end we have data which are the result of a detailed examination and translation of pertinent documents which describe in detail the first 6 weeks of the German attack on the Soviet Union. The code name for this attack was Barbarossa and I should like now to present the results of the German air attack in order to provide a better insight into future U.S. air defense system requirements. The German attack on the Soviet Union occurred on Sunday morning, June 22, 1941, at 3 a.m. On the morning of the attack the total inventory of aircraft on the front numbered 2,230—350 of which were noncombat type. The first wave attack was made up of 868 planes directed against 31 bases. The 31 bases initially attacked were those in closest proximity to the ground attacks of General Hoth, General Guderian, and General Manstein. The results on the first day were almost unbelievable; 1,811 Soviet aircraft were destroyed to a loss of only 35 German planes. Continuing past the first day, historical data shows that during the first 6 days the Soviets almost lost their entire tactical air force—3,806 aircraft. The overall German commander during this campaign was a man by the name of General Halder who was an Army officer. He was a man who kept meticulous war diaries and at the end of the third day he indicated in his diary he could not believe the effectiveness reports he as receiving from General Goering. As a result he appointed a commission, the majority of which were made up of Army officers to either verify or contradict these reports. Two weeks later, General Halder indicated that, in fact, these results were correct. The task at this time was simplified—a matter only of counting Soviet fuselages since the Germans had overrun almost all the airbases. This type of historical data coupled with the same evidence in the Israel-Egyptian Six-Day War indicates the requirement for an air defense system around high value targets, such as air bases, to handle concentrated high traffic rate enemy attacks. We, therefore, see the requirement for an air defense system capable of engaging many targets simultaneously—a significant capability which has been built into the SAM–D system far superior to any existing air defense system. It should also be noted that this air defense capability is not competitive but shelter program, since we cannot allow the enemy to engage in a tactic of cratering and blowing up airfield runways, thus providing a situation in which our sheltered aircraft, while they survive, are still not operationally useful. An active effective air defense system can make this tactic very costly for an enemy attacker.

We shall now turn our attention to an examination of the effectiveness of German air attacks on ground targets other than aircraft. Inspection of this data indicates the Germans were achieving approximately one target destroyed per sortie flown. Since the bomb load of these aircraft was approximately 2,000 pounds, the Germans were destroying a target for each ton of bombs delivered. These results are approximately the same as those of the U.S. 8th Air Force in 1944. It should also be noted the Germans were also able to fly 4.8 sorties during the first week of the conflict.

Indeed, one might wonder why the effectiveness of the German air force and the U.S. Air Force in World War II is substantially greater than the experience with today's aircraft in Southeast Asia and today's technology. One explanation for this is the dramatic difference in target density of a modern Army in Europe versus our enemy in Southeast Asia. As an example, during the highest traffic period, there were less vehicles on the Ho-Chi-Minh Trail at any one time than are in a U.S. Army brigade. In addition, if that same comparison is made based upon numbers of vehicles per square mile occupied, then a U.S. division in its defensive position in Europe represents a target density 33 times that associated with Southeast Asia. In addition, of course, the U.S. division would be emplaced both day and night, unlike in Southeast Asia, where travel is restricted almost entirely to nighttime hours.

I might add, Mr. President, that history will prove that there were no restrictions on the bombing in World War II on either side. Commanders of air fleets and air forces of both sides had complete decisionmaking in their hands as to what would be bombed, when it would be bombed, the amount of weight that would be placed in the bombing. In other words, their air war was fought by airmen working with groundmen, not by airmen trying to work with civilians such as Robert McNamara and President Johnson, 10,000 miles away in Washington, who knew practically nothing of strategic or tactical bombing.

Therefore, the tremendous "target rich" environment of modern armies in Europe coupled with the spectacular strides being made in improvements in air-to-ground weapon delivery—for example, smart bombs—represents the urgent requirement for an effective air defense system for the U.S. Army throughout the 1980's.

Finally, we should ask ourselves what the impact of an air attack can be on a ground fighting force. If, for example, we were to consider the assignment of approximately 150 aircraft to attack a division in close support and these aircraft flew three sorties a day—compared to the four and one-eighth sorties flown by the Germans in World War II—and these aircraft were able to do no better than aircraft in World War II—that is, their effect was limited to destroying one vehicle per sortie—and this air attack would be attributed to the maximum extent afforded by our present-day air defense systems, then at the end of 3 days that division's surviving combat effectiveness would be 50 percent of full strength—a figure which most ground combat military officers would suggest would represent a requirement for either replacement or substantial reconstitution of that division. The substantial increment in attrition per sortie afforded by the SAM–D system, not only because of its higher effectiveness against individual aircraft but also because of its simultaneous engagement capability, would limit the same attack to a negligible impact on the ground fighting force.

We can therefore observe, from an examination of historical data, that the requirement for SAM–D not only derives from increased sophistication of the aircraft threat—speed, electronic countermeasures, and so forth—but also from the large numerical quantity of PACT aircraft, thus necessitating the effective simultaneous engagement of a large number of enemy aircraft at the lowest total system life cycle cost.

Now, why replace the Hawk with the SAM–D? This question, or one like it, continues to be raised. The real question is, Why do we need air defenses for our field forces? The intelligence community has told us as much as it can about the threat of the 1980's. The intensive fight on the battlefield for air supremacy during this future period will really reflect on how well we have planned today. No one seriously questions the ability of an enemy to build, maintain, and use aircraft which will fly at supersonic speeds, carry the most devastating and sophisticated weaponry, utilize electronic countermeasures, and fly with tactics that can be adapted to use the full gamut of the aircraft's design. If we are to have a field army facing this enemy, the field army must be able to protect itself so that, if called on, it can wage a winning battle.

The present air defense weapon systems that would be replaced by SAM–D are the improved Hawk and the Nike-Hercules. These are not bad weapons. These are good weapons. However, they are not designed for the 1980's. The improved Hawk is an upgrade of technology of the 1950's. It is an interim measure for the 1970's. The Nike-Hercules and the Hawk were deployed in the 1950's. With technology advances continuing at such a rapid pace, it is simply not possible for them to do the job of the future. We are moving ahead with the Stinger, an improvement for Redeye, and work continues on an improved Vulcan and an improved Chaparral system. These are Shorad systems—short-range air defense against the low-flying threat. These systems must be complemented by a system which has low-altitude capability, but also capability against medium- and high-altitude threats possessing all the versatility that this new technology furnishes. Each SAM–D system with its high firepower and target handling capability will be able to cope with the numbers of aircraft expected to be attacking our field forces.

If we have no SAM–D, we have no other system in the development cycle ready to take on this role. Do we abdicate the air defense of our field forces? This bill does not ask for money for deployment. We are still in engineering development. Procurement of hardware for deployment is still a few years away.

If we stop this present effort, what do we look to? As Senators know, there has not been a decision to deploy SAM–D in the continental United States. The total procurement package of $5.2 billion to SAM–D includes moneys for a possible deployment. To be exact, $1.4 billion is directed to this continental U.S. deployment option. I do not feel we should close out the possibility of defending ourselves at home in the 1980's in the early 1970's, particularly when today we are only addressing money that is for development of a system for the future.

I feel that as long as we have armies that we will maintain to protect us, we must give them every chance to survive on the battlefield and wage a winning war effort.

Mr. President, in the few moments remaining to me, I want to bring one or two facts to the attention of the Senate.

First, in war games in which I have participated from time to time, unless—and get this—unless the U.S. commander in Europe can retaliate immediately with nuclear-tipped weapons, our forces in Europe could not survive more than 3 days, possibly 2½ days.

Mr. President, I would like to continue this matter later. I am told that the services for Senator Ellender commence at 12 noon, and I certainly would not want to speak during that time. So I will close by asking unanimous consent that three tables be printed in the RECORD entitled "German Air Experience," "German-Soviet Aircraft Losses," and "German V Air Corps Results."

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

GERMAN FORCE STRUCTURE, 22 JUNE 1941

Bombers	880
Dive bombers	280
Fighters	660
Ground attack	60
Reconnaissance	120
Transport	150
Liaison	80
Total	2,230

FIRST WAVE ATTACK

Bombers	637
Fighters	231

Attacked 31 air bases (97 total bases).

FIRST DAY RESULTS

German losses	35
Soviet losses:	
By air and antiaircraft atillery	322
Destroyed on ground	1,489
Total	1,811

GERMAN, SOVIET AIRCRAFT LOSSES (JUNE 22–27, 1941)

	22	23	24	25	26	27	Totals
German	35	16	24	15	18	13	121
Soviet:							
Air-to-air (includes AAA)	322	123	117	155	188	67	972
Ground	1,489	648	348	196	88	65	2,834
Total	1,811	771	465	351	276	132	3,806

GERMAN V AIR CORPS RESULTS

	Sorties	Aircraft: Air	Aircraft: Ground	Trucks	Tanks	Locomotives	Freight cars
K.G. 51	1,194	16	475	1,331	33	.....	1,500
K.G. 54	3,300	24	356	1,495	177	109	1,207
K.G. 55	4,439	33	175	2,544	112	92	649
K.G. 210	173	22	96	.....	.....	.....	.....
ST. G. 77	4,183	2	14	2,401	234	.....	.....
K.G. 27	77	1	2	343	13	.....	7
Total	13,366	98	1,118	8,114	569	201	3,363

Mr. GOLDWATER. Mr. President, later today, if the chairman will allow me, I should like to continue my remarks, because I think we are treading on very dangerous ground here.

Mr. STENNIS. The Senator from Arizona may be assured that additional time will be allowed him.

Mr. President, I now yield to the Senator from West Virginia.

RECESS AS MARK OF RESPECT TO THE LATE SENATOR ELLENDER

Mr. ROBERT C. BYRD. Mr. President, it being 12 o'clock noon, eastern daylight time, the funeral services for our late departed colleague Mr. Ellender are now beginning at Houma, La.

Out of respect for our late departed colleague Mr. Ellender, and in conformity with the suggestion made by the very distinguished Senator from Mississippi (Mr. STENNIS), I now move that the Senate stand in recess until the hour of 12:45 p.m. today.

The motion was agreed to; and at 12 noon the Senate took a recess until 12:45 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. In my capacity as a Senator, I suggest the absence of a quorum.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time consumed during the recess and on the quorum call just ended not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

MILITARY PROCUREMENT AUTHORIZATIONS, 1973

The Senate continued with the consideration of the bill (H.R. 15495) 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 authorize construction at certain installations in connection with the Safeguard antiballistic missile system, 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.

Mr. STENNIS. Mr. President, I had expected the Senator from Arizona to be here, but I am sure he is detained in some way. He has a few additional remarks that he wishes to make.

The Senator from California (Mr. CRANSTON) says that he has some questions that he wishes to ask, so I ask unanimous consent that we may proceed with that, and that when the Senator from Arizona returns, he can resume his remarks.

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

Mr. CRANSTON. I thank the Chair. I shall be glad to use my own time, because I think it is appropriate that I ask some questions, if I may.

Referring to the general practice of cost overruns on weapons systems, the General Accounting Office reported in mid-July that there had been an increase of $28.7 billion between the original and the current cost estimates of 77 different weapons systems. One of those weapons systems was the SAM-D, in which there has been an increase from the $2.5 billion originally estimated to the current—and perhaps not the last—estimate of $5.2 billion.

An article in yesterday's New York Times specifically singled out the SAM–D as an example of "flabbiness" that permits large cost overruns.

Quite plainly, the committee has been very concerned about this, and quite properly so. I wonder whether the distinguished chairman of the committee could shed any light on why there have been such vast cost overruns in this particular weapon system. As I understand it, these overruns exceed even the most notorious cases such as the C–5A.

Mr. STENNIS. I say to the Senator from California that before the debate closes on this question today, I will try to have available for a more definite answer than I am able to give now, on such short notice.

This is one of the more expensive weapons systems. It has had a great deal of trouble and a great deal of delay. It is in the field of highly complex weaponry. It is a missile, and it is a highly important one, with a very important mission. They have even considered expanding that mission, as I said this morning, not only to aircraft but also to defense against incoming missiles. So it would be in one of the most difficult fields in which to stop and start and change after finding out that certain things would not work.

I can get a more specific answer on the history of this matter, with which I am not too familiar at this time. My recollection has not been refreshed on it. Hearings were held on this matter by the Tactical Air Subcommittee, and the direct contact I have had with this matter this year has been the discussion we have had around our committee table. Before the debate concludes, I will have some information for the Senator.

The Senator mentioned an estimate of $5.2 billion for the production. That is for a great number of missiles. It includes all the R. & D. and all the in-

between items, and then the missiles themselves.

That is still just an estimate. You have to find out everything that has to go into the missile first. I really do not think, in the case of a missile as complicated as this is, that everything over the first estimate mentioned can automatically be called an overrun. I will get a more definite answer for the Senator.

Mr. CRANSTON. I thank the Senator.

As I understand it, the program now costs as much as the F–14. Cost overruns are now larger than overruns for the C–5A in fact, the program would cost more than the Washington ABM.

I should like to ask another question on the matter. Since the R. & D. is not yet fully completed, since engineering development has only just gotten underway, since production remains in the future, and since deployment is not really planned until the end of this decade, what assurances are there that the price tag will not keep on escalating, and that there will not be more cost overruns?

Mr. STENNIS. We now have a decision date for initial production in 1977, and that would make actual production come on up into the 1980's, anyway. Most likely, there will be some increase in cost. It is just like the cost of living index. It keeps going up. The cost of labor, the cost of material, and the cost of everything else goes up. It is like the Earth moving around the Sun: Everything else moves with it. That would not be chargeable to SAM–D any more than to anything else. But more and more will be added, unless we have a change in our inflationary trend.

Mr. CRANSTON. How high could it go—$6 billion, $7 billion, $8 billion?

Mr. STENNIS. I would not attempt to put a figure on it. The Senator's calculations are correct. As you add the years, you usually have to add to the cost. I do not call that an overrun. That reflects the inflationary spiral, and a factor is usually written into the contract at a certain estimated level. That is part of the target price, anyway.

Mr. CRANSTON. The President chastised Congress the other day for appropriating sums that he felt were excessive. He suggested that there should be a ceiling on expenditures. Should there not be some kind of ceiling on weapons expenditures, within reason, taking into account our defense needs? I ask particularly because so many of our weapons systems seem to involve these incredible cost overruns, so that we do not know what we are getting into when we start.

Mr. STENNIS. Most of these cost overruns, the worst ones, come in a weaponry that is a new concept. No one knows at the beginning anything more than what they hope they can find is obtainable. They hope to find a missile that can do a certain thing. They start from there.

I do not think it would be very practical to put a ceiling on the weaponry that is necessary. We could hardly do it with any accuracy, unless somewhere along the line we were going to give up certain weapons.

The Army tank became so expensive, while it was still in the R. & D. stage, that it was abandoned by Congress. The cost became so high per unit that last year Congress just dropped it. That can happen to a weapon that goes on——

Mr. CRANSTON. That is a fine precedent. I hope it can apply here.

Mr. STENNIS. I think that we are trying to make weapons do too much. That was the main reason with respect to the tank. I am not predicting this end for the SAM–D. We must have a missile in this field. I think the Senator supports that idea, but he is concerned about the enormous cost, as I am.

Mr. Fine, our very able and valuable staff member, thinks that the high-risk problems as to cost have been solved, largely overcome, and it is expected that these costs will be estimated more accurately from now on. There were some very-high-risk items.

The last contract that was let on it is what they call the engineering and development contract. It is still in the development stage. That contract was let on March 1, 1972. That was from the 1972 funds. We are talking about 1973 funds now.

Mr. CRANSTON. I certainly hope that all the cost overruns have already occurred. But I have heard that hope expressed about other weapons systems before we found out, to our sorrow, otherwise. In regard to——

Mr. STENNIS. Pardon me, before the Senator leaves that point, I think this weaponry has considerably more surveillance now by Congress than in years past. The tank had more and the C–5A had more, but that came all at once and it was too late to do anything about it. This weapon is having surveillance now much more than several years ago. I thought, maybe, that would encourage the Senator.

Mr. CRANSTON. I am encouraged by that. I am also encouraged by the fact that because of the leadership and accomplishments of the chairman, we are a lot more hopeful that more surveillance will produce cuts in requests for money for the military.

In regard to the matter of a ceiling, an engineer considers cost as part of the feasibility of any project. An engineer could theoretically draw up almost any project to do almost anything, if he did not have to worry about costs. But cost is always a practical consideration.

I recognize that our military planners need a system that will perform functions analogous to what SAM–D is expected to do. That would be hard to dispute. But I do question whether we need to double or triple the number of systems that have that capacity. We already have the Hawk. The SAM–D was dreamed up at a time when the Hawk had not been improved. Now it is improved, and there is some question as to whether we need both.

I would also like to ask: How much overlap is there between the Navy's Aegis missile and the SAM–D?

Mr. STENNIS. I am advised that that missile is being developed solely for the Navy and really would not have the qualities or the characteristics that could be used as a ground missile, surface-to-air missile for the Army. It would not be practical. I think that has been gone into rather thoroughly by the committee and by the Department of Defense. I know it has been gone into by the committee thoroughly. The Senator from New Hampshire is one who is rather diligent and persistent in this field.

Mr. CRANSTON. Yes. He spoke to me of his interest in it. One reason among others why we are having no votes till later today, is that under the unanimous consent agreement, the Senator hoped that we could put off full discussion on this matter until he could be present.

In relation to the Aegis missile, I would hope it might be possible, through hearings or through publication of whatever can be published, to get on the record at some point a clearer understanding of the differences and the similarities between the Aegis missile and the SAM–D missile, and also the Hawk.

I would like to ask another question about plans for use of the SAM–D. Is it primarily planned for use in Europe?

Mr. STENNIS. Yes. The Senator is correct.

Mr. CRANSTON. The Senator from South Carolina (Mr. THURMOND) stated that the SAM–D is designed to protect our field army in Europe in the 1980's. Does this commitment to the missile imply any commitment to maintain troops in Europe on into the 1980's and perhaps thereafter?

Mr. STENNIS. I do not think there is any definite commitment into the 1980's and beyond, but really we have to think about the necessary weaponry in advance because, as illustrated here, it takes a great deal of time to perfect a new missile that carries all the technological possibilities. We would have to, in the 1970's, be thinking about 1980 whether event followed that pattern or not.

As for the Army, they would use some of the missiles. That "some" is a big question. I really wanted it firmed up more definitely when we went into production.

Mr. CRANSTON. I share the hope of the Senator from Montana (Mr. MANSFIELD), as well as other Senators, that by 1980 we will be out of Europe, so that we will be able to lessen the outflow of gold, ease the tensions in that part of the world, and halt an investment of over $5 billion. The original concept behind the Sam–D, which was apparently planned almost entirely for our men in Europe, seems to be a dubious matter.

Have our NATO allies agreed to share the costs?

Mr. STENNIS. They have not. On the contrary, they declined to agree to share the costs. Frankly, I am not too well familiar with the reasons given altogether, but one of them was the cost of the missile.

Mr. CRANSTON. So again we are faced with heavy costs, and our NATO allies do not desire to share them.

Are there any plans worked out for deployment of the SAM–D missile in the United States?

Mr. STENNIS. I understand and I have been told that there would be a need here. Yes, this planning sheet we have here shows 42 batteries for the United

States. I do not know whether this information about the European number of batteries is classified or not, but there is more for the United States, I can tell the Senator that.

Mr. CRANSTON. But there are no precise plans worked out, so far, for deployment in this country, is that correct?

Mr. STENNIS. No. Contemplated. They will have 42 batteries, but so far as putting a figure on the different spots and places is concerned, that has not been done yet.

Mr. CRANSTON. Is the Senator speaking of use in connection with training or actual deployment?

Mr. STENNIS. I am speaking of both, I would think, yes. Training has to come, of course, but this will be primarily deployment.

Mr. CRANSTON. In regard to use of the SAM–D in this country, I should like to read one paragraph from an article written by Henry R. Myers, a Washington consultant on arms control and science policy, published in the Washington Post:

> The strong support for the Moscow agreements in Congress, meaning the SALT agreements, combined with the Administration's half-hearted justification of the Washington ABM site, indicates a general recognition that attempts to build missile defense systems for any purpose have served only to fuel the arms race. The meaning of SALT is that the United States and the Soviet Union have acknowledged that missile defense and "mutual restraint" cannot coexist.

I should like to ask the status of using a nuclear capacity in this country in connection with the ABM agreements. If undertaken, is the SAM–D a violation of the SALT agreement?

Article 6 of the SALT Agreements states:

> To enhance assurance of the effectiveness of the limitations on ABM systems and their components provided by this Treaty, each Party undertakes:
>
> (a) not to give missiles, launchers, or radars, other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode;

Mr. STENNIS. Mr. President, I think all the way through that, relating to nuclear versions of conventional weapons, they are in no way restricted in the SALT Agreements and restriction is not contemplated.

The present plan is to work on all of them. The SAM–D is a conventional weapon with no present plans to have any nuclear weapon capacity. It is a tactical weapon.

Mr. CRANSTON. Mr. President, would it be a conventional weapon if it were endowed with nuclear capacity?

Mr. STENNIS. I would not call it conventional if it were using nuclear capacity, but it would be a tactical rather than a strategic weapon.

Mr. CRANSTON. So, presumably on this point, the Army is not planning to give the SAM–D that capacity.

Mr. STENNIS. The Senator is correct. That is what we are assured.

Mr. CRANSTON. Mr. President, returning to the figures on U.S. forces in Europe, I have heard different estimates about the size of the air threat posed by the Warsaw Pact forces. Is the Senator in a position to say why the present missiles are insufficient to deal with the situation in Europe?

Mr. STENNIS. Mr. President, I would rather that the Senator from New Hampshire answer that question. I expect to yield all of my time to him when he comes to the floor. If the Senator does not mind, we can save that question for him.

Mr. President, there is one more aspect of the procurement and production question, and that is when the time will come to decide on how many batteries and where they are to be. There is no need for a final plan. However, they estimate now, for working purposes, 42 batteries. The exact location would be determined later. They will be like the Nike-Hercules, the SAM, and the Hawk missiles. So, making allowances, for the differences, in the SAM–D being more advanced generally in pattern, it would follow to some degree the pattern of the Hercules and the Hawk.

Mr. CRANSTON. Mr. President, I would be delighted to wait for the Senator from New Hampshire (Mr. McINTYRE) and to hear his answer to the particular question I posed to the Senator from Mississippi about the Warsaw Pact forces. However, we will have very limited time to get into these matters when we come to vote this afternoon.

Mr. STENNIS. I will give the Senator my opinion based on my years of service on the Armed Services Committee. I think that the threat over there, close up in Eastern Europe, would be much greater and our coverage would have to be a great deal thicker, because that is where the realities are, at close range over there, even though we are putting up this defense against a bomber that has to come all the way from the Soviet bases or somewhere else far off. So, the situation is much more acute there, up against the Warsaw Pact countries. They have some 8,000 aircraft, I am advised, according to the latest figures, in this area. That is a lot of planes.

Mr. CRANSTON. Mr. President, we maintain many men with many costly weapons in Europe many years after World War II. Does the Senator have any comment on the view that quite possibly the Soviet Union's wish to keep troops in some of the Warsaw Pact nations is eased by the fact that we maintain so many troops there and equip them so well? According to this view, our presence gives them the excuse to keep their troops there. If there were a little restraint on our part, and if we withdrew some of our troops and spent less on heavy weapons, the Russians might come under heavy pressure to withdraw some of their troops from Eastern Europe.

Does the Senator have any comment to make along that line?

Mr. STENNIS. I can see the possibilities there. I really think though that the richer possibility is for our chances to reach a further agreement with the Soviets in the nuclear field now.

This last year seems to have proven that. I have been very hopeful that once a start is made in that field, with respect to the Warsaw Pact agreement, there is a possibility of a mutual reduction of some kind and that would then become a greater possibility. The chances would be greater, and that would be pursued.

We had that matter up for consideration and had very active debate here, if the Senator will recall, on an amendment proposed in an appropriation bill. I got as fully advised on it then as I possibly could. The SALT talks were beginning about that time, and they started moving. I thought it was a first priority. If we get that agreement, the next priority, to me, would be to go back to the original problem which the Senator brought up with reference to the Warsaw Pact agreements.

Mr. CRANSTON. Mr. President, I have been greatly heartened and encouraged by the interest of the distinguished chairman of the committee in the SALT negotiations and the treaties that have come out of them.

The Senator is the leader in the Senate on military matters. He is the man who bears the greatest responsibility in that field. His support and interest in reaching arms limitation agreements is highly significant.

What troubles me about proceeding with something like the SAM–D at this point is that if we successfully work out a nuclear arms control agreement, rushing into a spiralling arms race would not really benefit all concerned.

Mr. STENNIS. It is a good point. And I hope that we go on into the present field.

Mr. CRANSTON. Mr. President, a question has arisen in regard to the possible nuclear capability of the SAM–D. The Senator says that he is not now contemplating either the relationship of costs factors or the cost overruns on the multiple missions of the SAM—D.

The PRESIDING OFFICER. The time of the Senator from California has expired. The Senator from Mississippi has 11 minutes remaining.

Mr. STENNIS. Mr. President, I yield to the Senator from California 5 minutes or as much thereof as he may need.

The PRESIDING OFFICER. The Senator from California is recognized for an additional 5 minutes.

Mr. CRANSTON. Mr. President, I thank the Senator from Mississippi.

Mr. President, the Senator from Mississippi said that the reasons for the cost overruns on the multiple missions of the SAM–D include its antimissile capacity. Now that kind of mission has been dropped. Should not the cost estimates go down rather than up?

Mr. STENNIS. I think the most the Senator could hope for there would be a cutoff of some of the spiral, some of the costs that have been going up. I would not expect any immediate showing of a reduction, but I certainly would expect some in the course of the next few years. We have been in this development now for about 5 years. Then, we have to see; that is about all I can say about it. Then, it should cause some reduction, but not immediately.

Mr. CRANSTON. Before concluding, I

would like to make a further point. One reason I offered this amendment on the SAM–D was that the distinguished chairman of the committee had made plain his own grave reservation about the system when he voted against it in committee. Upon looking further into the background, I found that the record indicates grave concern about the SAM–D in the Committee on Armed Services all along. In 1970, the committee directed that $75 million intended for the SAM–D be cut and that the program be terminated. The stated reason was that the cost did not match operational priorities. But the program was restored in conference.

In 1971 the committee directed that $15 million be cut and that a study be made of the SAM–D program. That reduction was restored in conference. The same thing happened in fiscal year 1972.

It was against this background that I decided that the SAM–D might warrant further thought and action on the floor of the Senate.

I appreciate very much the very helpful role of the Senator in answering the questions I have posed to him. I thank the Senator for his generous comments about my efforts in this matter.

Mr. President, before closing, I ask unanimous consent to have printed in the RECORD a letter that I wrote to my Senator colleagues about the amendment and my reasons for offering it.

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

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C., July 31, 1972.

DEAR COLLEAGUES: I am introducing an amendment to the military procurement authorization bill to delete $171.4 million for continued development of the Army's SAM–D program. It will be voted upon this afternoon.

The SAM–D is a surface-to-air missile system designed primarily to protect the field army from hostile aircraft. Its primary role will be to replace the Nike Hercules and Hawk missiles in Europe, with a second optional role in the air defense system of the continental United States.

Our field army deserves adequate protection against hostile aircraft. But the SAM–D is basically redundant. Our field army already employs a sophisticated anti-aircraft system which includes the Redeye, Vulcan, Chaparral, Hercules, and Hawk missile systems. Our new fighter, the F–15, also overlaps with the functions of the SAM–D.

The SAM–D does have more advanced radar, a multiple targeting capability, longer range, and an ability to fire several shots at a single target at a very high cost.

Total cost estimates for the SAM–D have exploded upward. The 1972 estimate was no less than $5.2 billion. The original Pentagon cost estimate, in 1969, was $2.5 billion. *This represents a 108% increase over a three-year period.*

The SAM–D is intended primarily for use in Europe—but our NATO allies won't build their own system and won't help share the cost of ours.

An amendment identical to mine to delete SAM–D was defeated by a 9–6 vote in the Armed Services Committee. Favoring the amendment were Senators Stennis, Symington, Ervin, Cannon, Bentsen, and Saxbe. Opposing were Senators Jackson, McIntyre, Hughes, Smith, Thurmond, Tower, Dominick, Goldwater, and Schweiker.

I can sum up the case against the SAM–D program by saying that it gives us a little more hardware for a lot more money. I hope that you will join me in voting against this program.

Sincerely,

ALAN CRANSTON.

Mr. CRANSTON. Mr. President, I yield the floor.

Mr. STENNIS. Mr. President, I do not have any additional remarks to make now.

I suggest the absence of a quorum on my time while someone on the other side undertakes to contact the Senator from Arizona.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

All time on the Cranston amendment has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Mississippi may have 10 additional minutes for the purpose of putting in a quorum call, awaiting the arrival of a Senator who wishes to speak briefly on this amendment.

The PRESIDING OFFICER. Without objection it is so ordered. The Senator from Mississippi has 10 additional minutes.

Mr. STENNIS. I thank the Chair very much, if the Chair will indulge me for just a half minute.

Mr. President, I yield 8 minutes to the Senator from Arizona and I will save 2 minutes for the Senator from California, in fairness, because the time on both sides has been used.

Mr. GOLDWATER. Mr. President, I spoke on this subject this morning. I indicated that I would speak more, although at not much greater length, on the need of the Army for the SAM–D.

We have two systems today, the Hawk and the Hercules, and I know that there have been some rather interesting figures presented that would indicate that these systems upgraded could solve the problem of the battlefield today.

I disagree with that completely. It is like saying we can replace the modern tank with the horse. The horse served its purpose in great shape. The tank is carrying on, and we will undoubtedly have technological improvements in surface vehicles that will obsolete the tank.

We cannot stand still on the subject of missile design for the defense of Army forces in particular, and also for air bases, and I am speaking particularly of the European theater.

This morning I digressed at some length on the impossibility of comparing the Southeast Asia theater with any theater that we would engage in, in Europe.

Now, the Soviet Union has fielded four major tactical air defense missile systems in recent years. Meanwhile, the backbone of the tactical air defenses in the U.S. Army continues to be the systems, or modifications of the systems, conceived in the 1950's and in the era of the 1960's.

I remind my colleagues that these systems were designed to defend against aircraft of the 1950–60 era, and the modern Soviet tactical aircraft is a far different piece of equipment we would be called upon to defend against than we would in the 1950's and 1960's.

We are now looking more and more at weapons, both tactical aircraft and enemy missiles, of a low-flying, low-approach capability that we did not think much of in the 1950–60 era. We are now even beginning to think of antiballistic missile systems and intercontinental ballistic missile systems with very low trajectory that can go beneath any radar system sufficiently to cause complete surprise.

I close my remarks by reminding my colleagues that if war comes and if the NATO structure were hit at any point at any time by the Russians, they would undoubtedly used nuclear-tipped rockets fired from aircraft, or low-flying intermediate-range battlefield missiles.

The Hercules and the Hawk, as I say, were good systems, and are good systems, but they are not good systems against the type of enemy equipment we are going to be called upon to defend against today.

What is this SAM system? What are we talking about? What is the Hawk and Hercules system?

If we were absolutely certain of the time that the enemy would launch an attack, we could maintain aircraft aloft that could, to a great degree, take care of incoming missiles or incoming tactical aircraft, but in any engagement that we would fall into in the future, while we might know that an attack was imminent because of the worldwide situation, surprise will be more and more, even more than heretofore in warfare, the dominant feature that any enemy would provide or that we would provide.

Being denied a more or less time-certain element, we would have to have some way of reacting against an incoming missile or incoming aircraft that could destroy an airbase or disrupt or destroy an Army installation.

The war games that we have had showed that if we did not respond in time—that is, if we did not respond immediately; I am talking about minutes, not hours—with nuclear-tipped rockets ourselves, or our own Hawk- and Hercules-type systems, we could not survive more than 3 days in a NATO battlefield, and probably 2½ days would be the limit, because the enemy would be capable of destroying our airbases and capable of doing at least 50 percent materiel and personnel damage to our Army bases, which would require, in the Air Force, for instance, a complete rebuilding—which would be impossible—and in the Army a complete rebuilding, which can be done, but it would be done at great expense and at a great waste of time.

The purpose of these missiles, like the SAM–D or the Hawk or the Hercules—I am particularly speaking of the SAM–D because it is designed to take care of modern weapons—is not only to function against low-flying and intercept enemy weapons aimed at one of our weapons, but they are capable of going up to 80,-

000 feet, which is where the new Russian Foxbat will probably be found flying. If we do as well, as we have been doing, we will have a capability of look-down radar that will enable them to launch missiles from that altitude at aircraft that we would have to intercept. The absolute ceiling of the high altitude of the specified high-altitude threat aircraft—I mentioned the Foxbat—is about 80,000 feet. SAM–D can intercept this aircraft, and as fallout capability, can perform intercepts to altitudes in excess of 100,000 feet.

I do not want to stress this high-altitude capability too much, because I do not think we are at the state of the art where we are going to be able to field this as the average performance, although the SAM–D will be able to do it.

A perhaps more serious threat than the sophisticated, high-altitude, reconnaissance, and intercepter aircraft are the large number of Warsaw Pact aircraft which can be used in attacking troops in columns en route to the front, as well as fuel and ordnance supplies or command areas, airports, and so forth. Mass attacks of up to 40 aircraft in waves of four to eight is a favored pact tactic. This sets a requirement on tactical air defense systems for large numbers of available missiles, targets under observation, and simultaneous engagements.

For 120 missiles on launchers, the "Improved Hawk" requires about 1,700 men. SAM–D requires less than 600 men. So, for the same number of read missiles, if the "Improved Hawk" were fielded in sufficient quantities to provide capability for an equal number of simultaneous engagements as SAM–D, its operation and maintenance costs would be about four times the operation, maintenance, and acquisition costs of SAM–D. In the characteristics noted just now, the Hercules system is poorer by at least a factor of two than the improved Hawk.

This is interesting, because I know there is a tendency of Americans not to believe anything bad that we hear about our own forces, and certainly a tendency of the influential press and media of this country to downgrade anything we hear that might not put our forces equal to or above those of the Soviets. But the number of aircraft available to the pact forces is very large. It is conceivable that they could jump off with a surprise attack with more than 2,000 aircraft of all types. These are just the aircraft available to the Soviets. If we take all the Warsaw Pact nations, this figure might go as high as 5,000.

I remind my colleagues that we could hardly scratch together 5,000 aircraft in our flying services if we included the airlines; we have been that far back in procurement in the last 10 years.

In the event of massive surprise air attack on troops in the field or on duty stations—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Will the Senator from California desire additional time?

Mr. CRANSTON. One minute.

Mr. STENNIS. I yield the Senator from Arizona 1 additional minute.

Mr. GOLDWATER. In the event of massive surprise air attack on troops in the field or en route to duty stations, the loss of men and material represents a substantial loss to the NATO forces. With no air defense against these attacks, a value loss equivalent to between $8 and $10 billion could be realized in a 3-day all-out attack with just 500 aircraft. An effective, high rate of fire air defense system such as SAM–D could reduce this loss to less than $1 billion at the 500 aircraft attack level. With the equivalent of 100 missiles on launchers per division area, attrition of enemy aircraft would be sufficiently great to sustain attacks in excess of 1,000 aircraft while maintaining men and material losses below $1 billion equivalent.

If we assume that modern day Warsaw Pact aircraft is worth $1.5 million, the missiles that kills the attacker—including kill probability—is less than 10 percent of the cost of the aircraft killed. Against an aggressor possessing large numbers of manned aircraft SAM–D is clearly the most cost effective means of dealing with the threat.

SAM–D as currently designed has the capability of engaging simultaneously up to eight aircraft, while maintaining track on up to 100 additional potential threats. Such a system is mandatory for defense of logistics, command, and air bases in any conflict in Western Europe.

Mr. President, I yield the floor.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from California.

Mr. CRANSTON. Mr. President, at the outset of the remarks of the Senator from Arizona, he stated that those who seek to cut back on weaponry would thereby cut down on America's strength. I respond by saying that I do not believe that cutting back on weaponry necessarily cuts down on America's strength if the weaponry is of dubious or questionable value, and if a vital element of America's strength is a sound economy, which I believe to be the case. I believe that a sound economy is threatened by excessive military spending, by the vast overruns connected with the SAM–D and other weapons, by the inflation that comes out of this excessive military spending, by the outflow of gold and the downpull of the dollar that are consequences of this kind of program when it goes overseas, and by the diversion of resources, of man's time and attention, of man's mind and muscle, and of the resources of the earth from our great problems at home. These problems threaten both the viability of our economy and the feasibility of our domestic programs.

Mr. MOSS. Mr. President, the Senate in its wisdom voted last week to authorize $906 million for the Trident submarine and $299 million for a nuclear aircraft carrier.

Today, the distinguished Senator from California (Mr. CRANSTON) has moved to delete the comparatively small sum of $171.4 million for a missile known as the SAM–D.

This is not a new program by any means. In fact, it began so long ago the Army apparently is no longer sure of the date it began. According to testimony in the Armed Services Committee, the Army said it was 1964, and in another place they said it was 1965. At any rate, $386 million has been spent on this missile through fiscal year 1972.

A contract was awarded to Raytheon in 1967 and the program has been in advanced development for the past 5 years.

While the Army, in all probability, had a good reason for wanting the SAM–D back then, they apparently are not as sure of the missile's intended purpose today.

The Senate Armed Services Committee report on S. 3108, part 2, page 547, contains the following paragraph:

> The SAM–D system is being developed primarily for defense of the field army overseas and not principally for continental U.S. air defense. Current phase out plans for the Nike-Hercules units in continental U.S. are a reduction of forces and no replacement is planned at this time. Those Nike-Hercules units which remain in the continental U.S. could be replaced with SAM–D in the distant future if modernization of those forces is required.

The meaning, as I read that paragraph, is that replacement for the Nike-Hercules is a strictly secondary and remote function of the missile at some unspecified time in the distant future.

But part 6, page 3727, of the same report contains the following:

> The U. S. Army has long recognized the need for a new air defense system to replace Nike-Hercules in the 1980's. That system is SAM–D.

There is no mention of the alleged primary function of the missile quoted earlier: the defense of the field army overseas.

Mr. President, I respectfully suggest that the Army does not even know for what purpose they want this $171.4 million.

But this is only the beginning: My understanding is that the ultimate cost of this program is in the $5 billion range for about 50 missiles. Is this really necessary?

We have already given the military about $1.3 billion in questionable weapons systems. The SAM–D is where we should draw the line.

Let us end this waste. The newspapers have been filled in the past few weeks with calls by the administration for trimming Federal spending. Here, once again, is a golden opportunity to trim the fat from this bloated military budget. We have failed twice before to take a firm stand. Let us not fail again.

The PRESIDING OFFICER (Mr. HUGHES). All time has expired on the amendment of the Senator from California. In accordance with the unanimous-consent agreement, the amendment of the Senator from Indiana (Mr. HARTKE) is to be called up for debate at this time, and argued for 1½ hours.

AMENDMENT NO. 1369

Mr. ROBERT C. BYRD. Mr. President, I take the liberty, in the absence at the moment of the distinguished Senator from Indiana (Mr. HARTKE), to call up his amendment No. 1369, which was to be proposed by the Senator from Indiana (Mr. HARTKE), and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. HARTKE's amendment (No. 1369) is as follows:

On page 23, after line 4, insert the following new sections:

SEC. 605. Notwithstanding any other provision of law, a member or former member of a uniformed service (a) who is 60 years of age or older and who is entitled to retired or retainer pay computed under the rates of basic pay in effect before January 1, 1972, or (b) who is entitled to retired pay for physical disability under title IV of the Career Compensation Act of 1949 (63 Stat. 816–825), as amended, or chapter 61 of title 10, United States Code, whose disability was finally determined to be of permanent nature and at least 30 percent under the standard schedule of rating disabilities in use by the Veterans' Administration at the time of that determination, and whose pay is computed under the rates of basic pay in effect before January 1, 1972, is entitled to have that pay recomputed upon the rates of basic pay in effect on January 1, 1972.

SEC. 606. A member or former member of a uniformed service whose retired or retainer pay is recomputed under section 605 of this Act is entitled to have that pay increased by any applicable adjustments in that pay under section 1401a of title 10, United States Code, which occur after January 1, 1972.

SEC. 607. The enactment of sections 605 and 606 of this Act does not reduce the monthly retired or retainer pay to which a member or former member of a uniformed service was entitled on the day before the effective date of this Act.

SEC. 608. Sections 605, 606, and 607 of this Act become effective on the first day of the first calendar month beginning after the date of its enactment.

The PRESIDING OFFICER. Who yields time?

MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I yield myself such time as I may consume.

Mr. President, for some reason which I cannot explain, I was under the impression—during the discussions which led up to the unanimous-consent agreement on the bill before the Senate—that the distinguished Senator from Wisconsin (Mr. PROXMIRE) and the distinguished Senator from South Dakota (Mr. MCGOVERN) were, acting together, to propose an amendment tomorrow. For some reason, as I say, I inadvertently understood Mr. PROXMIRE was a coauthor of that amendment. I now find that that is not the case, and that the amendment is to be proposed by the Senator from South Dakota (Mr. MCGOVERN) for himself. I apologize to the distinguished Senator from Wisconsin (Mr. PROXMIRE) for my misunderstanding, and I therefore ask unanimous consent, Mr. President, that when the unanimous consent agreement is reprinted on the usual card and in the calendar of business for tomorrow, the name of the Senator from Wisconsin (Mr. PROXMIRE) be deleted with respect to that amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. Mr. President, reserving the right to object, and I shall not object, is that amendment No. 1369?

Mr. ROBERT C. BYRD. No. The pending amendment in amendment No. 1369, proposed by the Senator from Indiana (Mr. HARTKE). I am referring now to an amendment to be called up tomorrow by the Senator from South Dakota (Mr. MCGOVERN). I had understood that the Senator from Wisconsin (Mr. PROXMIRE) was to join Senator MCGOVERN in cosponsoring that amendment. I find that I am in error, and therefore have asked unanimous consent that when the unanimous-consent agreement is reprinted in the calendar and the card for tomorrow, the name of the Senator from Wisconsin (Mr. PROXMIRE) be eliminated.

Mr. GOLDWATER. That is the amendment with reference to limiting obligational authority?

Mr. ROBERT C. BYRD. I believe the Senator is correct. I know of only one amendment which was to be sponsored by Mr. MCGOVERN, and that is the first amendment to be called up tomorrow at 10 a.m.

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. ROBERT C. BYRD. Mr. President, I have taken the liberty to call up amendment No. 1369 by the Senator from Indiana (Mr. HARTKE) because, at this time, under the unanimous-consent agreement, the distinguished senior Senator from Indiana (Mr. HARTKE) was to have been recognized for that purpose. The Senator from Indiana is in Louisiana with the funeral delegation attending the funeral services of our late departed colleague, Senator Ellender.

The office of the Senator from Indiana, it is my understanding, was aware that the amendment was to be called up at this time. The whip notice, which was distributed to all offices of Democratic Senators on Friday last, indicated that the amendment would be called up at this time. The statement of the program as published in the RECORD of Friday last, which was distributed to each Senator's office on Saturday, indicated that the amendment would be called up at this time. The calendar of business, which was in each Senator's office yesterday, I am sure, because I saw it in my office yesterday—it may have been in each Senator's office on Saturday, I am not sure about that—indicated, of course, that the amendment would be called up at this time.

Time could not begin running on the amendment until it was called up and made the pending question before the Senate. The Senator from Mississippi, the distinguished floor manager of the bill, is here and is prepared to make his case against the amendment. For these reasons, I felt that the amendment should be called up in its proper place under the order, so that time could be yielded thereon and the distinguished Senator from Mississippi could make his case, or such portion of the case as he wishes to address his remarks to, at this time. Other Senators will also want to speak, at this time, some of them in support of the amendment. The amendment then will again take its place in the sequence of events later in the day, upon the return of the able senior Senator from Indiana and the delegation from the services in Louisiana.

Under the precedents, I believe that the order providing time for 1 hour and a half on the amendment following the debate on the Cranston amendment would have lapsed, in any event, had the amendment not been called up now. Hence, I have called up the amendment on behalf of Mr. HARTKE, and the distinguished Senator from Mississippi may wish to speak to it now.

The office of the Senator from Indiana (Mr. HARTKE) has been contacted for the purpose of ascertaining whether or not any other Senator could be on the floor at this time to speak for the amendment on behalf of the Senator from Indiana. I do not believe that any other Senator has been found to do that.

Mr. President, that is the explanation for what is developing in regard to the amendment. The distinguished Senator from Indiana (Mr. HARTKE) will be back later in the day; and at such time as the amendment is again before the Senate, in conformity with the agreement, the Senator from Indiana will be prepared to make his case in support thereof.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. GOLDWATER. The amendment now has been called up, and its proponent is not here. When the proponent, the Senator from Indiana, returns, will he then be given the full time agreed upon by the unanimous consent agreement, or will there be some penalty for his not being here?

Mr. ROBERT C. BYRD. There is no penalty. The time simply will lapse unless, by unanimous consent, such time as has not been utilized should be reserved to the Senator without prejudice. It may be that when he returns, an additional few minutes may be desired by either the Senator from Indiana or the Senator from Mississippi, in which case the Senator wishing to do so may ask unanimous consent that he have an additional few minutes. Unless that is done, the agreement as ordered will stand; and when the amendment is again before the Senate later today, there will be one-half hour on the amendment, to be equally divided.

Mr. GOLDWATER. I apologize for using the word "penalty." Nothing else came to my mind.

Mr. President, this is a very, very vital matter. It is a very complicated matter. It is one that the President of the United States has partially pledged himself to obtain.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator such time as he may desire, the time to be charged against the time allotted to the Senator from Indiana.

Mr. GOLDWATER. I do not think it is a matter that can be discussed on the floor in an hour and a half.

As I recall, the last time we held hearings on this general matter was approxi-

mately 14 years ago. It is called recomputation. It is an extremely expensive decision, if we make it. Again, I think it should be made only after adequate hearings before a subcommittee or the full Committee on Armed Services.

I am not against the idea of recomputation. I think it should come. But I do not think it should come by an action on the floor in which we have only 45 minutes to discuss the pros and 45 minutes to discuss the cons.

I do not know of any retired military man who does not want to see recomputation come about so as to readjust the rather bad effects of the 1958 act that we put through that are not fair but, in my opinion, cannot be fairly adjusted by this amendment as it is written or fairly adjusted by debate on the floor. I do not think we have the time.

So, Mr. President, I am going to oppose this amendment, even though I am very strongly in favor of recomputation for men who have retired from the armed services. I hope that the chairman of the full committee, as he has indicated to me, will have hearings when the decks are cleared, so that we can find out for the full Senate what it is going to cost and how it is going to work.

I might add something that was mentioned the other day, which I have discussed with many military men: Perhaps we can come up with a new system of retirement for the man in uniform, particularly now that pay scales have reached not exactly a comparable basis but a basis that is far more fair than a few years ago. I have found very few men in uniform who would now hesitate to pay something into a retirement fund, just as all civil servants do. Retirement for the military was always one of the fringe benefits when pay was ridiculously low, and I think it was right that we gave the man in uniform something to look forward to. I always called it that silver rung at the top of the ladder toward which a man could work and stay in the military.

So, while I will vote against this amendment, I will work for recomputation. I hope that the committee will, at the proper time, report a well thought out and well studied means of paying a recomputed retirement benefit to our retired military people and make it possible to establish some actuarially sound retirement system for the military.

I thank the chairman for allowing me to speak, and I thank the assistant majority leader for yielding time.

Mr. ROBERT C. BYRD. The Senator is welcome.

Mr. STENNIS. I thank the Senator for his very kind remarks.

Mr. President, what is the pending order of business?

The PRESIDING OFFICER. The pending order of business is the amendment of the Senator from Indiana (Mr. HARTKE), No. 1369. The Senator from Mississippi has 45 minutes.

Mr. STENNIS. I yield myself 15 minutes.

Mr. President, when agreement was had about this amendment, we thought debate would continue now and that we would have 30 minutes for repeating points late in the day.

I point out to all Senators in the Chamber and to those who will read the RECORD that this amendment is a highly important matter. It is important to the retirees who are affected. It is certainly important to the Government and to the taxpayers.

As the Senator from Arizona has said, there have been no hearings on this amendment. It involves the expenditure of in excess of $10 billion on an amendment that has not been heard. That sum will not come due all in 1 year, but it will be over the period of the operating time of this recomputation.

I wish there had been a chance to get at the real issue earlier, and I am going to start with a statement of what I think is the issue.

The issue in connection with this amendment is not whether we should adopt an amendment allowing all persons, when 60 years of age, to compute their military retirement pay on the basis of the basic pay rates in effect on January 1, 1972. The real issue is this: Shall Congress do its duty, through hearings, to develop all the facts so as to do justice to the individuals and enact a system for the future that will be a proper formula for awarding retirement pay in the future? I mean by that that I think a new formula has to be devised for retirement pay. New standards must be laid down about when a person is eligible for retirement and a great many related matters.

At this time, retirement pay alone each year is costing $4.4 billion. A very few years ago, in 1960, this retirement pay was only about $700 million. In 1972, it had run up to $4.4 billion which is a 600-percent increase within the brief span of 12 years.

By 1995—and these are accurate figures—under the present system, with no added benefits, one Department of Defense study states that the annual cost will be $17 billion per year. This is a conservative figure, on the low side, since it assumes only a 1.5-percent increase in the cost of living each year, which is less than half that of the past several years.

I point out that I do not get any pleasure out of going into this matter in this way, but a man has a duty, Mr. President, to bring out the facts here, for the benefit of all his colleagues.

I find, on looking at the figures, that the average age of retired officers for fiscal year 1971—and that is the latest figure available—is 46. That is the average age at which they retire, 46.

For enlisted men it is 40 years of age.

For fiscal year 1971, the average age of retirement is 46 years, the average lifetime pay for those officers is $255,000 as of fiscal year 1970.

The average lifetime retired pay for enlisted personnel is $121,000. This is on the low side, since it is based on fiscal year 1970 data as is the data for officers. In addition, it assumes a 1.5 percent per year increase in retired pay which is on the low side.

For certain high-ranking officers, currently retiring, the lifetime pay will be over $600,000.

For a colonel, average lifetime retired pay would range between $307,000 to $391,000—it ranges between $307,000 for over 20 years' service, and $391,000 for over 30 years of service.

The figure on enlisted men will range from about $125,000 to $290,000.

This amendment before the Senate will add at least $10 billion in lifetime costs, with an estimated first year appropriation cost of $275 million to be added to the $4.4 billion I have already mentioned.

Just the statement of those figures shows where we are going, and the rate at which we are going. There is no plan, no brake on this thing. It is running away with itself.

I made a speech in January of this year showing my concern for the whole military retirement system. I said then that the amount was becoming unreasonable, that the whole program was becoming unmanageable. Without pointing the finger at the past or trying to take away from anyone something they have earned, I said that we had to get a new system and put it in motion, and do it now, start it running, so that eventually it would be the retirement system.

I think that such a system has got to include the idea of contributing amounts to be paid in by the military personnel in question. They make no such direct payments now. It all has to be paid out by the Federal Government. I have urged, as I urged then, that this is an executive function. We can argue about these things in committee, on the floor of the Senate, or in the House, for days and days and days, without being able to put anything together that we could agree on as sound and reasonable and workable and fair. It will take a collection of experts and computers as high as the Washington Monument, almost, to figure out all the complexities that go with this problem, trying to find a proper foundation, and a plan that can be passed by majority vote in Congress, one that will then set in motion a new system. If we do not do that, I warn now—and I am being as impersonal about it as I can be—that we will ride this horse and it will fall in its tracks. We will ruin the whole system, because the load will be too heavy to be carried the way it is going now.

We increased salaries last year. I am not complaining about that, but whenever we increase them we crank in all the other things that I have related. By 1995, as I mentioned awhile ago, that sounds a long way off but is only 23 years from now—the Department of Defense study states that military retirement pay will cost $21 billion. That is a conservative figure because of the low rate of increase in the cost of living each year, which is figured at only 1.5 percent. I do not know why they have such a low percentage figure, but that is what they took—to be on the safe side, I guess.

In my speech last January, I called on the executive branch to come up with a plan. I had mentioned it to them before. I do not think that this legislative branch can cope with this matter for the reasons I have already given. It will take the executive branch to take the lead.

I talked to the Secretary of Defense about it over the telephone within the past week, and he says he has been work-

ing in that direction. That is what he said, and I am sure he is telling the truth; but they have not got the plan up here yet. That will fit in with something else I am going to mention later.

Now, Mr. President, I have a copy of a letter in my hand from a general, a man in the Army, the one the Department of Defense who has in charge of these figures, these calculations that we have been calling for. He reports in a letter that I will read—I asked him the question last week, and I understand now that he is speaking for Secretary Kelley of the Department of Defense, who is the Assistant Secretary for Manpower and Reserve Affairs—and he is a good one—the name of this gentleman is Taber, a lieutenant general in the United States Army, acting, and he says in this letter:

This is with reference to your request for the views of the Department of Defense in regard to the amendment to be prepared by Senator Hartke to H.R. 15495—

Which is the military bill we are on now—

The amendment would authorize recomputation of the military retirement pay in certain instances.

Then he goes on to say—I will have the whole letter printed in the RECORD—but he refers to two or three sections and he gives them in here, as to the estimated cost—

The real proposed amendment has not been fully developed as to precise costs, but it is estimated that the first full year's cost would be approximately $275 million, and the lifetime cost would be in excess of $10 billion.

Now here is a key phrase:

The Department of Defense respectfully urges that the proposed amendment to H.R. 15495 as discussed above not be adopted.

I want to call that to the attention of those Senators who are present. And I wish that there were a way to get this information over to the other Senators. This letter is dated July 28 and is addressed to me as chairman of the committee. I repeat what I have read from the letter:

The Department of Defense respectfully urges that the proposed amendment to H.R. 15495 as discussed above not be adopted.

So, that has a tremendous impact upon the idea that we can get up here and pass an over $10 billion measure, not to a personnel bill, not to a pay bill, not to anything connected with those subjects, but to a bill that is designed to get tanks, guns, ships, planes, missiles, and all of the things that go to make up military hardware. I submit that there must be a better way to do this and to get to the facts of the case and dispose of the subject here. This is not going to solve itself. It is going to get worse. I hope that there will be some way to get these facts before the membership of the Senate before the vote is had.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 additional minutes.

Mr. STENNIS. Mr. President, back in 1958 retirement hearings were held in depth. Also in 1963 hearings were held in depth by the Senator from Nevada (Mr. CANNON). And Congress made a decision on this same matter and they let all of the officers then in retirement recompute under the 1958 level or take an increase of 5 percent, whichever was greater, giving them their choice. So, this matter has been handled as late as 1963.

We wrote into the permanent law in 1963 what is called a cost-of-living increase which is automatically, by operation of law, based upon a recognized formula. And that has been operating now since 1963. They had these specific increases: October, 1963, 5 percent; September, 1965, 4.4 percent; December, 1966, 3.3 percent. And it goes on down the line. Every year or sometimes twice a year, there has been an increase. In 1969 there were two increases that total 9.3 percent. Then as early thereafter as August 1970 there was a 5.6 percent increase. It goes on and adds up since 1958 to an almost 60 percent increase, year after year, automatically by operation of law. That is the law now, and I am not suggesting that we change it.

This proposed amendment would let all officers, when they become 60 years of age, recompute under the salary scales of January 1, 1972. That is after the big increase of last year. All of that would be in addition to what I have already read. And on top of that recomputation, then they would continue to get these automatic increases every period. I will not say every year, because sometimes there are two of them in a year. Of course, the formula is based on a cost-of-living increase. If the cost of living does not continue to go up, they will not get an increase on top of this recomputation.

The Senate knows that I have sometimes been accused of leaning toward the military. Certainly I am not against them. I do not propose to see that they are neglected or anything else. However, this is a matter that has gotten to the point where it concerns the Nation, the national debt, and the taxes that people have to pay.

I do not want this thing to proceed until the taxpayers feel they must say something about it and to vote negatively on some of these things. I do not want it to run on until it breaks down like an overloaded vehicle of some kind that is just crushed and all four wheels go down at the same time.

I am going to make a definite proposal here before the debate is over, so that we can go into some hearings that will thoroughly establish the facts and give everyone a fair consideration and fair treatment on the matter. I am talking about retirees. We will come up with our best effort and the best efforts of the executive branch. A lot of things can be cleared up after the election. Maybe this might be one. I mean getting down to our basic thinking and basic policy formation and formulating a system that is sound and fair.

If we do this now, we will hear from the civil service people because they are going to want to recompute. It would mean that they would come in years later, after all these years. We do not let them do that now. However, they are intelligent, and they follow events, and they will try it.

So, I think that we have to get all of our facts together and get something that is sound and solid and something that is fair and something that we can live with.

I do not mean to lean away from the military or against them. Whatever leanings I have, I suppose are with them. However, we have a policy which permits a man to retire from the military when he has served for 20 years. We have never said that he must retire, or anything like that. The military has said that he may retire at the end of 20 years for the good of the service. And under that language everyone who wants to do so can retire at the end of 20 years.

They are still young men. I think they are mighty young. If they go in at 18, they are 38 when they can retire. If they go in at 20, they are 40 when they can retire. These men have an earning capacity, most of them do.

The average expectancy of these young men, men of 40 years of age—and they are in good health, most of them are—is that they will live to be 75. So they will have 35 years of retired pay.

Now, we are asked to recompute it for a man having served 20 years in the service. Is that exactly in keeping with the way we treat our Civil Service employees, or our social security people who are making contributions for all those years and cannot retire until 62 at the present time? This is the lowest age at which a man can retire now. I think that all of these things must be put down and weighed.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for another 5 minutes.

Mr. STENNIS. So, Mr. President, that is about the case. There have not been any hearings held on this proposal. Some may want to blame me. However, there have not been any hearings held in the House, and there have not been any plans completed by the executive branch.

Mr. President, this general speaks without contradiction for the assistant director of personnel and he said that he urges we do not dispose of this question by amendment. If I understood the Senator from Arizona correctly he is for the purposes of the amendment and he wants them to pass but he does not think it should be done here—in this way. He wants a further look.

I am thinking now in terms of how soon we can get at this matter, and I am speaking in terms of starting some in-depth hearings this year. This is not something that is going to be finished in 2, 3, or 4 months, either. There must be help from someone who knows a great deal about it, according to the staff. There must be Senators who are willing to dig into it and learn all about it, who would have to act and have hearings.

With plans something along that line, sometime before next year is too far along we should be able to have a bill

here that represents our thinking and some of the thinking of the executive branch, a bill that does fairness to these retirees and tries to grapple with their problem and tries to bring up some kind of plan for them in the future—a future system of retirement pay and a decision on whether or not they are going to have to contribute directly to that fund.

Something can be worked out along those lines. I am not begging; I do not beg. But I hope the majority of Senators will find that it is the sound approach to this problem that I have outlined here all too briefly.

To get this matter in our minds just a little, by way of summary I have written out a list of salient points that came to my mind a day or 2 ago between some of the debate we have had. I think these salient points that I have written out in longhand will help.

The military personnel now make no direct money contribution to the retirement system. Now, they can argue, and I do not blame them for that, that their salaries are set in relation to the fact that they do not pay and that they would be paid more if they had to contribute to the fund.

We debated this salary question here last year for over 3 months from time to time and I did not hear that point mentioned all the way through. It is pretty well in our minds, I think, that we pay those salaries on the basis of what we think they should have and do not take into consideration that they do not pay anything into the retirement fund and would have to make it less than we would have otherwise.

No. 2, since 1957 military personnel have had the benefits of the Social Security Act. In 1957 we passed a law giving those that wished to have benefits of the act the opportunity to share in the social security system, with the Federal Government paying all the accrued liability of the individual's cost of the system up to that time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. I yield myself 3 additional minutes.

Whatever the backpay was, so called, they paid part of it.

Retirees now get, and I mentioned this before, cost-of-living increases, and they have since 1958. This has amounted to a total of almost 60 percent. If this amendment is passed, on reaching 60 years of age each retiree would be able to recompute and continue to receive these bureaucratic cost-of-living increases. That computation will be on the basis of January 1, 1972, pay scales, which include all these previous increases.

I am proud that our Government has been able to get them such a liberal system as this all these years, but I think in fairness now it has to be considered. There has to be some consideration given to the others along with it and consideration has to be given to the cost, the continuing liability, the accrued liability over the period of years.

An amendment was passed here the other day for $995 million. I remembered how close that was to $1 billion. Here is one $10 billion amendment, with 30 minutes to a side. We will have another 30 minutes later.

I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, with respect to the amendment adopted the other day in the Senate in the amount of $968 million, to which the distinguished Senator just referred, that money had been authorized by a previous measure passed by Congress this year and, following the hearings conducted by the House and Senate Committees on Appropriations on the HEW appropriation bill, a budget estimate was received from the President requesting the funds.

That money was for payments, so-called black lung payments, so I wish to emphasize—and I know the Senator would be pleased to have me do this—that the money had been authorized by a previous legislative act and had been requested by the President in a budget estimate sent to Congress.

Mr. STENNIS. Yes. I am sure there was a good basis for it, because it had good sponsorship. I remember it was almost what could be called a fixed liability. But I remember some that were vague. I was not referring to the Senator.

Mr. GURNEY. Mr. President, who controls time for the amendment? I wish to speak in support of the amendment.

Mr. ROBERT C. BYRD. How much time does the Senator want?

Mr. GURNEY. Ten minutes.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Indiana (Mr. HARTKE) I yield 10 minutes to the able Senator from Florida.

Mr. GURNEY. Mr. President, I support the amendment of the Senator from Indiana (Mr. HARTKE). This amendment, No. 1396, to this military procurement bill, if passed, will cure what I feel is a longstanding injustice. Prior to 1958, retirement pay for our veterans was increased the same amount as pay for those on active duty. Thus, when the military received a 5-percent pay increase, all military personnel—both active and retired—benefited equally. Then, in 1958, the system was changed; instead of increasing retirement pay the same amount as active duty pay, Congress voted to tie increases in retirement pay solely to increases in the cost of living. As a result of this change, retirement pay has increased less than half as rapidly as active duty pay. It should not be surprising then that many military people have felt that they have been dealt a terrible injustice since 1958.

Ever since I came to the Congress, I have actively supported bills which would have returned us to the pre-1958 method of determining retirement pay for military personel. But for years nothing was done. Then on March 10, 1971, President Nixon appointed an interagency committee composed of the Assistant Secretary of Defense for Manpower and Reserve Affairs, the Administrator of the Veterans' Administration, the Chairman of the Civil Service Commission, and the Assistant Director of the Office of Management and Budget for the purpose of making recommendations on how best to improve our military retirement system. One of the proposals resulting from this effort is the one we have before us today, the so-called, one-time recomputation of retired pay which would grant to those who retired for years of service and are 60 or older, an increase in retirement pay. Passage of this proposal would bring military retirement income more into line with the real cost of retiring today. Such a change is badly needed and long overdue.

Mr. President, I see no reason why we should not go ahead and adopt this one-time recomputation measure. Since the institution of the present system of computing retirement, the economic position of older retirees has grown steadily worse. While active duty military salaries have become more comparable to civilian salaries, military retirement benefits have barely kept pace with inflation.

In the thousands of letters I have received on this issue in my time in the Congress, the most frequent cause for complaint has been that the older retirees feel cheated because their younger comrades receive substantially higher retirement benefits due to recent military pay increases.

Let us take an example. Suppose a colonel retires today. His retirement pay, of course, is computed on what the present active pay is. Yet a colonel who retired 12 years ago has his retired pay computed on what the active pay was at a time when it was considerably less than it is today. The older retiree, without question, has a greater need for a higher income today than the young man who is much more able to get on the work force and in the job stream to supplement his income, as compared with the older retiree who is not able to get in the work system and who receives substantially lower retirement pay. It does not make sense. It is an injustice which should be corrected.

One would think all retirees should be treated equally, but this is not the case with our armed services personnel. Years ago, as we all know, military pay was substantially lower than civilian pay for the same type of work. For years, many of us felt that additional benefits accorded to the military made up for the low active duty pay. But in the past 15 years or so, we have realized that this is not necessarily the case, and we have set about making pay for the military comparable to pay for civilians. We have forgotten about the military retiree, however, who retired 10 or 15 years ago before military salaries became competitive with civilian salaries. The military man who retired 10 years ago has seen active duty pay skyrocket. His retirement pay, however, was based on a low salary to begin with, and has increased solely on the basis of the cost of living. In essence, then, the older retiree received low pay while he worked, and now that he is retired and can no longer work, he is receiving an inadequate retirement benefit to meet the cost of modern day living.

Crucial to any discussion of this amendment is the effect it will have on bringing us closer to a voluntary military. The President and both national

political parties are on record as favoring a volunteer Army. I certainly believe an all volunteer Army is better than the draft and better than the lottery. I know we will never have a volunteer military unless we make clear our intention to deliver on the promise, an equitable retirement program. The pre-1958 retirement pay system was both equitable and attractive; to live up to its promise would not only right a wrong done a retired veteran, but would make a military career more appealing to potential servicemen.

Mr. President, just a few weeks ago we gave our senior citizens a 20 percent social security boost. At the same time, we also made future benefit increases automatic and tied them to the cost of living. This amounts to recomputation; what, in effect, we said was the cost-of-living increases alone was not enough to overcome existing disparities in income. One time recomputation does exactly the same thing for military retirees as the social security benefit increases did for our senior citizens. As with social security, this Nation made commitments to its servicemen and one that needs to be lived up to. Career military men have made a lot of sacrifices for this Nation; to not accord them the same treatment others are accorded is a circumstance that needs to be rectified.

I sincerely hope the Senate will adopt the amendment and get on with this business, which should have been done a long time ago, and bring retired pay in keeping with present active pay by this one time recomputation.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I think the Senator from West Virginia would yield me time.

Mr. STENNIS. Mr. President, I think I am authorized to yield to the Senator such time as he may need.

Mr. THURMOND. Fifteen minutes.

Mr. STENNIS. I yield 15 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, it is with reluctance that I rise to speak contrary to the position of the distinguished chairman of the Senate Armed Services Committee, because of the high respect I have for him and because of the great work he has done on this particular piece of legislation. However, Mr. President, I feel that justice is justice and that something must be said to show the justice of this amendment.

This amendment provides that any member or former member of the uniformed services who is age 60 or older and is entitled to retired pay in effect prior to January 1, 1972, would be allowed to recompute this pay based on the rates in effect January 1, 1972.

The amendment also allows recomputation for some retirees with disabilities of 30 percent and more and permits both groups to benefit from the Consumer Price Index formula.

Mr. President, as a long-time supporter of military recomputation, this amendment appears reasonable. It does not provide for full recomputation—I want to emphasize that; it does not provide for full recomputation—which also has my support, but it is at least a step in the right direction.

The Senate should also be aware that this amendment falls short of the recomputation proposal sent to the Congress by President Nixon. The President's proposal would cost about $300 million the first year, with a lifetime cost of $14 billion. The latter figure is based upon the estimated life of those additional retirees who would receive benefits under the Nixon plan.

The pending Hartke amendment would cost about $275 million the first year, with the lifetime cost estimated at $10 billion.

Mr. President, until 1958 those retired from the uniformed services received pay increases along with those serving on active duty. These retirees were, of course, only receiving a fraction of the active duty base pay, but when the pay for a certain rank or grade was increased the retiree's pay was increased proportionately. And, Mr. President, I emphasize that the 1958 act changed this, and that the law it changed had been in effect as a permanent statute and had stood for almost 100 years.

This policy of many, many years was changed in 1958 and the retired pay was tied to the Consumer Price Index formula. As a result, during the last decade many retirees' have been discharged on different pay scales. It is my view that Congress did not understand in 1958 that its action in changing the law would have the unfair effect which has resulted in the past 14 years. Otherwise I do not think Congress would have passed it.

Mr. President, this is an illustration: A sergeant-major with 30 years of service to his country who retired in 1969 is paid $3,710 more a year than his identical counterpart who retired in 1958.

Who needs the larger amount more than the older man who retired in 1958, or the man who retired many years ago? Yet the young man who retired just 3 years ago gets $3,710 more than his counterpart who retired in 1958.

The gap is even greater today. Yet, both face the same cost of living. This kind of inequity exists in all ranks between those who retired before 1958 and those who have retired since 1958. For almost a hundred years, retired pay percentage was computed on active duty base pay. This method treated everyone fairly. It was recomputed each time active duty base pay was increased until 1958 when the tradition was broken. Under the present system, the pay gap widens each time there is an active duty pay raise.

Tragically, we have not kept the faith with the men and women of our uniformed services.

Mr. President, in the 91st Congress, about 47 Senators and many more Representatives introduced or cosponsored legislation to base retired pay on a percentage of current active duty base pay to conform to the long-established principle which had existed for almost a century. The failure of the Congress has caused these bills to die without a vote in the Senate or in the House.

Can you imagine 47 Senators introducing legislation, and many more Representatives, unless there is merit in it?

In this session of Congress—the present session—61 recomputation bills have been introduced or cosponsored in the House. My distinguished colleague from Texas (Mr. TOWER) has introduced S. 377, which is cosponsored by about 44 Senators. It is obvious that the time has come to correct an injustice.

Mr. President, there have been numerous boards, committees, and study groups on the subject of military pay, active and retired. Bills on this matter have been pending in the Congress for years. We should have dealt with recomputation long before now.

My esteemed colleagues, I feel that this body can do no less than to give prompt attention to the plight of those who laid their lives on the line to preserve our heritage, not just because the law demanded it but because they were committed and served voluntarily until they had, by virtue of their sacrifices, attained retirement.

Mr. President, I repeat that this law does not apply to anyone, officer or enlisted person, who has not reached the age of 60. A full recomputation would go back and take in all of those who have retired after 20 years. In other words, if a young man went in the service, say, at 20, when he became 40 years of age he could retire. Men in that category would not come under this provision. They have 20 more years to wait. So this is not a full recomputation. Even the President's bill provided that where they had 25 years of service they could retire.

So this is not giveaway bill. This is not runaway bill. This is the most conservative of all the amendments that have been offered, and it requires less money than any of the others that have been offered.

We can hold hearings on this. They should have been held long ago. Mr. President, what we are doing now is giving the lowest rate to the oldest group, because salaries in the service have been raised year after year since 1958. They have received any number of raises, and justly so. But the fellow who served his country just as long before 1958 now gets 50 percent less, in many cases, than the fellow who retired, say, last year or the year before, in the same grade.

Mr. President, I repeat that the President has recommended that recomputation take place, except that his plan is a more liberal plan than this plan offered by the distinguished Senator from Indiana. I want to say further that the President included the money in the budget for this. Why would the President put the money in the budget? He knows there is talk about big spending, and my record shows that I have voted for economy as much as anyone here. I think we have got to reduce expenses. But I say we should not do it at the expense of any one category of people in this country, and especially those who wore the uniform and fought in wars, when the bullets were flying around.

Mr. President, I just want to say in closing that the 1958 Pay Act violated a permanent statute that had stood for

almost 100 years. It is nothing but right that we have this recomputation. It is nothing but honest, nothing but just, that we treat these people the same as we treat those in the same grade and the same service who retire now.

Making it effective at 60 years of age is putting off all who could have retired before then, after serving from 20 to 30 years. If a man went in the service at 20 and served 30 years, he could retire at 50. But under this amendment, he will not come under its provisions until he has reached the age of 60. So no honest and just amendment that could be offered could be more conservative than this amendment offered by the Senator from Indiana, and I hope that the Senate will consider it carefully. I hope so because it is just. I think it would have been better to have had hearings, and I favor hearings, but we have not received hearings; and if we are to get hearings this year, after today, I doubt that the bill would come before the Senate this session.

Why should we punish these people for something they are not responsible for? Why not put them on the same basis as others of the same service, if they have served their country in a fine, honorable manner?

So I hope that the Senate will give careful attention to this amendment. I would rather not have seen it on this bill. I would rather have seen it in a separate bill. I am standing here fighting with the distinguished Senator from Mississippi while I prefer to help him on all these matters, but this is an honorable and a just amendment, and it should be adopted.

Mr. STENNIS. I thank the Senator very much for his fine remarks. He certainly does help out with problems on this bill. We happen to disagree on this matter.

Mr. President, I shall not detain the Senate for more than a few minutes. I understand that another bill is scheduled to be laid before the Senate soon.

I invite the attention of the Senate to the fact that hearings were held on this matter in 1963, and a bill was passed which allowed all those who had retired since 1958 to recompute under 1963 pay schedules or take a flat 5-percent increase, whichever was most advantageous to them. This record nails it down.

I refer to page 248 of the record of those hearings before the Committee on Armed Services on H.R. 5555, conducted July 16, 17, and 18, 1963, by the Senator from Nevada (Mr. CANNON). Admiral Smedberg is the witness to whom I refer. Admiral Smedberg was then Chief of Naval Personnel and the spokesman for the bill. He said, at page 66:

> My father was a brigadier general, a West Pointer. I spent some 60 years subject to influences of Army and Navy, and I know the deep feeling that exists and the trust and confidence that Regular officers have in the Congress and the commitments that are made to them when they come into the service. So I feel it is most significant, sir, that this recomputation be permitted for those people who retired prior to 1958, and I also agree that from now on, there is no reason for any of us who retire to feel that our retired pay should be boosted in conjunction with any increase in pay for the Active Forces.

He was talking about the bill then, and he was asking for recomputation at the 1963 level.

The bill also contained the provision I mentioned earlier about the periodic pay increases based on the rising scale of the economy.

I now refer to page 248 of the same hearing, before Senator CANNON, and the witness was Rear Admiral Denfeld, who was then president of the Retired Officers' Association. He was giving his reasons for advocating passage of the 1963 bill:

> (b) The fact that the Department of Defense's recommendation for recomputation based on the 1958 rates was made with—"the explicit understanding that henceforth, all personnel retired, or to be retired, will have periodic adjustments to retired pay made on recognized changes in the cost of living."
>
> The Retired Officers Association, therefore, recommends enactment of the bill, H.R. 5555, amended as suggested. Thank you very much, Mr. Chairman, and members of the committee, for the privilege of appearing before you today.
>
> Senator CANNON. Thank you, Admiral Denfeld.
>
> In order that we have the record straight, as I understand it now, your association recognizes the fact, as a fact, that if Congress enacts this law, providing recomputation under the 1958 pay bill, with the 5-percent increase up to now and the provision in the bill for cost-of-living raise hereafter, that this puts an end to recomputation once and for all?
>
> Admiral DENFELD. I think there is no question about that, Mr. Chairman. I think that this is the first time that they really have taken out all the provisions in previous bills for recomputation.
>
> Senator CANNON. And you support the bill on that premise?
>
> Admiral DENFELD. Yes, absolutely.
>
> Senator CANNON. With that recognition?
>
> Admiral DENFELD. Absolutely.

So, Mr. President, I do not see how we can get anything clearer, firmer, more binding, or more conclusive than the testimony of these witnesses.

Congress did exactly what it was asked to do by the Reserve Officers' Association and the others—to recompute one time, or, if 5 percent is more favorable, take the 5 percent. Then they would get these periodic pay increases. Since 1963, those periodic pay increases have been given and now total 60 percent. They have been given during periods of rise, sometimes two a year, and that, of course, will continue. If this amendment is adopted, it will continue on top of that. If the amendment is not adopted, it will continue in the regular way.

Mr. President, I will not pursue this matter further. We will have a chance to argue it briefly later in the day.

I ask unanimous consent to have printed in the RECORD a brief statement, based upon research, about the history of recomputation, together with certain tables which show amounts and the retired pay adjustments.

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

HISTORY OF RECOMPUTATION

Mr. President, since so much of this argument depends on historical precedent, it is essential to give a brief historical review to have any understanding of this matter.

EFFECT OF AMENDMENT

What this amendment proposes, Mr. President, is that we continue the cost-of-living method which would not be altered, and in addition authorize a one-shot recomputation for those reaching age 60 based on the January 1, 1972 rates.

In other words, the effect of the amendment is to leave unaltered the cost-of-living system which is permanent law but impose on top a one-shot recomputation for those reaching age 60.

I would observe, Mr. President, that since 1957 military personnel are now covered under the social security system and most of them are entitled to social security benefits in addition to the benefits under retirement laws.

MEANING OF TERM—RECOMPUTATION

Mr. President, the term recomputation meant that a military retired pay would be adjusted or "recomputed" whenever the active duty pay rates for his grade was increased. At this point, let me point out an important historical fact. Recomputation was always dependent on what the Congress decided as a part of the infrequent pay acts. There wasn't any permanent statute that provided that retired pay would be prospectively increased whenever the active duty rates were increased. This matter was dependent on each pay act. It was not automatic. The 1958 Act did not abrogate any general permanent statute authorizing recomputation.

DENIAL OF RECOMPUTATION FOR SOME IN 1949

The Congress began to depart from the recomputation as early as 1949. In the career compensation act as enacted over 40,000 retired persons were not allowed to recompute under the scales enacted at that time. This was a group that failed to qualify under the new disability retirement rules of 1949 legislation. This group was given no increase at all. Later, they received a percentage increase in 1952, 1955 and at later times just as the other groups.

HISTORIC TREATMENT

Mr. President, it has often been stated that recomputation was an un-interrupted system for over 100 years. Let me cite these facts as a matter of understanding. The pay raise of 1908 was the first general pay raise since 1870. The next raise did not occur until 1922 with the next one occurring in 1941.

These general pay increases which included the so-called recomputation provisions were nothing more than cost-of-living increases. The recomputation provisions which applied in the days when people had a full lifetime career and retired at about age 60 years was, in effect, the cost-of-living method of adjusting retired pay.

THE ACTION OF 1958

This matter was thoroughly debated and examined in 1958. In substance, it was decided that in lieu of continuing the recomputation method, a cost-of-living increase of a flat 6 percent would be granted to all persons then retired.

Had the recomputation been continued at that time, the retired increases would have been from 15 to 75 percent in the upper ranks; however, 38,000 in the lower ranks would have received less than 6 percent and some no increase at all.

The fundamental policy was established that active duty pay rates must be enacted primarily for meeting the needs of the active force. These needs are totally different

from those on the retired list. For this reason, the cost-of-living approach was adopted.

Moreover, as I have stated, many systems in the public and private sectors do not allow for any increases following retirement.

ONE-SHOT RECOMPUTATION IN 1963 PAY LEGISLATION

Mr. President, in 1963 as a part of the pay legislation, the Congress did authorize a one-shot recomputation for those retired prior to 1958. Those retired in the higher ranks felt very strongly that they should be allowed to recompute on the 1958 pay rates. I would observe, Mr. President, that the 1963 hearings reflect that several high ranking military witnesses testified that if the one-shot 1963 recomputation were enacted, the recomputation should be ended once and for all.

ATTACHMENT 2

Grade and date retired (before)	Length of service	Current retired pay	Hartke amendment	Under Hartke amendment: Monthly increase	Annual increase	Annual retired pay
General–O–10:						
June 1, 1958	30	$1,816.38	$2,346.52	$530.14	$6,361.68	$28,158.24
Jan. 1, 1965	30	1,954.57	2,346.52	391.95	4,703.40	28,158.24
July 1, 1970	30	2,315.58	2,346.52	30.94	371.28	28,158.24
Lieutenant general–O–9:						
June 1 1958	30	1,602.70	2,126.38	523.68	6,284.16	25,516.56
Jan. 1, 1965	30	1,724.82	2,126.38	401.56	4,818.72	25,516.56
July 1, 1970	30	2,043.04	2,126.38	83.34	1,000.08	25,516.56
Major general–O–8:						
June 1, 1958	30	1,442.43	1,917.31	474.88	5,698.56	23,007.72
Jan. 1, 1965	30	1,555.25	1,917.31	362.06	4,344.72	23,007.72
July 1, 1970	30	1,842.26	1,917.31	75.05	900.60	23,007.72
Colonel–O–6:						
Jun 1, 1958	30	1,052.44	1,464.40	411.96	4,943.52	17,572.28
Jan. 1, 1965	30	1,188.25	1,464.40	276.15	3,313.80	17,572.28
July 1, 1970	30	1,407.08	1,464.40	57.32	687.84	17,572.28
Lieutentant colonel–O–5:						
June 1, 1958	25	690.03	995.74	305.71	3,668.52	11,948.88
Jan. 1 1965	25	807.76	995.74	187.98	2,255.76	11,948.88
July 1, 1970	25	956.61	995.74	39.13	469.56	11,948.88
Major–O–4:						
June 1, 1958	20	$448.75	$666.15	$217.40	$2,608.80	$7,993.80
Jan. 1, 1965	20	540.21	666.15	125.94	1,511.28	7,993.80
July 1, 1970	20	640.01	666.15	26.14	313.68	7,993.80
Sergeant major–E–9:						
June 1, 1958	30	(1)				9,500.88
Jan. 1, 1965	30	613.20	791.74	178.54	2,142.48	9,500.88
July 1, 1970	30	760.74	791.74	31.00	372.00	9,500.88
Master sergeant–E–8:						
June 1, 1958	30	(1)				8,486.40
Jan. 1, 1965	30	547.49	707.20	159.71	1,916.52	8,486.40
July 1, 1970	30	679.43	707.20	27.77	33.24	8,486.40
Sergeant 1st class–E–7:						
June 1, 1958	24	304.24	452.50	148.26	1,779.12	5,430.00
Jan. 1, 1965	24	250.54	452.50	101.96	1,223.52	5,430.00
July 1, 1970	24	434.82	452.50	17.68	212.16	5,430.00
Staff sergeant–E–6:						
June 1, 1958	20	216.43	311.03	94.60	1,135.20	3,732.36
Jan. 1, 1965	20	241.04	311.03	69.99	839.88	3,732.36
July 1, 1970	20	298.88	311.03	12.15	145.80	3,732.36

[1] Pay grades E–9 and E–8 were established June 1, 1958. Accordingly, there were no retirees in those grades before that date.

RETIRED PAY ADJUSTMENTS

There are two basic methods that can be used to increase the pay of retired personnel. Retired pay can be *recomputed;* that is, when an element of the formula—for example, the pay base—is changed, retired pay is recalculated. Or retired pay can be *adjusted;* that is, the formula and pay base remain unchanged, but the dollar amount of the annuity is changed by increasing it by a flat amount or a percentage factor. These two basic methods can be used singly or in combination to produce many alternative methods of increasing retired pay.

HISTORICAL DEVELOPMENT

Recomputation of military retired pay dates from the Act of August 3, 1861, in which present retirement laws are based. Recomputation was a part of the military retirement system until the Joint Service Pay Act of 1922, when it was deleted because the structure of the proposed pay raise would have resulted in a great increase in retired costs. The recomputation provision was restored by Congress in 1926 in recognition of the requirement for earlier retirees to meet greater financial obligations due to increases in the cost of living. Again, in 1958 legislation, Congress departed from recomputation by providing that those retired before June 1, 1958, would not be entitled to an increase in retired pay based upon new rates of active duty pay which became effective on June 1, 1958. Instead, the pay of these retirees was adjusted by increasing the amount of retired pay as of May 31, 1958, by 6 percent. Since the active duty pay raise was much in excess of 6 percent for many personnel, recomputation of retired pay based on the new pay scale would have raised retirement costs substantially.

Widespread dissatisfaction with this legislation resulted in several bills being introduced in Congress; however, none were enacted. At that time, most of the proposals for a return to "recomputation" actually did not argue for a return to the practice on a continuing basis. Rather, the more usual argument was for a final "one-time recomputation" of the pay of those who retired before the 1958 pay raise, using the increased 1958 rates as the basis for this final recomputation. In 1960, such a recomputation bill passed the House but was defeated in the Senate. In 1963, with the support of the Department of Defense, that proposal was enacted.

This law, Public Law 88–132, allowed members who retired before June 1, 1958, to have their pay recomputed at the rates that became effective June 1, 1958, or to have their current retired pay increased by 5 percent, whichever was greater. In addition, it established in law the policy of adjusting retired pay based on increases in the Consumer Price Index (CPI).

Uniformed Services retired pay has been increased since June 1, 1958, as follows:

Date of increase	Comparative increase: Retired pay	Comparative increase: CPI	Cumulative increase: Retired pay	Cumulative increase: CPI
June 1, 1958	6.0	.....	6.0	.....
Oct. 1, 1963	[1] 5.0	6.3	11.3	6.3
Sept. 1, 1965	4.4	2.6	16.2	9.1
Dec. 1, 1966	3.7	3.7	20.5	13.2
Apr. 1, 1968	3.9	3.9	25.2	17.7
Feb. 1, 1969	4.0	4.0	30.2	22.4
Nov. 1, 1969	5.3	4.3	37.1	27.7
Aug. 1, 1970	5.6	4.6	44.8	33.5
June 1, 1971	4.5	3.5	51.3	38.2

[1] The increase in October was a 5 percent minimum increase or recomputation to June 1, 1958, pay scales. The average increase was 7.7 percent, and the largest increase was 10.3 percent.

STATEMENT OF PROBLEM

Stated in simplest terms, the problem of adjusting Uniformed Services retired pay is one of deciding to what degree service retirees should share in the benefits of economic growth and a rising standard of living. We live in a dynamic society with rising price levels and a rising standard of living. The benefit of gains in the economy is passed on to the worker primarily through higher wages. If his wages rise faster than prices, he will achieve a higher standard of living. Unless prices increase faster than his wage level, his achieved standard of living will not decline.

The comparability policy enacted by Congress in 1967 assures that Uniformed Services active duty pay raises will keep pace with pay raises in the civilian sector. Thus, active duty personnel can realistically anticipate an increasing real wage and a rising standard of living.[1]

The CPI method of adjusting retired pay provides retired members only with the assurance of a secure level of purchasing power. It guarantees to maintain a standard of living achieved at time of retirement but not to raise it beyond the extra 1 percent given with each CPI increase. The retired member must depend on his second career earnings to raise his standard of living if it is to rise.

CONSUMER PRICE INDEX METHOD VS. RECOMPUTATION

Under the CPI formula, retired pay is increased every time the CPI increases by 3 percent over the CPI at the last adjustment and sustains that level for 3 consecutive months. The adjustment is 1 percent more than the highest percentage increase during the 3-month period. It is effective at the beginning of the third month after the 3-month period.

Before 1958, military retired pay was related at all times to active duty pay, and whenever active duty pay scales were changed, the pay of retired members was recomputed on the basis of the new pay scale. Recomputation resulted in the equalization of retired pay; i.e., all retirees with the same grade and length of service received the same monthly retired pay, regardless of the date of retirement.

Those who advocate a return to recomputation either for all past and future retirees or for members who were on active duty [illegible]

[1] This same effect is realized to some extent by Uniformed Services personnel retiring since 1967. Pay increases in the civilian force are applied to salary and because civilian retired pay is based on salary, retired pay increases in consonance with salary. These same pay increases are transmitted to Uniformed Services total compensation by the mechanism of increasing basic pay. Since basic pay is only one element of total compensation, it increases faster than total compensation. Because retired pay is calculated from basic pay, retired pay increases faster than it would if it were based on total compensation and, consequently, faster than the standard of living.

1958, when the practice was discontinued, generally cite the following arguments in support of their position;

Equalization of retired pay is desirable. Just as all active duty service members with the same grade and length of service receive the same pay, so should retired service members.

The Government "broke faith" with retirees and potential retirees in 1958 when a long-standing method of adjusting retired pay was discontinued. Service members had served at below-standard pay levels and had endured the extra rigors and hazards of military service partially in anticipation that their retired pay would be based on active duty pay as increased throughout their lifetime.

The recomputation method makes military service more attractive, increasing enlisted and officer accessions and increasing retention.

Opponents of a return to recomputation for any present or future retirees generally cite the following arguments to support their position:

Recomputation as a method of adjusting retired pay for future retirees is inefficient. It is the most costly method of adjusting retired pay. At the same time, it encourages early retirement, since liberal automatic increases make the combination of retired pay and second career income more attractive than continuing on active duty after retirement eligibility (at 20 years of service, any age) has been reached. It is also inefficient because it puts extra compensation resources into retired pay rather than into demonstrably more flexible and effective active duty pay elements.

If recomputation is restricted only to some limited groups of retirees, eventually, members of that group will receive higher retired pay than members of the same grade and length of service who retire *after* them. This "inversion" of retired pay will adversely affect the morale of future retirees, who in all probability would become a new dissatisfied group.

Members who are retired no longer contribute to national security to the same extent as their active duty counterparts. Therefore, while it is logical that their retired pay should be adjusted periodically to maintain its purchasing power, it is illogical to provide them with the same percentage increases that active duty members receive for their current productive service to the Nation.

The reasons for the distribution of active duty pay raises by grade and length of service are related to the procurement and retention needs of the active force. Retention problems or other active duty considerations may warrant a differential pay raise in which, for example, E–7's receive a higher percentage increase than O–5's. Nevertheless, recomputation passes that same differential on to retired members. This has the effect of basing retired pay on needs unrelated to those of retirees or, alternatively, denying management flexibility in using its resources.

No major public or private retirement system uses recomputation as a means of adjusting pay for retired employees. Further, the CPI adjustment method is liberal compared to private sector employer practice. Many private sector employers do not provide for any periodic adjustment of retirement annuities.

TWO KEY ISSUES

Two key questions were addressed by the Interagency Committee in developing its recommendation on adjusting retired pay:

Did the Government "break faith" with any service members, retired or active, when the practice of recomputation was terminated on June 1, 1958?

Would recomputation be appropriate as the method for adjusting service retired pay?

On the first question, opinions are diversified, and the answer is not clearcut. Behind the allegation of Governmental "breach of faith" in terminating recomputation is the argument that the action constituted, if not breach of formal contract, at least a breach of an implied contract. The Court of Claims in a 1966 case, *Charles L. Andrews Jr. vs. U.S.*, ruled that there was no formal contract guaranteeing recomputation to members, but that the entitlement was statutory and subject to legislative changes. The Court further ruled that service pay is not subject to common law rules governing contracts and that there was, therefore, no binding common law contract.

Thus, the Government has no legal obligation to return to recomputation for service retirees, and the issue of "broken faith" becomes ethical rather than legal and more difficult to define. If recomputation was a factor that pre-1958 service members considered at the time they made a career decision, it could be persuasively argued that by discontinuing the practice, the Government did break faith in an ethical sense and has an unfulfilled obligation toward members who served under the recomputation law.

On the second issue, the evidence is overwhelming. Compared with the CPI method for adjusting civil service retirement annuities, it would be much more generous and without justification under the principle of comparability. Compared with methods used by private industry and other public jurisdictions to adjust retired pay, it would be liberal and is without precedent among other major employers. Recomputation would not be an appropriate method of adjusting service retired pay. It would be enormously costly and, as discussed, a major impediment to the effective management of the active duty forces.

One recent survey[2] of state and local government retirement systems reported that of a total of 214 retirement plans, only 14 provided for an automatic increase in retired pay benefits to keep pace with the cost of living. Employers in the private sector are still less generous in their protection of the purchasing power of annuities. Another study[3] covering 201 major companies with over 7 million workers found no provisions in any of the plans for automatic adjustment of retirement income based on movements in the CPI.

CONCLUSIONS

The Interagency Committee is persuaded that termination of recomputation was inevitable in view of the trends toward earlier retirement after World War II. The pre-World War II retiree spent most of his working lifetime in the military while the post-World War II retiree, because retirement rules have been liberalized, is a younger man who re-enters the work force for many productive years. Under these circumstances, the Committee believes that the Government was justified in discontinuing recomputation.

Apart from the ethical obligation issue, which the Committee recognizes but does not consider overriding, there is no justification for recomputation. The CPI formula is fair and very generous compared to practice in industry and state governments. It provides military personnel with a level of security enjoyed only by the Federal civilian work force and very few other workers in the economy.

Although the Committee believes that a return to continuing recomputation is wholly unwarranted, it does recognize that the sudden discontinuance of recomputation in 1958 became a matter of grave concern for many of those already retired in 1958 as contrasted to those on active duty in 1958, most of whom will have second careers before reaching old age.

Thus, the Committee believes that the concept (income supplement/old age annuity) developed for use in revising the nondisability retirement system lends itself to providing remedial action for those affected by the discontinuance of recomputation. In the plan described below, those who have the greater need will receive an immediate increase in retired pay when the revised plan becomes law. The retirees in the defined second career period will receive an adjustment upon reaching the established old age thresholds.

Mr. STENNIS. Mr. President, I ask unanimous consent to have printed in the RECORD some information furnished to the House Committee on Armed Services which they have kindly forwarded to me regarding future retired pay costs. This information, all compiled by the Department of Defense, states that the cumulative retired disbursements starting in fiscal year 1973 and going through the year 2000 will be $339 billion without any added statutory benefits. This computation sets forth the additional cost of various forms of recomputation.

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

COST ESTIMATES OF RECOMPUTATION ALTERNATIVE BILLS

The attached table shows retired pay costs under the present system without recomputation compared to retired pay costs under a variety of recomputation proposals.

The cost projections are based on the following assumptions:

Active duty force size—2.64 million.

Members leave active duty according to the 1963, 1964, 1965 Multiple Decrement Table.

Retirees die according to the 1937 Standard Mortality Table.

Basic pay increases 5% per year beginning in July 1973.

The CPI increases 1.5% per year beginning in July 1973.

Disability retirees receiving pay based on the October 1, 1949 retirement laws and pay scales and recomputed only if they qualify for and compute their retired pay under the Career Compensation Cut formula.

The attached table is structured as follows:

The first column of annual disbursements portrays the cost of the present retirement system without recomputation.

The second set of projections portrays the cost of the DOD recomputation recommendation, as submitted to Congress on April 15, 1972. The difference between this alternative and the present system is also presented.

The third set of projections portrays the cost of the present retirement system with full recomputation.

The fourth set of projections portrays the cost of recomputation only for persons who served on active duty prior to 1958.

The fifth set of projections portrays the cost of recomputation only for persons who served on active duty prior to 1950.

The sixth set of projections portrays the cost of one-time recomputation to the 1972 pay scales. We assume that these scales will be those in effect at enactment of recomputation.

The seventh set of projections portrays the cost of restoring recomputation at age 60.

The eighth set of projections portrays the cost of restoring recomputation at age 65.

The last set of projections portrays the cost of restoring full recomputation for disability retirees only.

All cost projections assume that pre-CCA disability retirees are recomputed only if they come under the CCA disability provisions.

[2] State and Local Employee Pension Systems, Tax Foundations, Inc., December, 1969.

[3] Bankers Trust Company, *1970 Study of Industrial Pension Plans*, New York, 1970.

ANNUAL RETIREMENT DISBURSEMENTS STARTING IN FISCAL YEAR 1973 FOR THE PRESENT SYSTEM WITH VARIOUS RECOMP PROPOSALS

[Billions of dollars]

	Present system	Annual disbursement projections							
		DOD proposal		Full recomp[1]		Recomp 1958 group[2]		Recomp 1950 group[3]	
		Annual	Difference	Annual	Difference	Annual	Difference	Annual	Difference
Fiscal year:									
1973	$4.339	$4.627	$0.288	$5.494	$1.155	$5.479	$1.140	$5.455	$1.116
1974	4.758	5.065	.307	6.083	1.325	6.064	1.306	6.021	1.263
1975	5.210	5.539	.329	6.728	1.518	6.708	1.498	6.638	1.428
1976	5.732	6.029	.297	7.462	1.730	7.439	1.707	7.330	1.598
1977	6.274	6.662	.388	8.243	1.969	8.218	1.944	8.054	1.780
1970	7.975	8.538	.563	10.794	2.819	10.740	2.765	10.337	2.362
1990	13.916	14.541	.625	21.073	7.157	20.018	6.102	18.185	4.269
2000	21.662	22.052	.390	35.129	13.467	30.190	8.528	26.585	4.923
Cumulative to fiscal year 2000	339.310	353.623	14.313	509.686	170.376	476.257	136.947	435.471	96.161

	Present system	Annual disbursement projections							
		1-time recomp to 72[4]		Full recomp after 60[5]		Full recomp after 65[6]		Full recomp disability[7]	
		Annual	Difference	Annual	Difference	Annual	Difference	Annual	Difference
Fiscal year:									
1973	$4.339	$5.328	$0.989	$4.614	$0.275	$4.516	$0.177	$4.508	$0.169
1974	4.758	5.739	.981	5.086	.328	4.969	.211	4.955	.197
1975	5.210	6.190	.980	5.609	.399	5.465	.255	5.437	.227
1976	5.732	6.708	.976	6.221	.489	6.023	.291	5.991	.259
1977	6.274	7.247	.973	6.871	.597	6.600	.326	6.568	.294
1980	7.975	8.929	.954	9.272	1.297	8.557	.582	8.389	.414
1990	13.916	14.712	.796	18.430	4.514	17.212	3.296	14.867	.951
2000	21.662	22.160	.498	31.535	9.873	29.308	7.646	23.255	1.593
Cumulative to fiscal year 2000	339.310	362.282	22.972	446.038	106.728	417.275	77.965	361.543	22.233

[1] Continuing recomp for all now on retired rolls and all retired thereafter.
[2] Recomp for persons who had served on active duty or in an active status before May 31, 1958.
[3] Recomp for persons who had served on active duty or in an active status before May 13, 1950.
[4] 1-time recomp for all on retired rolls when legislation enacted; thereafter CPI adjustments only; future retirees CPI adjustments only.
[5] Recomp restored for all at age 60; CPI adjustments until that age.
[6] Recomp restored for all at age 65; CPI adjustments until that age.
[7] Recomp restored for disability retirees only.

Mr. STENNIS. Mr. President, frequently comparisons are made between the civil service and military retirement systems. I would like to include in the RECORD at this time a comparison of age, length of service, and future retired lifetimes for military and civil service retirements in fiscal year 1970. I believe that this comparison will provide some valuable and interesting facts in regard to the two systems.

I ask unanimous consent to have this material printed in the RECORD, together with a table in connection with lifetime pay by grade.

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

COMPARISON OF AGE, LENGTH OF SERVICE, AND FUTURE RETIRED LIFETIMES FOR MILITARY AND CIVIL SERVICE RETIREMENTS IN FISCAL YEAR 1970 (RETIREMENTS FROM ACTIVE SERVICE ONLY)

	Number of retirements[1]	Average number in active service	Percent	Average monthly retired pay	Adjusted age at entry[2]	Average years of service[3]	Average age at retirement	Average retired lifetime[4] (years)	Average terminal age[5]	Average lifetime retired pay[6]	Lump-sum equivalent[7]
MILITARY RETIREMENTS											
Officers and enlisted:											
Nondisability	51,561	3,281,000	1.57	$453	21.6	22.2	43.8	30.6	74.4	$158,714	$94,718
Disability	18,085	3,281,000	.55	319	22.4	11.5	33.9	20.8	54.7	78,539	48,482
All	69,646	3,281,000	2.12	418	21.9	19.4	41.3	28.1	69.4	138,126	82,845
Officers:											
Nondisability	14,440	409,000	3.53	792	23.1	24.1	47.2	27.6	74.8	255,256	157,221
Disability	3,655	409,000	.89	759	24.3	20.1	44.4	20.1	64.5	179,984	115,658
All	18,095	409,000	4.42	785	23.4	23.3	46.7	26.1	72.8	240,191	148,903
Enlisted:											
Nondisability	37,121	2,872,000	1.29	322	21.1	21.4	42.5	31.8	74.3	121,313	70,503
Disability	14,430	2,872,000	.50	207	21.9	9.4	31.3	20.9	52.2	52,826	31,455
All	51,551	2,872,000	1.79	290	21.3	18.1	39.4	28.8	68.2	102,367	59,701
CIVIL SERVICE RETIREMENTS											
Men and women:											
Nondisability	44,330	2,675,000	1.66	412	34.5	27.5	62.0	17.9	79.9	88,949	61,835
Disability	16,718	2,675,000	.62	265	33.8	19.1	52.9	18.5	71.4	58,234	39,192
All	61,048	2,675,000	2.28	371	34.3	25.2	59.5	18.1	77.6	80,537	55,634
Men:											
Nondisability	33,702	1,878,000	1.80	445	33.2	28.4	61.6	17.2	78.8	92,898	65,379
Disability	12,789	1,878,000	.68	278	33.0	19.9	52.9	17.2	70.1	57,296	39,300
All	46,491	1,878,000	2.48	399	33.1	26.1	59.2	17.2	76.4	83,105	58,205
Women:											
Nondisability	10,628	797,000	1.34	305	38.7	24.4	63.1	20.4	83.5	76,424	50,598
Disability	3,929	797,000	.49	221	36.3	16.5	52.8	22.8	75.6	61,287	38,841
All	14,557	797,000	1.83	282	38.0	22.3	60.3	21.0	81.3	72,339	47,425

[1] The number of military retirements omits persons who retired and died in fiscal year 1970 and persons who waived all of the military retired pay to obtain benefits from the Veterans' Administration. The number is somewhat incomplete due to delay in mailing the first check.
[2] This is the original age at entry into the service if the service was continuous; otherwise, the original age at entry has been increased by the number of years absent. For civil service, "years absent" includes years for which the contributions were refunded and not redeposited.
[3] For civil service, this excludes any years for which the contributions were refunded and not redeposited. For the military, this includes constructive service in some instances.
[4] The retired lifetime can be terminated by death or in some instances by recovery from disability.
[5] The average age at the time of termination of retired pay by death or recovery from disability.
[6] These amounts include no future Consumer Price Index (CPI) increases.
[7] Commuted value of future retired pay at time of retirement, calculated at 3½-percent interest. Use of a higher interest rate would reduce the commuted values, and narrow gap between military and civil service figures.

TABLE 3.—TOTAL LIFETIME RETIRED PAY UNDER THE MILITARY RETIREMENT SYSTEM FOR PERSONS RETIRING ON OR AFTER JAN. 1, 1972, BASED ON THE 1937 STANDARD ANNUITY TABLE WITH ENTRY AGE 23 FOR OFFICERS AND 19 FOR ENLISTED NONDISABILITY RETIREMENTS

Pay grade	Title	Years of service										
		Over 20	Over 21	Over 22	Over 23	Over 24	Over 25	Over 26	Over 27	Over 28	Over 29	Over 30
	COMMISSIONED OFFICERS											
O–10	Chief of staff	$586,988	$599,432	$610,418	$620,003	$628,222	$635,092	$640,643	$644,931	$647,951	$649,791	$650,477
O–10	General/admiral	547,024	558,623	568,858	577,794	585,449	591,854	598,104	602,105	604,926	606,642	607,284
O–9	Lieutenant general/vice admiral	478,522	488,668	497,622	505,438	512,136	517,738	559,647	563,389	566,029	567,636	568,237
O–8	Major general/rear admiral (upper half)	444,436	453,261	480,813	488,361	494,834	500,247	504,622	507,996	510,376	511,825	512,367
O–7	Brigadier general/rear admiral (lower half)	401,965	410,487	418,011	424,576	430,201	434,906	438,711	441,645	443,713	444,971	445,444
O–6	Colonel/captain	307,708	314,231	338,625	343,945	348,501	352,315	385,418	387,997	389,814	390,920	391,334
O–5	Lieutenant colonel/commander	278,334	284,235	299,645	304,353	308,384	311,759	314,483	316,589	318,070	318,974	319,310
O–4	Major/lieutenant commander	240,960	246,070	250,580	254,513	257,886	260,708	262,988	264,745	265,986	266,741	267,024
	COMMISSIONED OFFICERS WITH LESS THAN 4 YEARS OF ACTIVE SERVICE AS AN ENLISTED MEMBER											
O–3	Captain/lieutenant	$208,353	$212,773	$216,670	$220,074	$222,989	$225,430	$227,399	$228,922	$229,993	$230,647	$230,889
O–2	1st lieutenant/lieutenant (junior grade)	154,594	157,872	160,766	163,288	165,453	167,264	168,727	169,853	170,650	171,134	171,316
O–1	2d lieutenant/ensign	121,987	124,575	126,856	128,850	130,556	131,986	133,138	134,030	134,657	135,040	135,181
	COMMISSIONED OFFICERS WITH MORE THAN 4 YEARS OF ACTIVE SERVICE AS AN ENLISTED MEMBER											
O–3	Captain/lieutenant	$211,587	$216,074	$220,034	$223,487	$226,450	$228,927	$230,929	$232,472	$233,562	$234,225	$234,474
O–2	1st lieutenant/lieutenant (junior grade)	179,090	182,887	186,238	189,163	191,670	193,766	195,460	196,768	197,690	198,251	198,460
O–1	2d lieutenant/ensign	151,415	154,625	157,461	159,933	162,051	163,823	165,258	166,362	167,141	167,615	167,794
	WARRANT OFFICERS											
W–4	Chief warrant/commissioned warrant	$200,188	$204,433	$215,074	$218,454	$221,347	$223,770	$243,189	$244,818	$245,963	$246,662	$246,922
W–3	Chief warrant/commissioned warrant	175,856	179,586	189,543	192,522	195,071	197,207	206,048	207,425	208,397	208,989	209,211
W–2	Chief warrant/commissioned warrant	157,882	161,230	170,851	173,536	175,834	177,759	179,312	180,513	181,357	181,873	182,064
W–1	Warrant officer/warrant officer	146,538	149,647	152,387	154,782	156,831	158,548	159,933	161,004	161,757	162,218	162,388
	ENLISTED MEMBERS											
E–9	Senior enlisted member	$258,122	$264,112	$269,497	$274,286	$278,499	$282,145	$285,228	$287,769	$289,782	$291,277	$292,267
E–9	Sergeant major/master chief petty officer	183,825	188,091	202,105	205,697	208,858	211,593	234,647	236,738	238,395	239,625	240,438
E–8	Master sergeant/senior chief petty officer	161,212	164,955	178,179	181,345	184,131	186,543	209,593	211,461	212,940	214,039	214,765
E–7	Sergeant 1st class/chief petty officer	142,196	145,497	158,390	161,202	163,680	165,824	188,580	190,260	191,592	192,580	193,234
E–6	Staff sergeant/petty officer 1st class	125,130	128,035	130,645	132,964	135,008	136,777	138,271	139,501	140,478	141,204	141,683
E–5	Sergeant/petty officer 2d class	106,175	108,641	110,853	112,825	114,556	116,058	117,323	118,371	119,197	119,814	120,219
E–4	Corporal/petty officer 3d class	88,194	90,240	92,082	93,718	95,156	96,402	97,457	98,325	99,012	99,522	99,862
E–3	Private first class/seaman	77,223	79,015	80,628	82,060	83,319	84,410	85,334	86,094	86,695	87,142	87,440
E–2	Private/seaman apprentice	65,155	66,688	68,028	69,234	70,299	71,220	71,999	72,638	73,147	73,525	73,775
E–1	Recruit/seaman recruit	58,512	59,870	61,090	62,176	63,131	63,958	64,656	65,232	65,689	66,128	66,252

Note: These figures are based on the assumption that the years of service for pay purposes are the same as the years of active service.

Mr. SPONG. Mr. President, one of the first legislative proposals called to my attention after my election to the Senate in 1967 was a bill to reinstate the principle of recomputation in retirement pay for military personnel. Early in 1971, I began giving consideration to legislation to reinstitute the recomputation principle for all those individuals then on the retirement rolls who entered active service before June 1, 1958. Because it was obvious that objections with respect to cost would be involved, I asked for a projection of the annual cost of such a proposal if enacted.

According to figures furnished by the Department of Defense, the first year cost of recomputation for those retired prior to June 1, 1958, would be $932 million. The proposal was opposed by the Department of Defense and a compromise was offered. The first year cost of this amendment will be $288 million. Those funds are in the budget request. The enactment of this amendment will not increase the President's budget.

On July 17, 1971, I announced that I would support the reinstitution of the principle of recomputation at least to those individuals who retired prior to 1958 and who had every right to believe that they would retire with the recomputation principle applicable to their future retirement pay.

It is my firm conviction that the amendment which we consider today is fair. It does not increase the President's budget request. To provide for recomputation using the base rates of January 1, 1972, is, I believe, the nearest thing to equity which we can provide for members of the armed services for those who have retired for years of service and are 60 or more years of age. Other retired personnel would have their retirement pay computed when they reach age 60.

Mr. President, I think this is fair legislation. I intend to support the amendment and I hope it will be enacted.

Mr. ROBERT C. BYRD. Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. Sixteen minutes remain, 8 minutes to each side.

Mr. ROBERT C. BYRD. Mr. President, I am prepared to yield back the 8 minutes on behalf of Mr. HARTKE.

Mr. STENNIS. I do not know of any other Senator who wishes to speak now. I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, in accordance with the agreement entered, that the unfinished business now be laid aside temporarily and that it remain in a temporarily laid aside status until later today, at such time as the distinguished majority leader or his designee may wish to return to the unfinished business, again in accordance with the agreement.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. Allen J. Ellender, late a Senator from the State of Louisiana.

The message announced that the House had passed, without amendment, the following bills of the Senate:

S. 2227. An act to amend title 44, United States Code, to authorize the Public Printer to designate the library of the highest appellate court in each State as a depository library;

S. 2684. An act to amend section 509 of the Merchant Marine Act, 1936, as amended; and

S. 3463. An act to amend section 906 of title 44, United States Code, to provide copies of the daily and semimonthly Congressional Record to libraries of certain United States courts.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13435) to increase the authorization for appropriation for continuing work in the Upper Colorado River Basin by the Secretary of the Interior.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 15690) making appropriations for Agri-

culture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1973, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. WHITTEN, Mr. NATCHER, Mr. HULL, Mr. SHIPLEY, Mr. EVANS of Colorado, Mr. BOW, Mr. ANDREWS of North Dakota, Mr. MICHEL, and Mr. SCHERLE were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 1682) to provide for deferment of construction charges payable by Westlands Water District attributable to lands of the Naval Air Station, Lemoore, Calif., included in said district, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

PUBLIC WORKS APPROPRIATIONS—APPOINTMENT OF ADDITIONAL CONFEREES

Mr. STENNIS. Mr. President, this concerns a matter in which conferees have been appointed, and a conference has been called on H.R. 15586, the public works appropriations for 1973. I ask unanimous consent that the names of the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from Colorado (Mr. ALLOTT) be added as conferees on the part of the Senate.

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

EQUAL EXPORT OPPORTUNITY ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 931, S. 3726.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3726) to extend and amend the Export Administration Act of 1969 to afford more equal export opportunity, to establish a Council on International Economic Policy, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments on page 11, line 24, after the word "the", strike out "Committee on Banking, Housing and Urban Affairs of the Senate, the Committee on Banking and Currency of the House of Representatives, and the Joint Economic Committee an" and insert "Congress an"; on page 13, line 4, after "(a)", strike out:

The staff of the Council shall be headed by an Executive Director who shall be appointed by the President. It shall be the duty of the Executive Director to—

(1) direct the activities of the Council staff,

(2) develop the agenda and supporting materials for Council meetings and review all matters before the Council, and

(3) establish a work program, including topics and the selection of individuals to carry out particular assignments.

And insert:

The staff of the Council shall be headed by an Executive Director who shall be an assistant to the President and direct the Council staff. He shall keep the Committee on Banking, Housing and Urban Affairs of the Senate, the Committee on Banking and Currency of the House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Joint Economic Committee fully and currently informed regarding the activities of the Council.;

On page 14, after line 22, strike out:

(e) Section 5313 of title 5, United States Code (relating to positions at level II of the Executive Schedule), is amended by adding at the end thereof the following:

(22) Executive Director, Council on International Economic Policy.

On page 15, after line 2, insert a new section, as follows:

SEC. 209. The provisions of this title II shall expire on June 30, 1973, unless extended by legislation enacted by the Congress.

At the beginning of line 7, change the section number from "209" to "210"; and, in line 9, after "1973", strike out the comma and "and not to exceed $1,600,000 for fiscal year 1974"; so as to make the bill read:

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

TITLE I—AMENDMENTS TO THE EXPORT ADMINISTRATION ACT OF 1969

SEC. 101. This title may be cited as the "Equal Export Opportunity Act".

SEC. 102. Section 2(3) of the Export Administration Act of 1969 is amended by inserting before the period at the end thereof a comma and the following: "particularly when export restrictions applied by the United States are more extensive than export restrictions imposed by countries with which the United States has defense treaty commitments".

SEC. 103. Section 3 of the Export Administration Act of 1969 is amended by adding at the end thereof the following:

"(6) It is the policy of the United States that the desirability of subjecting, or continuing to subject, particular articles, materials, or supplies, including technical data or other information, to United States export controls should be determined after review by and consultation with representatives of appropriate United States Government agencies and qualified experts from private industry."

SEC. 104. Section 4(b) of the Export Administration Act of 1969 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) The Secretary of Commerce, in cooperation with appropriate United States Government departments and agencies and the appropriate technical advisory committees established under section 5(c), shall undertake an investigation to determine which articles, materials, and supplies, including technical data and other information, should no longer be subject to export controls because of their significance to the national security of the United States. Notwithstanding the provisions of paragraph (1), the Secretary of Commerce shall remove unilateral export controls on the export from the United States of articles, materials, or supplies, including technical data or other information, which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, except that any such control may remain in effect if the Secretary of Commerce determines that adequate evidence has been presented to him demonstrating that the absence of such a control would constitute a threat to the national security of the United States. The nature of such evidence shall be included in the special report required by paragraph (4).

"(3) In conducting the investigation referred to in paragraph (2) and in taking the action required under such paragraph, the Secretary of Commerce shall give priority to those controls which apply to articles, materials, and supplies, including technical data and other information, for which there are significant potential export markets.

"(4) Not later than six months after the date of enactment of the Equal Export Opportunity Act, the Secretary of Commerce shall submit to the President and to the Congress a special report of actions taken under paragraphs (2) and (3). Such report shall contain—

"(A) a list of any articles, materials, and supplies, including technical data and other information, which are subject under this Act to export controls greater than those imposed by nations with which the United States has defense treaty commitments, and the reasons for such greater controls; and

"(B) a list of any procedures applicable to export licensing in the United States which are more burdensome than similar procedures utilized in nations with which the United States has defense treaty commitments, and the reasons for retaining such procedures in their present form.".

SEC. 105. Section 5 of the Export Administration Act of 1969 is amended by adding at the end thereof the following:

"(c)(1) The Secretary of Commerce shall appoint a technical advisory committee for each group of articles, materials, and supplies, including technical data and other information, which—

"(A) is or may be made subject to export controls because of its significance to the national security of the United States; and

"(B) is difficult to evaluate for technical or strategic reasons.

Each such committee shall consist of representatives of United States industry and government who may be appointed for terms of not more than two years. No person serving on any such committee who is representative of industry shall serve on such committee for more than two consecutive years.

"(2) It shall be the duty and function of the technical advisory committees established under paragraph (1) to advise and assist the Secretary of Commerce and any other department, agency, or official of the Government of the United States to which the President has delegated power, authority, and discretion under section 4(d) with respect to actions designed to carry out the policy set forth in section 3 of this Act. Such committees shall be consulted with respect to the level of United States export controls applicable to all articles, materials, or supplies, including technical data or other information, and including those whose export is subject to multilateral controls undertaken in cooperation with nations with which the United States has defense treaty commitments. Such committees shall also be consulted and kept fully informed of progress with respect to the investigation required by section 4(b)(2) of this Act. Nothing in this subsection shall prevent the Secretary from consulting, at any time, with any person representing industry or the general public regardless of whether such person is a

member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary of Commerce, to present evidence to such committees.

"(3) Any member of any such committee who is not an officer or employee of the United States shall be entitled to receive compensation at not to exceed the daily rate prescribed for GS–18 of the General Schedule under section 5332 of title 5, United States Code, during such time as he is engaged in the performance of his duties as a member. Each member may be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with his duties as a member.

"(4) Each such committee shall elect a chairman, and shall meet at the call of the Chairman but not less often than four times each year."

SEC. 106. Section 14 of the Export Administration Act of 1969 is amended by striking out "August 1, 1972" and inserting in lieu thereof "June 30, 1974".

SEC. 107. Nothing in this title shall be construed to require the release or publication of information which is classified pursuant to Executive order or to affect the confidentiality safeguards provided in section 7(c) of the Export Administration Act of 1969.

TITLE II—COUNCIL ON INTERNATIONAL ECONOMIC POLICY

SHORT TITLE

SEC. 201. This title may be cited as the "International Economic Policy Act of 1972".

STATEMENT OF PURPOSES

SEC. 202. It is the purpose of this title to provide for closer Federal interagency coordination in the development of a more rational and orderly international economic policy for the United States.

FINDINGS AND POLICY

SEC. 203. The Congress finds that there are many activities undertaken by various departments, agencies, and instrumentalities of the Federal Government which, in the aggregate, constitute the domestic and international economic policy of the United States. The Congress further finds that the objectives of the United States with respect to a sound and purposeful international economic policy can be better accomplished through the closer coordination of (1) domestic and foreign economic activity, and (2) in particular, that economic behavior which, taken together, constitutes United States international economic policy. Therefore this Act establishes a Council on International Economic Policy which will provide for—

(A) a clear top level focus for the full range of international economic issues; deal with international economic policies including trade, investment, balance of payments, and finance as a coherent whole;

(B) consistency between domestic and foreign economic policy; and

(C) close coordination with basic foreign policy objectives.

The Congress intends that the Council shall be provided with the opportunity to (i) investigate problems with respect to the coordination, implementation, and long-range development of international economic policy, and (ii) make appropriate findings and recommendations for the purpose of assisting in the development of a rational and orderly international economic policy for the United States.

CREATION OF COUNCIL ON INTERNATIONAL ECONOMIC POLICY

SEC. 204. There is created in the Executive Office of the President a Council on International Economic Policy (hereinafter referred to in this title as the ("Council").

MEMBERSHIP

SEC. 205 The Council shall be composed of the following members and such additional members as the President may designate:

(1) The President.
(2) The Secretary of State.
(3) The Secretary of the Treasury.
(4) The Secretary of Defense.
(5) The Secretary of Agriculture.
(6) The Secretary of Commerce.
(7) The Secretary of Labor.
(8) The Director of the Office of Management and Budget.
(9) The Chairman of the Council of Economic Advisers.
(10) The Special Representative for Trade Negotiations.

The President shall be the Chairman of the Council and shall preside over the meetings of the Council; in his absence he may designate a member of the Council to preside in his place.

DUTIES OF THE COUNCIL

SEC. 206. Subject to the direction of the President, and in addition to performing such other functions as he may direct, it shall be the duty of the Council to—

(1) assist and advice the President in the preparation of the International Report required under section 207;

(2) review the activities and the policies of the United States Government which indirectly or directly relate to international economics and, for the purpose of making recommendations to the President in connection therewith, consider with some degree of specificity the substance and scope of the international economic policy of the United States, which consideration shall include examination of the economic activities of (A) the various agencies, departments, and instrumentalities of the Federal Government, (B) the several States, and (C) private industry;

(3) collect, analyze, and evaluate authoritative information, current and prospective, concerning international economic matters;

(4) consider policies and programs for coordinating the activities of all the departments and agencies of the United States with one another for the purpose of accomplishing a more consistent international economic policy, and make recommendations to the President in connection therewith;

(5) continually assess the progress and effectiveness of Federal efforts to carry out a consistent international economic policy; and

(6) make recommendations to the President for domestic and foreign programs which will promote a more consistent international economic policy on the part of the United States and private industry. Recommendations under this paragraph shall include, but shall not be limited to, policy proposals relating to monetary mechanisms, foreign investment, trade, the balance of payments, foreign aid, taxes, international tourism and aviation, and international treaties and agreements relating to all such matters. In addition to other appropriate objectives, such policy proposals should be developed with a view toward—

(A) strengthening the United States competitive position in world trade;

(B) achieving equilibrium in international payment accounts of the United States;

(C) increasing exports of goods and services;

(D) protecting and improving the earnings of foreign investments;

(E) achieving freedom of movement of people, goods, capital, information, and technology on a reciprocal and worldwide basis; and

(F) increasing the real employment and income of workers and consumers on the basis of international economic activity.

REPORT

SEC. 207. (a) The President shall transmit to the Congress an annual report on the international economic position of the United States. Such report (hereinafter referred to as the "International Economic Report") shall be submitted not later than sixty days after the beginning of each regular session of the Congress, and shall include—

(1) information and statistics describing characteristics of international economic activity and identifying significant current and foreseeable trends and developments;

(2) a review of the international economic program of the Federal Government and a review of domestic and foreign economic conditions and other significant matters affecting the balance of international payments of the United States and of their effect on the international trade, investment, financial, and monetary position of the United States; and

(3) a program for carrying out the policy objectives of this title, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President may transmit from time to time to the Congress reports supplementary to the International Economic Report, each of which may include such supplementary or revised recomemndations as he may deem necessary or desirable to achieve the purposes and policy objectives set forth in this title.

EXECUTIVE DIRECTOR AND STAFF OF THE COUNCIL

SEC. 208. (a) The staff of the Council shall be headed by an Executive Director who shall be an assistant to the President and direct the Council staff. He shall keep the Committee on Banking, Housing and Urban Affairs of the Senate, the Committee on Banking and Currency of the House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Joint Economic Committee fully and currently informed regarding the activities of the Council.

(b)(1) With the approval of the Council, the Executive Director may appoint and fix the compensation of such staff personnel as he deems necessary. Except as provided in paragraph (2), the staff of the Council shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(2) With the approval of the Council, the Executive Director may appoint and fix the compensation of one officer at a rate of basic compensation not to exceed the rate provided for level IV of the Federal Executive Salary Schedule, and appoint and fix the compensation of two officers at rates of basic compensation not to exceed the rate provided for level V of the Federal Executive Salary Schedule.

(c) With the approval of the Council, the Executive Director may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS–18.

(d) Upon request of the Executive Director, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Council to assist it in carrying out its duties under this title.

(e) Section 5313 of title 5, Uinted States Code (relating to positions at level II of the Executive Schedule), is amended by adding at the end thereof the following:

SEC. 209. The provisions of this title II shall expire on June 30, 1973, unless ex-

tended by legislation enacted by the Congress.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 210. For the purpose of carrying out the provisions of this title, there are authorized to be appropriated not to exceed $1,400,000 for fiscal year 1973.

Mr. ROBERT C. BYRD. Mr. President, the Senate will now proceed to debate the bill, S. 3726. Opening statements will be made. Senators may call up amendments. If debate on such amendments should reach its termination prior to the time the delegation has returned from Louisiana, the leadership will have any yea and nay votes laid over until the delegation has returned and the votes would occur following the scheduled votes on the three amendments by Mr. JACKSON, Mr. CRANSTON, and Mr. HARTKE, respectively; votes in relation to S. 3726 may even go over until the second track is reached tomorrow, but, in any event, no votes will occur until the delegation has returned later today.

Mr. BROCK. Mr. President, on the bill, S. 3726, to extend the Export Administration Act, there are a couple of amendments that have been agreed to. I ask the Senator from West Virginia (Mr. ROBERT C. BYRD) if we have an agreement on amendments, there is no reason not to go ahead and act on them, is there, by voice vote; or does the Senator want to withhold action on any amendment?

Mr. ROBERT C. BYRD. I am glad that the distinguished Senator from Tennessee asked that question. Certainly there will be no intention to delay action on any amendments which can be decided by a voice vote.

Mr. BROCK. I thank the Senator.

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. TAFT. 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. TAFT. Mr. President, I take this time to talk on title I of the bill, the Export Control Administration Extension Act. In the committee, I sponsored in title I of the bill sections called the Equal Export Opportunity Act because I do not believe that U.S. exporters should suffer any longer from a masochistic policy of retaining excessive export controls. Economists often speak of nontariff barriers to trade by which countries limit the penetration of imports into their domestic markets. By continuing to control the export of many items which are not of strategic value and are not controlled by our foreign competitors the United States has been perpetuating a nontariff trade barrier against its own products.

This barrier effectively contributes to our unfortunate economic performance in Eastern Europe. In 1970, the U.S. share of the world market was 16 percent, but our share of the Eastern European market was only 3 percent.

The U.S. trade deficit through April 1972 was a record $2.1 billion. Despite some recent improvement, our unemployment rate is still unacceptably high. Under these circumstances, we can ill afford to let our export control program augment the trade deficit and eliminate American jobs by creating an advantage for Western European and Japanese manufacturers.

In our committee's hearings on the Export Administration Act, the administration witness rightly pointed out that progress toward liberalizing the export control system has been made since the enactment of the act in 1969. This administration has gone further in the direction of decontrolling exports to Eastern Europe than any previous administration. The number of items which have been decontrolled since 1969 has been substantial. Unfortunately, however, many of these were low technology articles for which there is little foreign demand. Some of the machine tools recently decontrolled are no longer ever manufactured in the United States. By contrast, the liberalization of controls applying to items involving a higher level of technology has been slow. For example, the Commerce Department was reluctant to grant a license for selling printed circuit boards to Bulgaria, even though such circuit boards are freely available in Eastern Europe and have been used in telephones and radios since the late 1950's. The Department agreed to allow the company to export the circuit board only if the company could document in advance the end use of every single one of them. That arrangement was not overly practical, since circuit boards can be used in many ways and the number of circuit boards in an individual order can be in the hundreds of thousands.

Of all our exportable materials, the Eastern Europeans are most interested in those involving much higher technology than circuit boards. Partly because of excessive export controls on such goods, however, the United States has sold few of them in Eastern Europe. For example, in 1969, the U.S. share of the world market for high technology, electrical measuring and control instruments was 36 percent. In Eastern Europe it was 7 percent, less than half that of the United Kingdom, West Germany, or France.

Our failure to solve all of our export control problems under the Export Administration Act is further reflected in the fact that U.S. exports to Eastern Europe as a percentage of Cocom exports to Eastern Europe decreased from 4.35 percent in 1967 to about 4 percent in 1971. A review of Commerce Department actions and export record in Eastern Europe indicates clearly that modernization of our export control system is far from complete.

At this time the United States controls 495 classifications of good technology by multilateral—Cocom—agreement with our allies. In addition, the United States chooses to retain unilateral controls on 461 classifications of goods and technology. The United States is the only Cocom country which controls the export of a significantly greater number of items than those which the Cocom agrees to control multilaterally.

Some of the items under unilateral control are eventually granted export licenses, but the delay and uncertainty in the licensing process often cost American exporters sales even when this happens. Twenty-six percent of the applications for export licenses to Eastern Europe, involving many of the high technology items in which the Eastern Europeans are most interested, took more than 15 working days to process.

To the extent that the problems relating to the licensing process are more acute in the United States than in the other Cocom countries, American exporters are placed at a disadvantage to the Cocom exporters even when the exportable item is Cocom controlled. Many representatives of the American industries have voiced the opinion that our export licensing process does impose more costs, uncertainty, and delays than exporters from other Cocom countries suffer. Our Cocom competitors allegedly even provide advantages to their exporters by giving them a better idea of which licensing applications will receive favorable action, referring their applications for exceptions to Cocom regulations to the Cocom with less preliminary screening requiring less documentation regarding the end use of the item to be exported, imposing less stringent requirements for insuring that an item is never diverted for strategic use, granting more liberal licensing provisions for supplying spare parts, and in several other ways.

Delays in the U.S. processing system have been crippling at times. Some export license applications have languished for months—some for more than a year—while the Government debated whether to allow U.S. participation in Russian truck plants. Even where there is no major political issue raised by an application, it can take months to secure a license for equipment subject to unilateral controls. The licensing process is expensive and frustrating, particularly for the small company not familiar with current practices and procedures.

I realize that part of the reason for this program is that the Office of Export Control is understaffed and underfunded. In addition, delays are often the fault of other agencies represented on the Advisory Committee for Export Policy. I hope that administrative changes will be made—to afford export control operations higher priority in Commerce Department funding and personnel planning and to speed up the workings of the Advisory Committee for Export Policy. The most effective solution for the licensing problem, however, is the same solution that is needed for problems arising from excessive unilateral controls. All export controls should be removed except where control is clearly necessary or pursuant to international agreement. The Equal Export Opportunity Act would clearly push the Commerce Department in this direction. It would amend the Export

Administration Act to require prompt decontrol of unilateral U.S. export controls which are not necessary to protect our national security.

Upon the enactment of the amendment, the Commerce Department would head up a study to determine which goods and technology should be controlled. Goods and technology for which there is a significant export market would be given priority in the review process. Unless convincing evidence is presented that the absence of export controls on an item in question would prove detrimental to the national security, items which are available without restriction from sources outside the United States would be decontrolled. Such decontrol would take place within 6 months after the enactment of the amendment. At that time, the Secretary of Commerce would be required to give reasons for retaining any procedure applicable to export licensing which are more burdensome than similar procedures utilized by other Cocom countries.

The Equal Export Opportunity Act also provides for the establishment of Government-industry technical advisory committees. These committees would be consulted and formed with respect to the level of U.S. export controls, including those controls which are imposed internationally under the Cocom agreement.

The technical advisory committees would provide information to the Commerce Department on technical matters, worldwide availability and actual utilization of the products and technology and the relative burden of licensing procedures.

The Commerce Department officials administering export controls must make decisions affecting all kinds of goods and technology. Without extensive industry advice, these officials cannot possibly be expected to utilize effectively the vast amount of expertise needed to make an intelligent decision about any given product—particularly if it is a complicated, high-technology item. The hearings before our committee were full of evidence indicating that delays have been caused and unnecessary restrictions retained because Commerce was trying to base decisions on insufficient or irrelevant information. I believe that the technical advisory committees will provide the Commerce Department with the improved accessibility and exposure to expertise which is needed to prevent such administrative problems.

The committees will also help to keep businesses more up to date with regard to the latest Commerce Department policies. One witness said that his industry could not come across such vital information as who the U.S. negotiators at the Cocom are or what their instructions are. In a world where most of the other Cocom governments work closely with their industries, even to the extent of coaching them to improve their chances of obtaining exceptions to Cocom regulations, the U.S. Government must take pains to give American industries the information they need to formulate as effective an export strategy as possible.

The successful enactment of title I will put American exporters on a more equal footing with foreign exporters in the competition for Eastern European markets. Industries whose products are presently subject to unilateral export control, such as chemicals, electrical machinery, other types of machinery including machine tools, and certain types of fabrics and materials could realize immediate benefits from decontrol action taken under the title. The potential benefits are great. For example, the machine tool industry conducted its first industry-organized, Government-approved trade mission to the U.S.S.R. and Hungary in the spring of 1971. During these sessions, Soviet officials gave the companies requests for quotations for U.S.-built machine tools which totaled more than $50 million. As a result of the industry's recent mission to Poland, industry officials expect more than $50 million in requests to be received by U.S. machine tool companies who participated in the mission.

The importance of this legislation extends far beyond whatever benefits will be realized by exporters in the next year or two. Industrialization is now proceeding full speed in Eastern Europe, which is one of the fastest growing regions in the world. At the same time, the recent lessening of East-West tensions has created a favorable environment for the expansion of trade. As a result of this combination of events the vast markets of Eastern Europe are opening up—now. If we are going to participate in the rapid growth of eastern Europe, our industries must be able to move in without further delay, subject only to restrictions which are really necessary to protect the national security.

The policy embodied in title I is politically desirable as well as economically beneficial. Maurice Stans pointed out in Moscow last fall that a normalization of relations on the commercial side should go hand in hand with political detente. Because this legislation can be a large step in the direction of normalizing our business relationship with the Russians and Eastern Europeans, it will complement the political understandings achieved at the recent Moscow summit.

From both an economic and political standpoint, I urge the Senate to help modernize an export control system that is one of the most costly anachronisms of the cold war. I urge the Senate to act favorably upon the Equal Export Opportunity Act.

Mr. MONDALE. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. MONDALE. Mr. President, I am in great sympathy with the general objectives of the Senator from Ohio (Mr. TAFT) who has just spoken. I have long advocated what he proposes. When I became a member of the Committee on Banking, Housing and Urban Affairs and chairman of the Subcommittee on International Finance 4 years ago, it was my privilege to take an extended factfinding trip through Western and Eastern Europe. I became wholly convinced during that trip that our policies at that time, which unilaterally restricted United States peaceful nonstrategic trade in Eastern Europe, were almost totally self-defeating. We were denying nothing to Eastern Europe and the result of our policy was simply to divert the beneficial nonstrategic trade with Eastern Europe from U.S. businessmen to our competitors in England, France, Western Germany, Italy, Japan, and other countries which have substantial trade with that area.

Because I was convinced of this, in 1969, we pushed for liberalization of our export control policies, and our proposals were embodied in the Export Administration Act of 1969.

However, the 1969 act left enormous discretion in the hands of the Commerce Department to determine how they would proceed under that act. I have been impressed by some of the progress made, yet the hearings we held this summer show, as the Senator from Ohio pointed out, that there is an inconsistent and spotty record.

I think the changes proposed by the Senator from Ohio, which are incorporated in S. 3726, will help enormously in establishing clearer policy objectives for the administration of the Export Administration Act.

I see no justification in our restricting trade in peaceful nonstrategic goods with Eastern Europe on a unilateral basis which hurts only this country. I do not think there is any reason for such a public policy and I hope the proposals of the Senator from Ohio which are incorporated in this legislation will be accepted. I find them wholly acceptable.

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

Mr. MONDALE. I am glad to yield to the Senator from Ohio.

Mr. TAFT. Some technical questions have been raised about the amendment at the present time as title I stands in the bill before the Senate. Those questions have been discussed in considerable detail and arrangements worked out for an amendment that I understand would be offered on the floor of the Senate that will not change in principle the objectives of effectiveness of the provisions of title I of the bill as it presently stands. I know of no opposition at any rate to the amendments that will be offered, and I know of no opposition to title I of the bill as amended by that amendment when it comes up.

Mr. MONDALE. I thank the Senator.

Mr. President, S. 3726 is a bill with two distinct sections and purposes.

Title I is the Equal Export Opportunity Act which amends the Export Administration Act of 1969. Title II is the International Economic Policy Act which gives statutory recognition and a distinct budget to the Council on Economic Policy at the White House.

The changes which title I makes in the Export Administration Act will reduce unnecessary export controls which hamper the growth of American trade. They are badly needed to encourage U.S. exports to Eastern Europe and other Communist countries.

Eastern Europe is one of the fastest growing markets in the world. Its total trade has increased by one-third between 1967 and 1970. Yet in 1970 the U.S. share of trade with that fast growing market was only about 3 percent, while our share of total world trade was 16 percent.

All our trading rivals, Japan, West Germany, Italy, and Great Britain, do a much larger share of their trade with Eastern Europe than we do. Our trade with Eastern Europe is increasing—and I applaud the recent grain agreement and the efforts which the President is making to increase our trade in other ways with this area—but we have a long way to go still to achieve our full share.

One of the reasons why our trade with Eastern Europe is so much smaller than that of our rivals is that our businessmen face export control regulations which are much more restrictive than those faced by their competitors. The steps which we are proposing in this Equal Export Opportunity Act will push the Commerce Department to do away with excessive controls which are putting us at a competitive disadvantage.

At present, the United States is the only NATO country which controls its exports unilaterally to a significantly greater degree than do its allies. There is a multilateral organization called Cocom in which the United States develops with its allies export controls on sensitive items. What we are aiming to do with this act is to do away with unilateral U.S. controls which go way beyond these agreed control levels. There is no question of doing away with export controls altogether. We need some controls to prevent the export of certain goods and equipment which would damage our national security. But we should rely to the maximum extent possible on Cocom controls which do not put our businessman at a disadvantage.

Title I requires the Secretary of Commerce to end unilateral U.S. export controls which cannot be justified on national security grounds so that our exporters will get an equal chance to compete. The Secretary of Commerce will have to report to Congress within 6 months after enactment of this legislation giving his reasons why particular unilaterally controlled items cannot be decontrolled.

He must also inform us of any procedures which businessmen face in obtaining export licenses which are more burdensome than procedures in the other countries which control exports to Eastern Europe.

Mr. President, during our hearings in March on export controls several witnesses representing industries which export to Eastern Europe said that a major problem was the lack of consultation between the Commerce Department which controls exports and the businessmen who must face these governmental decisions.

We know that European businessmen consult closely with their governments on the level of export controls which should be applied jointly by the Cocom countries. Our businessmen, on the other hand, are consulted only sporadically by the Commerce Department and they have little contact with Defense Department experts who seem to make many of the important decisions in the export control area.

Because businessmen have day to day access to trade information and because they must live with trade restrictions, it is important that they be consulted more adequately. Therefore, we have provided in this legislation for technical advisory committees which will bring the expertise of businessmen as well as Government officials to bear on the problems of control. By providing for the creation of a flexible series of technical advisory committees including businessmen and Government experts, this legislation will meet the problem of improving consultation which, in turn, will make decontrol easier.

Title II of this legislation, the International Economic Policy Act, also could be an important step ahead in American trade policy. The Council proposed here brings together under the chairmanship of the President nine top officials of the Government agencies which play leading roles in foreign economic policy. Everyone agrees that this policy badly needs coordination and direction and the Council, hopefully, will provide both.

It will advise the President concerning various aspects of U.S. economic policy, and have the responsibility to assist him in coordinating policy in this area.

When the Banking, Housing and Urban Affairs Committee reported this bill, I said in my additional views that I had reservations concerning some features of this section of the legislation.

The issue is not whether there should a Council, but whether Congress should give this Council the authority and the money to coordinate the functions of existing Federal departments and agencies without requiring that its Executive Director come before the Senate for confirmation.

Several members of the Committee on Foreign Relations also were concerned by this problem. The bill which was reported from the Banking Committee to the floor was referred to the Foreign Relations Committee so that a day of hearings could be held on this question.

The hearings were held on July 19 and the compromise which emerged requires that the Executive Director of the Council keep the various committees of the Congress which are concerned with the international economic policy area "fully and currently informed regarding the activities of the Council." It also provides that this title shall expire on June 30, 1973, unless extended by new legislation. This expiration provision may help to insure that the Congress is kept fully and adequately informed.

Although I continue to believe that the traditional formula calling for confirmation of high ranking officials like the Executive Director would be a preferable one, I think the Foreign Relations Committee has moved toward an acceptable compromise. I hope the Senate will move to accept S. 3726 as a complete package.

Mr. BROCK. Mr. President, I hope that we can approve this bill without undue delay because without an extension included in this legislation, our Export Administration Act, which provides authority for the President to prohibit or restrict the export of commodities and technical data if he determines that such exports would prove detrimental to the national security of the United States, will expire Tuesday, August 1. That authority should be extended regardless of the differences of opinion that exist regarding other provisions contained in this legislation.

In addition to extending the Export Administration Act until June 30, 1974, this bill has two major purposes. Title I is intended to facilitate the prompt removal of U.S. unilateral export controls which are not necessary to protect our national security, and insure that the Department of Commerce consults with and makes use of the expertise of private industry in the administration of export controls.

Title II of the bill provides a statutory basis and authorizes appropriations for a period of 1 year for the Council on International Economic Policy which was established by the President in January of 1971. It also creates the Office of Executive Director who would be an assistant to the President. The President would be required to transmit a report on international economic policy annually. This report would be prepared with the assistance of the Council.

The membership of the Council is to include the President, the Secretaries of State, Treasury, Defense, Agriculture, Commerce, Labor, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Special Representative for Trade Negotiations. The Council is subject to the direction of the President, who is it Chairman and who may appoint additional members.

The purpose of the Council is to review the activities and policies of the various agencies, departments, and instrumentalities of the U.S. Government in the international economic area and make recommendations to the President to promote more consistent international economic policy in order to strengthen the competitiveness of the United States, improve the balance of payments, increase exports, protect and improve foreign investments, improve trade relations, and increase the employment and real income of workers and consumers through international economic activity.

Mr. President, this section of the bill has been the subject of some controversy, but I believe that we have now agreed on a form which can be accepted by the Senate. The proposal now contained in the bill is not what the administration desired, nor is it what some members of our Banking Committee desired, nor is it what some members of the Foreign Relations Committee desired. It is, however, the most reasonable compromise of the various viewpoints that we have been able to work out, and I believe that it should be accepted by the Senate. All parties have had to bend their desires somewhat in order to have an acceptable provision. As it is presented today to the Senate,

the authority for the Council is limited to a period of 1 year during which time it will be possible to evaluate the operations of the Council.

TITLE II OF S. 3726 ESTABLISHING THE COUNCIL ON INTERNATIONAL ECONOMIC POLICY

Mr. President, in his testimony in support of the bill establishing the Council on International Economic Policy delivered before the House Banking and Currency Committee, Secretary Peterson correctly put into focus the questions which this legislation poses to us in the Congress. These are the questions:

First. Is there a genuine need for a policy advisory organization at the White House level specializing in international economic affairs?

Second. How has the Council functioned to date?

Third. Should it be given legislative authorization?

Mr. President, speaking to the first question, the need for the Council has been recognized by the President's Advisory Council on Executive Reorganization, chaired by Mr. Roy Ash, which recommended its establishment, and by the Commission on International Trade and Investment Policy which endorsed the Council on International Economic Policy, and recommended that it be given statutory authorization and funding. The Ash Council's analysis concluded that the executive branch was not adequately structured to deal with international economic problems. They found that responsibilities for international economic affairs were dispersed among numerous departments, agencies and committees with no consistent, formally structured means of providing advice to the President or insuring the development of a coherent policy considering all the facets of the various issues.

The President created the CIEP to give to international economic problems the same top level focus which national security and domestic policy issues receive from utilizing the Council approach, and to give a sense of coordination and leadership to this entire area.

The formulation and administration of foreign economic policy is a complex task which affects all other aspects of our foreign relations. National security is frequently involved as well as domestic economic policy. This is why so many Government departments and agencies participate in the formulation and implementation of foreign economic policy. But the involvement of so many diverse agencies means that eventually all of the strands converge at the Executive Office of the President, posing a formidable problem of coordination. The CIEP is the mechanism that assumes this coordinating and advisory responsibility. The staff of the Council is responsible for collecting and synthesizing for presentation to the President the sometimes divergent views of the agencies. The Council itself is a forum in which the President discusses with those top level policymakers the issues which need resolution.

Although the previously existing institutional deficiencies by themselves are reason enough for establishing the Council, there is also an attitudinal problem among our policymakers which the existence of the Council will help to correct. For too long there has been a lack of understanding of the new realities confronting the United States in its international economic dealings. The United States has not, until the last year, had a clear vision of its own international economic position. Many people were ignoring the fact that our whole international competitive position was changing—as evidenced by our trade balances declining from a 7 billion surplus position in 1964 to a deficit position that at the end of 1971 turned out to be more than 2 billion.

The fact is that many of our first rate foreign policy minds did not put enough priority on the economic aspects of our foreign policies, having over the years become accustomed to a U.S. economic dominance that left them free to concentrate largely on the national security and political aspects of our foreign policies. What the Council on International Economic Policy has done is to elevate these international economic matters to the level of emphasis they deserve in a world where international economic interdependence of nations is rapidly increasing and where U.S. eco-economic dominance can no longer be taken for granted.

Mr. President, I think the need for the Council is now a well recognized fact. Hearings have been held in the Senate and House Banking Committees and in the Senate Foreign Relations Committee. All of these have recommended the legislative establishment of the Council. This, of course, is in addition to the Ash Commission recommendations and the endorsement of the Commission on Trade and Investment Policy.

The second question we should address ourselves to is how the Council has functioned up to this point. I believe the Council in the last year and a half has done very well. Its accomplishments are particularly impressive when one considers that it began only 18 months ago, with a totally new staff and mission, that it has not had an independent budget, and that it has had to function with personnel detailed from the various agencies. I should perhaps at this point enumerate the accomplishments of the Council over the last year. One of the first assignments given to it by the President was to prepare an assessment of the evolving U.S. situation in international economic affairs over the past two decades. This assessment was later published and provided to the Congress under the title of "The United States and the Changing World Economy." This document has given us a clear, concise view of where we are and where we're headed. The President was very impressed with this evaluation, and I think it is correct to say that the August 15, 1971, decisions were to a very large degree influenced by it.

The Council has also played a key role in securing voluntary restraint agreements limiting textile, shoe, and steel imports into the United States. These agreements, which were reached without the need for restrictive legislation which would inevitably bring retaliation by our trading partners, will have the effect of preserving American jobs, and allow the industries involved time to improve their competitive stance.

The Council has also participated in the development of strategy and tactics for the negotiations with the Soviet Union and with China—negotiations which are already beginning to pay off. The recent agreement under which the Soviet Union will purchase $750 million in U.S. grains over a 3-year period is the largest long-term purchase agreement ever made between two nations, will result in a 17-percent increase in grain exports and purchases from U.S. farmers.

The Council is also playing a central role in developing strategy for our negotiations on a new monetary agreement as well as the multilateral comprehensive trade negotiations contemplated for 1973.

I submit that one of the major ingredients of the turnaround in U.S. international economic policy over the past year has been the creation of the Council on International Economic Policy. I believe that as a result of the creation of the Council and new policies which the United States has embarked upon, the rest of the world now has a better understanding that the United States intends to vigorously assert its international economic policy interests and insist on an equitable and fair environment for its exports.

However, the problems which confront us on the international economic front are not going to disappear over the next few years. Instead, they will become more intense. I agree with the President's belief that we are entering an era where military confrontation will be replaced by economic competition. As a result, our international economic problems are going to become more critical and more difficult to resolve. We are already involved in discussions which will eventually lead us to a new international monetary system.

Next year we will begin discussions on a new international trading system. Certainly, the President is entitled to the best advice possible and to organize his own office in the way which enables him to best serve the interests of the Nation. This is why I believe the answer to the third question is that the Council should be authorized and funded so that it can function as effectively as possible.

I would like to mention one last point concerning the Council, the development of foreign economic policy and the role of Congress. I believe legislative authority and appropriations for CIEP definitely will place Congress in a better position to be informed of, and to review the operations of, the CIEP. To regularize that relationship is a good idea. A direct result of legislative authorization would be the annual review of CIEP budget estimates and action thereon by Congress. Moreover, amendments and extensions of the authorization act itself will become an occasion for congressional review and action. I should point out that the legislation gives the Coun-

cil a very short authorization and we will in the near future have the opportunity to look it over again.

S. 3726 also makes provision for the President to transmit to us here in Congress an annual report on the international economic position of the United States. This report, which will include recommendations for carrying out the objectives of this legislation, will be of invaluable help and should give the Congress much more information than it has now. In addition: for major Administration initiatives in the foreign economic field, legislation is invariably required.

Thus, rather than weakening our hand in the formulation and development of international economic policy as some have charged, I believe this legislation will strengthen the position of Congress.

I strongly urge the Senate to act favorably on this legislation without delay.

Mr. President, the Senator from Ohio mentioned his amendment. We have spent a good deal of time in committee trying to achieve the same objectives he seeks.

The Senator from Alabama (Mr. SPARKMAN), the chairman of the committee, and the Senator from Utah (Mr. BENNETT), both are unable to be present at this particular point in time. They will be here later.

On behalf of the Senator from Utah (Mr. BENNETT) I wish to offer an amendment to the bill.

The PRESIDING OFFICER. The Committee amendments have to be agreed to first. Does the Senator from Minnesota wish the committee amendments to be agreed to en bloc?

Mr. MONDALE. Mr. President, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONDALE. Is it necessary at this point to move for the consideration of those amendments en bloc?

The PRESIDING OFFICER. It is not necessary that they be considered en bloc, but it is necessary that the committee amendments be first considered.

Mr. MONDALE. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

Does the Senator desire that the committee amendments as agreed to en bloc be considered original text?

Mr. MONDALE. Mr. President, I ask unanimous consent that the committee amendments as agreed to be considered as original text for purpose of further amendment.

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

Mr. BROCK. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BROCK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD is as follows:

On page 2, line 15, delete the words "be determined after review" and insert in lieu thereof "be subjected to review".

On page 3, lines 5 and 6, delete the words "Secretary of Commerce" and insert in lieu thereof "President".

On page 3, line 13, delete the words "Secretary of Commerce" and insert in lieu thereof "President".

On page 3, line 15, delete the words "constitute a threat" and insert in lieu thereof "prove detrimental".

On page 4, line 1, delete the word "six" and insert in lieu thereof "nine".

On page 4, line 13, delete the word "are" and insert in lieu thereof "may be or are claimed to be".

On page 4, after line 20, strike all through line 4 on page 5, and insert the following:

"(c)(1) Upon written request by representatives of a substantial segment of any industry which produces articles, materials and supplies, including technical data and other information, which are subject to export controls or are being considered for such controls because of their significance to the national security of the United States, the Secretary of Commerce shall appoint a technical advisory committee for any grouping of such articles, materials, and supplies, including technical data and other information, which he determines is difficult to evaluate because of questions concerning technical matters, worldwide availability and actual utilization of production and technology, or licensing procedures."

On page 5, line 6, strike all after the word "government" through the word "years" on line 7.

On page 5, line 18, strike all beginning with the word "Such" through line 24, and insert in lieu thereof the following:

"Such committees shall be consulted with respect to questions involving technical matters, worldwide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to any articles, materials, or supplies, including technical data or other information, and including those whose export is subject to multilateral controls undertaken with nations with which the United States has defense treaty commitments, for which the committees have expertise. Such committees shall also be consulted and kept".

On page 6, line 17, strike all through line 20, and insert the following:

"(4) Each such committee shall elect a chairman, and shall meet at least every three months at the call of the Chairman, unless the Chairman determines, in consultation with the other members of the committee, that such a meeting is not necessary to achieve the purposes of this Act. Each such committee shall be terminated after a period of two years, unless extended by the Secretary for additional periods of two years. The Secretary shall consult each such committee with regard to such termination or extension of that committee."

Mr. BROCK. Mr. President, when S. 3726 was reported by our Committee on Banking, Housing, and Urban Affairs, Senators TOWER and BENNETT discussed some problems which they felt would be brought about by title I of the bill. In discussions with the Department of Commerce officials who are responsible for the day-to-day operation of the Export Administration Act, it was concluded that the provisions of title I as approved by the committee could actually complicate and hinder consultation with industry rather than improve it, and instead of speeding up the process of reviewing and decontrolling items which should be decontrolled, the requirements of title I could actually slow it down. In views included with the committee report, they more fully expressed the problems which they saw in the committee bill.

Since committee action, the Senator from Ohio, who sponsored the amendments contained in title I, has been very cooperative in working with the Department of Commerce in an effort to work out an agreement on language which would reain the thrust of these amendments while meeting some of the problems which could arise from the language approved by the committee. As the result of this cooperative effort, several amendments which I understand are acceptable to the Senator from Ohio and to the manager of the bill have been drafted. Senator BENNETT asked that I offer these amendments for him if he was not back from the services held for the late Senator from Louisiana when this bill was considered.

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

Mr. BROCK. Mr. President, I think these amendments are adequate to the need and the expressed desire of the Senator from Ohio. If he has no objection, we can proceed.

Mr. TAFT. Mr. President, if the Senator from Tennessee will yield briefly I would like to make a few remarks on the amendment.

Mr. BROCK. I yield.

Mr. TAFT. Mr. President, the Commerce Department believes that the adoption of the proposed amendment will enable them to carry out the actions prescribed in title I more effectively. I am willing to accept the amendment on those grounds. It should be made absolutely clear, however, that the amendment does not in the slightest way affect the intent of title I or the results which should accrue from this legislation.

The change in the declaration of policy section was made to indicate that the Office of Export Control does not necessarily have to consult formally with the Technical Advisory Committee before imposing export restrictions on any particular item. The effectiveness of imposing controls would be diminished if an item could be exported during the time which the merits of controlling its exportation are being discussed. Such a situation would certainly be unacceptable when an emergency situation necessitates the immediate imposition of controls. The amendment takes care of such problems. It is clear from section 105 of the bill, however, that decisions to place items under export controls would eventually be reviewed by the appropriate Technical Advisory Committee if that committee saw fit to do so.

The substitution of the word "Presi-

dent" for "Secretary of Commerce" in several places is a technical change which brings title I into conformity with the present Export Administration Act. The substitution of the words "prove detrimental" for "constitute a threat" is likewise a conforming change. It makes that standard for controlling the export of an item to avoid undermining the national security identical to the standard in the present act. The language is S. 3726, however, reverses the burden of proof in the present act for items freely available from foreign sources. Instead of giving the President the authority to control the export of such items if he thinks that their exportation would prove detrimental to the national security, it requires him to decontrol such items unless he determines that this would be the case, and reports the nature of any evidence supporting such a determination to Congress.

The Commerce Department insisted that it could not complete the required review of unilateral export controls in 6 months. To me, this is absolutely incredible, since section 4(a)(1) of the Export Administration Act has required such reviews to be made continually since the enactment of the act of 1969. I have reluctantly consented to give the Department 3 extra months. I hope the time to be used wisely, however, so that Commerce will now be able to furnish us with a much better review than we would have received after 6 months.

The Department has expressed a desire to print the special report required in section 104 at the same time as one of the quarterly reports already required by the Export Administration Act. As long as there is no resulting sacrifice in the quality of the special report and the 9-month deadline is met, this would seem to be perfectly acceptable.

The change in the requirement for the listing of burdensome licensing procedures will enable the Commerce Department to avoid an exhaustive study to ascertain what licensing procedures are actually in effect in other Cocom countries.

The Department knows well which procedures are alleged to be more burdensome; many of these procedures are mentioned on the top of page 4 of the committee report. It is my hope that this technical amendment will therefore give the Department more time for a thorough review of any of its own licensing procedures which may handicap our exporters more than similar procedures handicap Cocom exporters of other nationalities. I would except any procedure which could possibly fit this description to be reviewed.

To allay the Commerce Department's concern that my legislation would call for the creation of an excessive number of technical advisory committees with loosely defined functions, I am willing to accept amendments by which the creation of any such committee is made contingent upon a written request by a substantial segment of an industry, which spell out the role of the technical advisory committtees in detail, and which make clear that the Department does not have to consult a committee about an item outside of that committee's area of technical expertise. No consultation with a technical advisory committee would be expected in reference to an item which is outside the technical groupings for which committees have been created.

The final change provides that the chairman of a committee can waive the required quarterly meeting if he determines, in consultation with other committee members, that the meeting is not necessary. It also provides that each committee would be terminated after 2 years, unless the Secretary of Commerce extends its life for 2 more years. It requires the Secretary to consult each committee with regard to its termination or extension. This will provide a mechanism for eliminating committees which are no longer necessary.

I hope it is now clear that this amendment consists of technical improvements rather than substantive alterations. With this understanding, I urge adoption of the amendment.

Mr. BROCK. Mr. President, may I just take a moment to say I appreciate very much the willingness of the Senator from Ohio to work this out. I think it is an objective we all share. He has been more than willing to cooperate and to accept modifications which do not change in any significant respect the basic intent or effect of the amendment, but which will make the act more workable, and I think more readily of benefit to American business, which is, I think, the purpose of what we are trying to do in order to extend and enhance the prospect of American jobs through American exports.

So I appreciate very much his willingness to cooperate and work together toward this objective, and I think he has made a great contribution to this particular bill.

Mr. MONDALE. Mr. President, I thank the Senator from Tennessee and the Senator from Ohio.

I understand there is no objection to the pending amendment. I shall be very glad to take it. I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendments submitted by the Senator from Tennessee to be voted on en bloc.

The amendments were agreed to en bloc.

Mr. MONDALE. 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. MONDALE. 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. BROCK. Mr. President, on July 26, the chairman of our Banking Committee, Senator SPARKMAN, received a letter from the chairman of the Senate Committee on Finance, stating that he believed the Finance Committee, like the Committee on Foreign Relations, should have been given an opportunity to review title II of the bill. He added that he would not press the jurisdictional point because of the urgency of extending the Export Administration Act but asked that the bill be amended so that the list of committees the Executive Director would keep fully and currently informed include the Senate Committee on Finance and the House Committee on Ways and Means.

Mr. President, I ask unanimous consent that the letter to which I have referred be included at this point in the RECORD.

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

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., July 24, 1972.

The Honorable JOHN SPARKMAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPARKMAN: S. 3726 has recently been ordered reported by the Foreign Relations Committee after having been originally reported favorably to the Senate by the Banking, Housing and Urban Affairs Committee.

Apparently, as reported by the Foreign Relations Committee, section 208 of the bill would require the Executive Director of the Council on International Economic Policy to keep various Committees of Congress "fully and currently informed regarding the activities of the Council."

The duties of the Council as described in section 206 of the bill relate directly to many matters on which the Finance Committee has important jurisdictional responsibility in the Senate, and the Ways and Means Committee in the House. In the ordinary course of legislation, I believe the Finance Committee, like the Committee on Foreign Relations, should have been given an opportunity to review Title II of the bill.

However, because of the urgency in enacting the basic purpose of the bill—extension of the Export Administration Act of 1969—I will not press the jurisdiction point. I do feel strongly that the list of Committees the Executive Director would keep "fully and currently informed" should include the Senate Committee on Finance and the House Committee on Ways and Means.

I would hope that as Chairman of the Committee of Banking, Housing and Urban Affairs, which will present the bill to the Senate, you would be receptive to an amendment along these lines. If you could handle the matter as a committee amendment, it would not be necessary for me to take the time of the Senate with a formal, time-consuming statement and debate. Please let me know if such a procedure is satisfactory to you.

With every good wish, I am
Sincerely,
RUSSELL B. LONG, *Chairman.*

Mr. BROCK. Mr. President, I appreciate the fact that the chairman of the Finance Committee, the Senator from Louisiana, is not going to press the jurisdictional point and offer for the Senator from Alabama the amendment which he requested.

I understand that the amendment is acceptable to the manager of the bill.

Mr. President, I offer, for the Senator from Alabama, the amendment which he requested.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment, as follows:

On page 13, following line 20, insert the following:

"the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives,".

Mr. BROCK. Mr. President, I will say, very simply, the effort or thrust of the amendment is simply to add to those presently enumerated in section 208(a) of the bill to be kept informed regarding the activities of the council, the Finance Committee of the Senate and the Ways and Means Committee of the House. I hope the amendment finds acceptance on the part of the manager of the bill.

Mr. MONDALE. Mr. President, I do not think I have any objection to the amendment. I just want to ask one question. In no sense is this amendment intended to undermine the jurisdiction of the Committee on Banking, Housing and Urban Affairs over the Export Control Office; is that correct?

Mr. BROCK. I appreciate the Senator's question. No, of course not. As the Senator knows, I am a very vigorous advocate of the creation of this new move. I do not think, frankly, it goes far enough, as he knows. This is just a step in the right direction. Certainly its jurisdiction should remain in the Banking, Housing, and Urban Affairs Committee. That is the intent of the amendment.

Mr. MONDALE. Apparently all the amendment calls for is for this newly created Council to keep the three committees which have interest in trade; that is, the Banking, Housing and Urban Affairs Committee, the Foreign Relations Committee, and the Finance Committee advised of its operations.

Mr. BROCK. The Senator is correct. He realizes, of course, that the bill includes the corresponding House committees as well as the Joint Economic Committee.

Mr. MONDALE. But the basic jurisdiction which the Banking, Housing and Urban Affairs Committee has had and has asserted over the years remains unchanged?

Mr. BROCK. The Senator from Louisiana made it perfectly clear that he simply wanted to be kept fully and currently informed on what the Council is doing when it is in his area of concern as chairman of the Finance Committee. I think it is right in that regard.

Mr. MONDALE. Mr. Presdent, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, today we seek to extend the Export Administration Act of 1969 in order to authorize the President to control exports for national security, short supply, and foreign policy reasons. This authority expires tomorrow and our failure to act today could have disastrous consequences to our national security and the orderly administration of a program in effect since 1949.

One of the obstacles to the prompt passage of this extension is an amendment by the distinguished junior Senator from Nebraska which would require the Secretary of Commerce to terminate the short supply controls on exports of cattle hides which he introduced on July 15.

Because the controls on cattle hides are controversial and because such controls involve the use of a ticket system which may not be fully understood by all concerned, I would like to explain the basis on which the Secretary decided to establish this control program, and how it operates.

Let us consider the events which preceded this decision. During the period 1953–70 and well into 1971, composite cattle hide prices had ranged around 14 cents per pound. However, during the latter part of 1971, those prices began an upward spiral reaching a level of 27 cents to 29 cents per pound during May and June of this year and actually averaging 29.75 cents on July 14, the day before the Commerce Department took action.

Needless to say, the adverse effects of the national cattlehide supply and demand situation swelled in direct proportion to the increases in cattlehide prices, with crippling results to the operations of tanning companies.

In my own State of West Virginia, five tanning plants were heavily and adversely affected. The rising cost of rawhides, occasioned by increasing exports of this product, made it uneconomical to operate small tanning plants.

My State's largest tanning company, the Parsons Tanning Co., operating in Parsons, W. Va., employed 150 persons and was the major employer in a community of 1,500—a community which recently suffered the loss of a woolen mill, another major employer which had provided approximately 300 jobs.

On Tuesday, May 23, Parsons Tanning Co. stopped the soaking of hides and began laying off employees, in preparation for complete closure, unless relief could be, in some manner, received from the Federal Government—relief from the economic pressure of runaway cattlehide costs brought about by the growing export of hides to foreign leather goods manufacturers. And it is important to note that many of those same foreign manufacturers are providing low-cost imports, which, having been manufactured by cheap labor, are brought back to the United States for sale here in advantageous competition against our own domestic-made products.

In an effort to save this tanning company and to relieve the depressive economic effects on our domestic tanning industry, appeals went out to the President, to the Department of Commerce, to the Cost-of-Living Council, and to the General Services Administration, which has stockpile disposal administration responsibilities for tanning agents. All of these efforts were made to prevent a further loss of jobs in the hard-pressed Appalachian area where the town of Parsons is located.

The administration and Department of Commerce authorities were specifically warned of the depressive economic effects of the cattle hide prices and the need for export controls so that the entire U.S. tanning industry could secure hides at reasonable prices. Appeals were made for immediate implementation of measures to provide relief for U.S. tanneries and their employees, including specifically the Parsons Tanning Co.

However, the Department of Commerce had determined not to take any action until after it had an opportunity to collect necessary data, to study and evaluate them, and then to determine whether controls were warranted under the short supply criteria of the Export Administration Act. As Senators are no doubt aware, these criteria are stated as being "to protect the domestic economy from the excessive drain of materials and reduce the serious inflationary impact of foreign demand."

Thus the Parsons tanning industry continued its closeout operations to a point that on the day of the plant's final operations, with a reported 10 employees on a "closeout" basis, new hope came to the community of Parsons. W. Va., with the announcement by Secretary Peterson that the Department of Commerce was instituting a program to control exports of cattlehides and thus reduce inflationary pressures.

Based on that prospect of export control, the Parsons Tanning Co. advised me that the company had made a decision to reopen the Parsons Tanning Co. operations at Parsons and to start soaking 400 hides a day, beginning July 24. It was pointed out that this was only a one-half production, but as soon as the hides "were rolling" it was planned to increase production to 800 hides, which is full production, by August 14. The company officials stated that their plan was to reemploy the 150 people that are now idle at the plant and, with the aid given by the Department of Commerce action, it was hoped "to survive and keep Parsons a prosperous and happy community."

However, that plan has now been placed in jeopardy, along with the jobs of the Parsons Tanning Co. employees, by the proposal of the amendment to require the Secretary of Commerce to terminate the short supply controls on exports of cattlehides.

Let us now recapitulate the background of Secretary Peterson's proposal for those short supply controls of cattlehides.

When the upward trend in cattlehide prices began to cause deep concern to the domestic users of cattlehides, such as the tanners and the shoe manufacturers, who warned the Federal Government that these price increases were due to the abnormal foreign demand for U.S. cattlehides, the Department undertook consideration of the impending crisis.

Department officials met with industry representatives but found they did not agree as to the causes of the rise in cattlehide prices and future prospects in that market. Hence, Commerce undertook its own extensive study. The Bureau of the Census surveyed the domestic industries involved to determine the supply and demand factors at work in the cattle hide markets. Mandatory questionnaires were sent throughout industry and responses

were carefully studied and tabulated. Inquiries were made through our commercial posts abroad. The Department specifically inquired into the situation prevailing in Argentina and Brazil which had been principal suppliers of cattle hides in the world market but which had recently halted all hide exports. Simultaneously, at the request of the Price Commission, the Internal Revenue Service audited meatpackers to determine whether they had followed the cost pass-through rules in setting their hide prices.

The Department's evaluation of the data it had collected enabled it to reach its decision. First, it was demonstrated that the embargoes imposed by Argentina and Brazil have resulted in a transfer of the world demand normally satisfied by their cattlehide supplies to demand for U.S. cattle hides. Moreover, it appears that these embargoes are not to be lifted soon enough to provide relief for U.S. industries. Both Argentina and Brazil appear determined to develop their own tannery and shoe industries and their controls on hide exports can, therefore, be expected to continue for some time in the future.

Beyond the drain of U.S. hides caused by Argentina and Brazil's action, I would note that an increase in world demand for shoes as a result of rising standards of living has contributed to the increasing exports of cattle hides from the United States.

Second, the Department found a projected increase in domestic demand for cattle hides, mainly due to projected increase in domestic shoe production. This represents a most encouraging turnaround for our domestic shoe industry, whose production has been declining for several years. It also represents a turnaround in domestic hide consumption, which has declined in recent years but is projected to increase in 1972.

Against this picture of growing foreign and domestic demand, projected domestic supply based on estimated cattle slaughter showed an increase which was inadequate to meet the overall demand. Also, domestic user's inventories of hide and leather, an important facet of their supplies, were seriously depleted.

When the data on supply and demand were put together, a picture of serious shortage emerged. Demands were up, supplies down, and a shortfall of supplies was projected to be over 1,500,000 hides.

Thus, the conditions for controls were found to be present—serious price inflation, abnormal foreign demand, and domestic supply shortage. These facts provided the basis for Secretary Peterson's decision to introduce controls on hide exports.

The remaining issue then was how best to implement a program of controls so as to assure an adequate domestic supply and curb the inflationary pressures while minimizing the disruptive effect which controls could have on some segments of industry. First, he chose an export quota level which is reasonable and not too restrictive. Unlike the action taken in 1966, the present quota levels do not force a sharp rollback in export levels, but rather hold exports at the 1971 level which was a record high. Thus, domestic hide producers need not fear that their export markets will be damaged, and no glut of hide supplies is likely to occur.

Next the Department has devised a method of controls which will guide the economic benefits to American consumers and the farmers and ranchers—the cattle producers. This is how the program works.

The ticket system of controls will begin operation on September 1. Commerce will establish quotas for cattle hide exports for 3-month periods. Then, their Office of Export Control—OEC—will issue cattle hide export tickets for the number of cattle hides equal to the quota for each period.

Importantly, they will issue the tickets not to the exporters but to the cattle hide producers, principally packers. The tickets will be freely transferable. Since exporters can export hides only under validated export licenses, and since the exporters must present cattle hide export tickets in order to obtain these licenses from OEC, exporters, will have to acquire tickets from the cattle hide producers.

Then, the Price Commission will require that the revenue from the sale of cattlehide tickets must be treated as revenue received from the animal. Another Price Commission rule operates to limit the profit margins of the packers to a maximum level. Combined together, these rules should require the packers to pass on the revenues of the sales of cattlehide tickets to domestic consumers in the form of low hide prices or to the farmer and rancher in the form of higher prices for their cattle.

To sum up, there are two major differences between the control program which Secretary Peterson announced on July 15 and the cattle hide program introduced by Commerce in 1966. First, there is the degree of control. In 1966 quotas were stringently set so as to seriously roll back exports and apply to certain categories of hide pieces for which there is no domestic demand. This caused unnecessary hardship to the U.S. producers, the U.S. exporters and to the foreign buyers. The quotas set this year for the transition period and the first 3 months of the ticket system requires no cutback from the historic high level of exports set in 1971. Second there is the benefit to the rancher and the consumer through the ticket system. Whereas the program in 1966 allowed exporters to maximize their profits on the basis of the increases in world prices caused by our limitation on exports, the program this year insures, through the ticket system, that this benefit should reach ranchers and the American consumer.

In conclusion, the necessity for the cattlehide export controls has been adequately demonstrated and the program appears reasonably designed to solve the problem on the fairest terms for all segments of the industry concerned. To terminate this program before it has had an opportunity to be shown to work, seems to me unfair. Moreover, to delay extension of the act for such a purpose and thereby cause a lapse of authority which would jeopardize our national security interest is an action to which I am sure this body does not want to be a party. Accordingly, I urge that this amendment be defeated and the extension of the Export Administration Act as provided by S. 3726 be passed without any further delay.

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

Mr. CURTIS. Mr. President, at a later time, I will offer an amendment to the bill now before the Senate, which is the amendments to the Export Administration Act of 1969. Due to the fact that a number of Senators are out of the city for the funeral of our beloved former President pro tempore of the Senate, the distinguished Senator from Louisiana Mr. Ellender, and due to the fact that a large number of Senators are interested in this proposal—many of them are cosponsors—I will not offer the amendment at this time.

One of the reasons for speaking now is that I might place the material in the RECORD so that it can be read by Senators, because the material I refer to is contained in hearings that have not yet been printed.

Mr. President, the bill, S. 3726, to extend the authority of the Export Administration Act and also to amend it, was before the Committee on Banking, Housing and Urban Affairs. It is my understanding that it reported it favorably. Later it was referred to the Committee on Foreign Relations and that committee reported favorably on it.

About the time that this was happening, the Department of Commerce issued an order controlling and restricting the export of cattle hides from the United States. They did so in a very complicated way. They would require certain tickets to be used by exporters in order to have the right to export.

The testimony taken by knowledgeable people in the industry indicates that what they propose to do is very complicated and complex. It may lead to a black market in export tickets. That is one of the reasons why there is such wide opposition to what the Department of Commerce did in issuing its order controlling, regulating, and restricting the export of cattle hides.

It is rather ironic that agricultural exports are the one class of exports that has added favorably to our balance of trade, yet by Executive order in recent weeks, they have encouraged the importation into this country of meat, thereby throwing it further out of balance. Now, within the last week or so, the restriction on the export of hides which adds a double injury to our balance-of-payments situation. Both actions are injurious to the agricultural interests of the country, that segment of the economy which has not made any contribution whatever to inflation.

Consequently, I think it is incumbent on the Senate carefully to review what the Department of Commerce has done because I believe that when it is fully understood Congress will end the order.

A somewhat similar order was issued in

1966. It did not hold down the price of shoes. It did compress the price of cattle. The bureaucrats who imposed it did not bring it to an end. It was ended by Congress.

Now, Mr. President, I ask unanimous consent to have printed in the RECORD my amendment No. 1371, which I shall offer at a later time.

There being no objection, the amendment (No. 1371) was ordered to be printed in the RECORD, as follows:

On page 2, line 18, after "SEC. 104." insert "(a)".

On page 4, between lines 17 and 18, insert the following:

"(b)(1) Section 4(e) of such Act is amended to read as follows:

"'(e) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils or animal hides or skins, without the approval of the Secretary of Agriculture. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity during any period for which the supply of such commodity is determined by him to be in excess of the requirements of the domestic economy, except to the extent the President determines that such exercise of authority is required to effectuate the policies set forth in clause (B) or (C) of paragraph (2) of section 3 of this Act.'

"(2) Any rule, regulation, proclamation, or order issued after July 1, 1972, under section 4 of the Export Administration Act of 1969, exercising any authority conferred by such section with respect to any agricultural commodity, including fats and oils or animal hides or skins, shall cease to be effective upon the date of enactment of this Act."

Mr. CURTIS. Mr. President, the amendment I shall be offering, No. 1371, does two things. It would provide that the authority shall not be exercised with respect to any agricultural commodity including fats, oils, and animal hides and skins, without the approval of the Secretary of Agriculture.

It also makes reference to where the President acts to carry out the foreign policy of the country.

Section 2 would provide that the present order issued by the Secretary of Commerce with reference to hides and skins shall cease to be effective on the date of the act.

This amendment will be offered with the following cosponsors:

Senators BELLMON, BURDICK, DOMINICK, DOLE, HANSEN, HRUSKA, HUGHES, MCGEE, MILLER, MONDALE, PEARSON, TALMADGE, THURMOND, TOWER, and YOUNG.

Mr. President, it was not possible for us to have the hearings conducted by the Committee on Agriculture and Forestry. As soon as the committee heard of this order, it directed that hearings be held on it. After all, it is an agricultural subject.

Mr. President, hides are a part of the cattle. They are part of the livestock industry. And certainly the Senate should not have a chance to legislate a remedy on an agricultural matter without having heard from the Committee on Agriculture and Forestry.

Those hearings were held for 3 days last week. The hearings have not yet been printed. We should wait until they are printed.

I am aware, however, that this authority expires tomorrow night. Therefore, it will be my purpose in my remarks today to incorporate in my remarks certain excerpts from the hearings so that when the RECORD is printed tonight, these facts will be available to all Senators tomorrow.

As nearly as I can figure out, the chief architect in the Department of Commerce of this order was the General Counsel, Mr. William M. Letson. I am sure that he is a very capable lawyer. I am sure that he is well versed in many aspects of our economy. He is not familiar with the problems of agriculture generally. He is not familiar with the situation in respect to cattle hides. He is not familiar with the manner of trading in cattle hides or leather or the export thereof.

When Mr. Letson was before the Committee on Agriculture and Forestry, the Senator from Oklahoma (Mr. BELLMON) had this to say:

Senator BELLMON. I am still hung up on your figures. If it turned out, you are mistaken and that you got an estimated additional demand of 1.2 million, if it turns out the Secretary of Agriculture is right and it is an increase of 1.4 million cattle coming along, your whole program isn't needed. You are basing your decision on these figures, but the Secretary of Agriculture has given us other figures, and I would suggest that the Secretary of Agriculture knows more about cattle than you do.

Mr. LETSON. I think that you are absolutely right on that point.

The discussion then went on concerning the various sources of cattle hides. The bulk of the cattle are sent to packinghouses, and there the hide is removed. The meatpacking company sells the hide perhaps to a dealer or broker. It then goes on to the manufacturer.

There are many other hides. There are hides that come from the cattle butchered on the farm or ranch. There are hides that come from the cattle butchered by custom slaughterers. There are hides that come from rendering plants, concerns that take the dead bodies of cattle that die from various causes. There are also some cattle that die on the farm or ranch that never get to a rendering plant.

It was in that background that Mr. Letson had this to say:

Mr. LETSON. Well, there you get into difficulties also. Not every dead cow gets to the tanner.

I am sure that what he said was, "not the hide of every dead cow gets to the tanner."

Then Senator MILLER said:

Senator MILLER. This is so, so the tanners—how many hides were produced last year—they can tell you in relationship to the number of cattle on hand. And I think you could use a similar approach year-in and year-out and make an accurate forecast.

Senator BELLMON. Mr. Chairman, does he know how to get those hides off the dead cows to the tanners? It hasn't been worth skinning a dead cow for years. Every time a cow died out in the country, you would get the renderer to come and pick her up and take her back to the tanning factory and take the hide off of her, because they were worth something. Now, you don't have any value in them so you have the carcass, which isn't worth anything, and you are producing extra hides but holding the prices down.

Mr. LETSON. I can't pretend to be an expert. We have figures from the renderers, which imply to us that this is still a very active group.

Senator BELLMON. They don't pick cattle up out in the country any more. They don't even pick them up around the feed lots.

Then the Senator from Oklahoma (Mr. BELLMON) went on to point out that the way to get more cattle profit is to raise the price and not do something that depresses the profit. If we want more cattle hides to be turned into leather for both foreign and domestic use, let us pay a sufficient price for the hides. After all, it is a rather complex task, especially in hot weather, to go near the carcass of a dead animal and proceed to carefully skin that animal so that the hide is in usable condition. And individuals are not going to do that for exercise. However, if the hide is worth a decent price, they will do it.

Mr. President, it is so evident that Mr. Letson—a very fine lawyer and a well intentioned public servant—did not fully understand what was involved or what would be the results of the order that he drew for regulating and controlling and restricting the exportation of cattle hides from this country.

In his testimony before the Committee on Agriculture and Forestry, last week William N. Leston, General Counsel of the Commerce Department stated:

The question of whether and how to introduce controls proved to be one of the most difficult questions which the department has faced in a long time. This was particularly so since we all strongly believe in free and open markets. However, facing the facts—the seriously inflated prices, the domestic shortage of hides, and the abnormal foreign demand—and bearing the responsibility which Congress placed in our hands under the Export Administration Act, we concluded that we should act.

I believe a proper interpretation of the current hide situation is this:

First, the June 1972 hide exports were released last Friday, July 28, 1972, and are 1,317,000 pieces compared to 1,235-000 last June—1971. The 6-month hide exports for 1972 are 8,073,000 pieces as compared to 7,848,000 pieces last year. This means the 6-month exports for 1972 are only 2 percent greater than the 6 months for 1971, hardy an abnormal foreign demand causing an excessive drain on scarce raw material—hides—the reason the Commerce Department gave for their July 15 action.

Second, shoe production through May is down 1½ percent this year compared to last year. Yet the Commerce Department projected an increase in domestic shoe production requiring 638,000 more hides. Also from some of the testimony the tanners gave last Thursday, they would themselves expect leather shoe production would be down this year, not up.

Third, industry analysts now are expecting commercial cattle slaughter for July to December to total about 19.0 million head, which is 900,000 more than last year. This forecast is supported by the USDA estimate of 1,566,000 more cattle on feed July 1 than last year.

Thus the slaughter estimate used by the Department of Commerce could prove to be conservative.

Fourth, the calculated shortage presented by the Commerce Department in support of its export control program included a figure of 1,002,000 hides needed to replace inventories. There is no such thing as a minimum inventory that has been violated.

Fifth, hence, instead of an imbalance of 1,521,000 hides to be set right by the controls, we see the possibility of a surplus developing that could wreak havoc with the hide market and seriously depress cattle prices, if the controls are not discontinued.

Sixth, according to the Department of Commerce testimony last week, the action taken July 15 was not to reduce hide prices, but to stabilize them, and hopefully keep them from advancing so rapidly in the future. Yet the market has declined one-half to 1 cent a pound in most hides last week, the equivalent of about 35 to 65 cents per hide.

Mr. President, a little later I will refer to the testimony of one witness coming from a large packing company that states that all last week they did not get a call for hides. Their slaughtering process is going on but there was no bid for the hides.

Mr. President, some very interesting testimony was presented to the Committee on Agriculture and Forestry last week by Mr. Herrell DeGraff, president, American Meat Institute. He was accompanied by Mr. D. M. Clute, chairman of the Hide Committee of the American Meat Institute. Here is what Mr. DeGraff said in part:

It is pertinent to note that this is the second time in six years that the U.S. Department of Commerce has deemed it necessary, under its legislative authority, to institute export quotas for U.S. cattle hides.

The 1966 experience, which lasted about eight months, was based on a relatively simple system of export licenses. And while the program was generally judged in the trade to be a fiasco, it was terminated only by Congressional action. The agency that had put the controls into effect could not bring itself to voluntarily abandon its brainchild. Hence, we take very little comfort in Secretary Peterson's statement that "the controls will be lifted as soon as market conditions warrant."

Now we are looking at a repeat of the 1966 experience. And while the actors have changed, the play is much the same. Only this time the Department has launched a more complex program based on a kind of rationing system using export tickets as a right to a share of the market.

He goes on to point out that actually the increase in the price of shoes, footwear, has gone up exactly according to the general consumer's price index. The Consumer Price Index stood at 121.3 in 1971. In June 1972 it had gone to 125, or an increase of 3 percent. The footwear index average for 1971 was 121.5. It went to 124.7, about a 3-percent increase. During this time hide prices did go from 14 cents a pound to 28 cents a pound, or increased 100 percent, and it did not cause the price of shoes to increase in price any more than the general consumer's price index.

The average cattle hide weighs about 60 pounds. That means that even at the present price it has a value of only a little over $17. From a cattle hide they can make at least 20 pairs of men's shoes. Men's shoes have a little more leather in them, a heavier sole, a broader heel, and the upper part is more of a shoe than women's shoes. So it might be safe to guess that, with reference to ladies' shoes, which are sold with heels and straps, probably they can make twice as many ladies' shoes as men's shoes out of that one hide. In the case of small children, perhaps not 20 pairs, but perhaps twice as many, 40 pairs can be made. And out of that the farmer or rancher gets $17—$17 whole dollars for enough hide to make 20 pairs of men's shoes; $17 for enough hide to make 40 pairs of ladies' shoes or children's shoes.

Why, it is just a matter of a few cents. The fact that one pays $30, $35, $40, $50, or even $25 or less for a pair of shoes indicates that the price of hides is not a significant factor at all in the price of shoes. At the very most, in connection with men's footwear, it involves about 5 percent of the cost.

Yet here is the powerful U.S. Government exceeding its authority, in the opinion of many, and curtailing the export of hides in order to force the price down. They did so because they got their facts not from the best and most objective sources, but from that segment of our industry that wants lower prices of cattle hides.

Mr. President, an injustice is being done, something that is wrong and cannot be justified.

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

Mr. CURTIS. I yield.

Mr. MONDALE. A moment ago the Senator from Nebraska made the point that there is doubt about the legality of the regulation to which the Senator objects. I must say I agree with the Senator on that point.

Mr. President, I ask unanimous consent that the record set forth the language of section 3, subsection (2), of the Export Administration Act of 1969.

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

EXPORT CONTROLS

(2) It is the policy of the United States to use export controls (A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand, (B) to the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities, and (C) to the extent necessary to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States.

Mr. MONDALE. Mr. President, the relevant point reads that—

It is the policy of the United States to use export controls (a) to the extent necessary to protect the domestic economy from the excessive drain of scarce material and to reduce the serious inflationary impact of abnormal foreign demand

The key phrase here is "serious inflationary impact." I cannot see how the present, almost infinitesimal impact of the cost of the hide as a part of the total cost of the shoe could be said to have resulted in serious inflationary impact.

I think the figures which the Senator from Nebraska has presented show that cattle hides make up a very small portion of the cost to the consumer of a finished pair of shoes. Since the provision I have just read is the only one that could conceivably be used to justify these regulations restricting the export of cattle hides, I have grave doubt that this regulation complies with the terms of that statute.

I think the amendment which will be offered by the Senator from Nebraska, calling as it does for rescission of this decision on hides and for the approval of the Secretary of Agriculture before another such step can be taken against an agricultural export in the future may help moderate tendencies toward overhasty actions in other cases.

Mr. CURTIS. I agree with the Senator, and I thank him very much for his contribution.

Mr. MONDALE. This issue came up in the Committee on Banking, Housing and Urban Affairs as well when we were acting on the President's economic control legislation, and an effort was made legislatively to put a dramatic restriction on export controls. We were successful in eliminating any such legislative amendment in the economic control legislation on grounds very much as stated by the Senator from Nebraska, that the farmers are not doing well, that the parity ratios for our farmers are at an abysmal level, that hides make up an infinitesimal portion of the cost of a finished pair of shoes, and that to place these kinds of restrictions upon cattle hides is just an unfair imposition upon the cattle farmer for the benefit of other commercial interests.

Mr. CURTIS. I thank my distinguished friend very much, and I agree with him.

I would now like to call the attention of the Senator to the testimony of William Carey. He, together with Martin Blumenthal, appeared before the Committee on Agriculture for the American Association of Hides, Skins, and Leather Merchants, New York, N.Y. Mr. Carey said that he was the export manager of the Southwestern Trading Co., of Houston, Tex., and here is what he said:

I deeply appreciate the opportunity to appear before this committee to describe the manner in which the Department of Commerce has taken an action of substantial significance in regard to an agricultural product when the action is not only in violation of the provisions of the statute but also is an abuse to the statute as it applies to agricultural products.

He goes on:

This is strong language but we are convinced that it is true. The statute under which the Secretary of Commerce acted in imposing export controls on cattle hides declares, for example, that it is the policy of the United States to use export controls.

(a) To the extent necessary to protect the domestic economy from the excessive drain of scarce materials, and to reduce the serious

inflationary impact of abnormal foreign demand.

(b) To the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities, and

(c) To the extent necessary to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States.

In his statement, the Secretary of Commerce recognized that his action was not based either upon a necessity to further significantly the foreign policy of the United States or to protect the national security of the United States.

He specifically based his action only upon the ground that it was necessary to use export controls to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand.

Mr. President, all of this I am reading is from Mr. Carey's statement:

No amount of contortions which the Secretary of Commerce has taken with data dealing with this agricultural commodity can conceal the fact that neither of these two required statutory tests have been met.

Cattle hides are not a scarce material because this country has been an exporter of hides since 1952. In fact, as shown by the data in the exhibits of the Secretary of Commerce, we have traditionally exported a very substantial portion of our domestic production of hides.

Today, even with an increase in exports of hides, we can meet the total quantity required for domestic use. The Secretary has not shown that the unrestricted exports could reduce the quantity below that needed for domestic use.

Why is this so? It is true simply because the Nation is a major meat-consuming country. In fact, it is the major meat-consuming country in the world and since 1952 we have not been able to utilize in the domestic production of leather goods the vast quantity of hides produced as a by-product of our production and consumption of meat.

In short, cattle hides are not some sort of scarce atomic isotope.

The second part of this statutory criteria, which the Secretary of Commerce is required to meet to impose export controls, is "to reduce the serious" inflationary impact of abnormal foreign demand.

I would like to say that "serious" was added to the statute in 1969 by the Congress as a reflection of disapproval of the use of this provision by the Department of Commerce to control the export of walnut logs and hides and skins in the 1960's.

There has been no abnormal change in foreign demand in the world hide business.

The Secretary of Commerce had proved this point in his own data by showing that Argentina and Brazil have adopted policies to become major leather and shoe exporters instead of exporters of cattle hides.

This decision by those countries did not change the world demand for cattle hides. It simply converted the world trade market for trade in cattle hides so far as those countries were concerned, to trade in leather and shoes but the world consumption of cattle hides has not changed as a result.

It is already becoming apparent that the world market is adjusting to this shift by Argentina and Brazil because we believe that some countries are exploring the possibility of purchasing Brazilian and Argentinian leather instead of the hides previously exported by those countries.

This is the way the world market accommodates itself to change, whether the change is caused by drought, government action, or other impact. Large rises or falls in price tend to be of short duration.

In discussing the world trade data used by the Secretary of Commerce to support his action, the frailties of that data are also worth noting. Unlike the Congress of the United States which provides for a hearing on even the most significant matters facing this country, the Department of Commerce took this action without any hearing and with only informal consultation with a few individuals in the industry.

Mr. President, it is quite apparent that had a real hearing been held, with publication of the proposed action and notice to all parties, the Department of Commerce might have been spared from the embarrassment that must surely be theirs over this ill-advised order.

Now, Mr. President, I would like to refer to the testimony of Mr. John Minnoch, president of the National Hide Association of Chicago, Ill. He testified as follows:

I would like to say that Congress insisted in 1966 that controls were needed, and the plan at that time didn't work. Yet, at that time, they assured us it did work. Do we have any assurance that the present plan will work any better, because at that time we tried an unknown thing, too, and we are right back going on another operation that is still unknown, untried, and we are the guinea pig again.

I give that at the start because in hearing the gentleman from Commerce this morning, it is just unbelievable to me that anyone who has analyzed this market the way they claim to a done, and these intensive studies, so called, could overlook two million hides. And these, basically, are the types of hides that go for exports, render hides. Locker butchers are included in the figures, but it is unbelievable to me that they just plain overlooked that many hides. And I would like to bring that out because I can't buy the "intensive study," and, obviously, I think that every dead animal was plain overlooked, particularly when this type of hide goes for export.

Then Mr. Minnoch points out something else:

We worked 15 years to build up markets. Of course, one Department tells us to build up markets and along comes the next one and tells us to tear them down.

It is the policy of the U.S. Government, so far as the Department of Agriculture is concerned, to promote exports. We have to have an export business in agriculture.

The taxpayers have agricultural experts traveling abroad in order to promote exports. Yet, the Department of Commerce comes along and says:

There is an abnormal situation, and we are going to control and regulate and restrict exports.

I could not follow the Department of Commerce in all their figures and charts. The room was full of people, and a great many of the individuals from the Department of Commerce who testified before the Committee on Agriculture and Forestry were of the same mind as Mr. Minnoch. They wondered what happened to 2 million hides. The figures in their charts did not stand up at all.

Mr. President, I think Senators would be interested in the testimony of Mr. Wilson F. Pruitt, of Pruitt & Co., Muskogee, Okla. I read from his testimony:

Just briefly, I would like to state that maybe our position is a little unique in this hearing. We deal 100 percent in what we call small packer hides. I think the overall question here of 36 million hides, of which the big packers represent—I don't know, I am guessing—will be 80 percent of the total.

I would like to go back and regress just a few years. My father has been in the produce business and the hide business in Oklahoma since 1932. We didn't get into this export thing until about seven years ago and I remember the time as a boy and even on up to young manhood, of having a basement full of hides and waiting for the phone to ring, for somebody to buy them. Particularly, in the small packer, No. 3 hides, render hides, locker butcher hides, and other small operations in the packer field.

Mr. President, digressing from Mr. Pruitt's testimony, I should like to point out that this has been said by some of these witnesses. This country eats a great deal of meat. That makes the hides a byproduct. Unless we can export those hides, we will have so many of them here that it will be chaotic.

I can recall the time when I was a boy, living on a farm, hearing my father and the neighbors tell about individuals who would have a home butchery. They would carefully remove the hide and ship it to a tanner or to a dealer in hides, and sometimes the price they received was less than the shipping charges, so they would be billed for the difference. They would produce a hide, go to all the work of removing it, ship it, part with it, and then be billed for that part of the transportation cost that the price of the hide could not pay.

Fortunately, we are not faced with that situation, and one of the reasons is that for 15 years an export business has been built up in this country. But no business is indestructible. If this Government interferes with that export business, the purchasers will turn to other sources or they will use leather substitutes.

Now, Mr. President, I will continue reading from the testimony of Mr. Pruitt:

It seems to me that through a good marketing effort of the exporters, the National Hide people, that we have been able to market an American product and do a real good job of it. I think I should point out here this morning that the usage of the hides in any appreciable amount by the American Tanners Association, so to speak—these hides have got to be sold some place because they cannot use them all.

Then he goes on to say:

I think if something is not done, we are going to have a chaotic situation. I don't know how the big exporters feel about this. We are real small people in this thing. This is our livelihood, and if this is not changed or corrected, it might put us out of business.

Mr. President, my interests in this matter are primarily the agricultural interests. I have read from the testimony of witnesses from the hide industry because they are very knowledgeable as to how the trade operates. Their opinion as to what will happen as a result of the order issued by the Department of Commerce certainly is worth considering, and the fact that they strongly believe that the method followed by the Department of Commerce is in error and will lead to a black market certainly is worth considering. I know of no group that knows more about the hide business than the

people engaged in the hide business. So, before I turn to some witnesses who are speaking directly from the agricultural point of view, I want to refer to another witness from the hide industry.

I invite the attention of Senators to the testimony of Dr. Fred Bistlinghoff, president of the National Renderers Association, Peoria, Ill., and Dean A. Specht, executive director of the National Renderers Associaiton, Des Plaines, Ill. This is what Mr. Specht said:

It is overwhelmingly evident the rendering industry, as a separate segment of the hide industry, has been overlooked or ignored by the Commerce Department in developing these controls.

Mr. President, think of it: Here, bureaucrats assume the omniscience to interfere with our economy. Yet they overlook one important segment of the hide economy and one important supplier of hides.

Mr. Specht goes on to say:

Our members produce the class of hides known as "renderer hides" from dead animals picked up in livestock raising areas and they also collect a class of hides known as "country hides" from butcher hides, locker hides, from hundreds—even thousands—of locker plants, butchers, and small meat packers in rural areas of this Country.

These renderer and country hides are the lowest class of hides produced in this Country. They are collected in the raw or "green" state by our members who do the first preserving or curing of the hides.

These are a separate class of hides which, because of being lesser quality than the fresh hides from meat packers, have been shunned by American leather manufacturers. In fact, in periods of low hide prices, the number of renderer hides decreases considerably because the whole animal, including hide, is rendered—the hide value does not cover the cost of skinning and curing.

Because of the salvage nature of these hides, production and marketing statistics are not developed by the Department of Commerce. However, a cross section of the producers and exporters of these hides places U.S. production of this type of hide at three to four million category. This represents only about 10 percent of the estimated production of 37 million hides of all types last year.

The serious inequity of these export controls is this: because of the low quality of these renderer and country hides by U.S. standards, 80 to 90 percent of this class has been exported in recent years. This movement is not recognized by the current controls, and we ask your help to see that it is provided for.

Leather manufacturers have avoided purchasing this class of hides whenever possible as they continually push for better quality and more usable hides. This has left renderer and country hides with little or no domestic market and our only salvation has been the interest in these hides by overseas buyers.

Incidentally, this has helped the U.S. balance of payments because most of these hides go to Japan, Italy and European countries for dollars. Because they are unwanted by U.S. leather manufacturers and because they are the bottom 10 percent of U.S. hide production, they have little or no impact on domestic needs.

Now, Mr. President, think of that. Here is a class of hides used by our domestic shoe manufacturers, yet the Department of Commerce controls, regulates and restricts them and, thus, denies the American economy a market that has been built up, and also seriously damages our balance of payments.

Mr. MONDALE. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield.

Mr. MONDALE. One can look at the need for this amendment, which I support, in another way, I look particularly at its impact on my State of Minnesota, if the present decision restricting the exports of hides is continued, the income from cattle hides, which is important to the farmers of my State will drop drastically. Last year, our State produced 1,585,000 hides, worth in current prices, around $25 million. The average hide is worth $16. This price, of course, helps the livestock farmer who, I think, everyone agrees is not in good shape at all. Anyone who looks at the current receipts realizes that livestock and other farmers are probably working harder and receiving less. Costs are rising faster in relation to prices than in almost any other sector of the economy and they need every dollar that they can get.

The administration case for putting controls on hide exports rests on the assumption that the higher hide price is causing shoe prices to rise. Analysis will show that this must be nonsense.

Take a specific case in Minnesota. Twenty to 25 pairs of shoes can be made from a single green hide. That means that the leather in a pair of men's shoes produced from one Minnesota hide, which is now worth about $16, costs only 80 cents. This is about 3 percent of the price of a $25 pair of shoes. If quotas were to bring down the price of hides by 50 percent, the cost of the hide in a pair of men's shoes will drop by only 40 cents. That is the cost to the shoe manufacturer. But it would cost Minnesota farmers millions of dollars at a time when they can least afford it.

I think it is speculative that the consumer would ever save one penny.

In 1966, I am advised—I do not have the figures right now, but I hope to be able to get them and put them in the RECORD later—when export controls were slapped on hides, the price dropped disastrously to the livestock farmers but, I am told, shoe prices actually increased.

Mr. CURTIS. That is correct.

Mr. MONDALE. So that instead of receiving a benefit, the middleman and the shoe manufacturer simply put the difference in their pockets. Once again, the farmers paid the price—about $4 a head drop in cattle prices—and the consumers received not only no benefit but, in fact, the cost of shoes went up.

So, I would hope that we would have learned from that unfortunate mistake and that we could be mindful of the desperate position the farmers find themselves in and realize how much a few dollars mean to each farmer. It is really painful.

In addition, there is a real question about the legality of this move. For some years, I have been chairman of the International Finance Subcommittee which has jurisdiction over the Export Administration Act. We have tried to make clear that restrictions on agricultural exports can only be justified when these exports can be said to have a serious inflationary impact. I do not think there is any case that can be made that the price of cattle hides today has had that impact on our economy. Indeed, I think one would be hard pressed to prove that it has had any effect on shoe prices to the American consumer.

Therefore, I think that the amendment offered by the distinguished Senator from Nebraska is a reasonable one. Indeed, it is a modest one. It eliminates this highly questionable action which imposes quotas on hide exports and simply requires that before such steps can be taken in the future the Department of Agriculture—which, after all, would know most about this problem—must be consulted. It is a reasonable proposal and I am pleased to support it.

Mr. CURTIS. Again I thank my distinguished colleague from Minnesota for his contribution.

Mr. President, when the Committee on Agriculture and Forestry was holding hearings last week on this subject, one of the witnesses was Reuben L. Johnson, director of legislative services for the National Farmers Union. I quote from that:

Mr. JOHNSON. Thank you, Mr. Chairman.

On July 19, National Farmers Union President, Tony Dechant, in a statement released to the press, called on the Administration "to act immediatley to remove the recently imposed controls by the Department of Commerce on cattle hide exports."

The Secretary of Commerce, Peter G. Peterson, has placed admittedly, restrictions on cattle hide sales abroad as a means of reducing the domestic price. This means that the domestic shoe industry will be able to buy cattle hides at lower prices at the expense of the farmer.

Last year the number of cattle hides exported rose to 15,514,000 and brought us $125,890,000 in revenue from overseas customers. The livestock industry benefited from these transactions. The nation as a whole benefited through the reduction of the foreign exchange problems of gold outflow and the balance of payments.

The action of the Secretary of Commerce will not permit consumers to buy shoes at lesser costs because the cost of hide has little if any relationship at all to the cost of shoes. It is obvious that the shoe industry planned to raise prices anyway which casts a grave shadow over the Commerce Department's action to establish controls on the export of domestically produced cattle hides. The shoe industry, like bakers of bread, would have the public believe that farm prices of hides and wheat determine the cost of shoes and bread. But, we believe the consuming public knows better.

Mr. President, the Mr. Agriculture of the United States Senate, in my opinion, is none other than our beloved senior Senator from North Dakota (Mr. YOUNG). Here is what he had to say when the Committee on Agriculture and Forestry met to hold hearings concerning the order relating to the export of hides:

We are all concerned about the inflation that has plagued our economy. No one has escaped the effects of this menace that erodes the value of the dollar. It is disturbing to note, however, that two of the most publicized steps taken in an effort to control inflation in recent weeks have come at the expense of the Nation's cattle producers. I have particular reference to the lifting of

the quotas on meat imports and the imposition of export limitations on hides.

On the one hand, the cattle producer is told he is making too much money so he will have to compete with a lower quality, lower priced product that is produced abroad under lower cost conditions.

On the other hand, he is told that even though he has a product that is in great demand for export, he cannot take full advantage of this export market.

Both of these moves have been made in the name of helping the consumer. They are both aimed at lowering or holding the line on consumer costs. Little, if any, consumer benefit will be realized, but the livestock producer now faces the threat of a squeeze from both sides. His costs continue to rise, while the price for his production is, in effect, limited by these governmental actions.

I feel, Mr. Chairman, that the action limiting hide exports announced on July 15 could have a much more adverse effect on cattle prices over a period of time than the lifting of meat import quotas, as objectionable as that action was.

One of the major adverse effects of this move will be to force foreign purchasers of American hides to look for synthetics or substitutes for leather. Invariably, once a manufacturer goes to cheaper substitutes or synthetics he rarely goes back to the better quality natural product.

Mr. President, Mr. Don F. Magdanz, executive secretary-treasurer of the National Livestock Feeders Association, was one of the witnesses before the Committee on Agriculture and Forestry. He made a distinct contribution. I read from his testimony:

We declare that the action announced by Secretary Peterson on July 15 is absolutely unjustified, grossly unfair to the cattle industry, completely illogical, and downright provocative. Furthermore, it is incompatible with numerous principles and decisions previously made and embraced by both the Congress and the Administration.

I will support these allegations after enumerating the specific inconsistencies involved. In our opinion, the restriction placed on cattle hides is:

1. Inconsistent with the intent of Congress in passing and extending the Export Administration Act;

2. Inconsistent with the removal of meat import restraints;

3. Inconsistent with efforts to expand U.S. exports and improve the balance of payments situation;

4. Inconsistent with the stated objective of holding shoe prices in check; and

5. Inconsistent with the stated goal of the Congress and the Administration to raise farm income to equitable levels.

In addition, the action by the Department of Commerce is:

1. Ill-timed, coming just ahead of increased cattle hide production;

2. A tailor-made invitation for unscrupulous persons to develop a flourishing speculative market in trading the required export tickets; and

3. An obvious attempt to bail out the U.S. shoe manufacturers at the expense of domestic cattle feeders and producers.

Mr. Magdanz testified later in his testimony:

Mr. MAGDANZ. The question of whether or not the production of cattle hides exceeds domestic requirements is not open to question. It is an indisputable fact that production does exceed domestic requirements. As shown in the table on the last page of this statement, 40 to 45 percent of our entire cattle hide production goes abroad.

It is evident that the action of the Secretary of Commerce stands on the legal technicality that a determination has not been made by the Secretary of Agriculture to the effect that cattle hides are being produced in a quantity which exceeds domestic requirements.

However, we interpret the intent of Congress to make it incumbent on the President, or his delegate, to seek the determination provided for in Section 4(e) before taking any export control action on an agricultural commodity under the authority provided in Section 3(2)(A).

Most certainly, it was not, and is not, the intent of the Congress that the provisions of the Export Administration Act be used to deliberately roll back the prices of farm products.

Mr. President, Mr. Magdanz and many other witnesses went on in their testimony to specifically endorse the Curtis amendment.

Mr. President, another knowledgeable witness before the Committee on Agriculture and Forestry last week was Mr. C. W. McMillan, executive vice president of the American National Cattlemen's Association. I read from his testimony:

The domestic beef cattle industry is tired of having to "pay the bill" under the threat of U.S. tanners and shoe manufacturers that they must raise shoe prices "if something isn't done to restrict the exportation of U.S. cattle hides."

The 1972 action of the Commerce Department, although not identical to 1966, closely parallels it.

In 1966, shoe manufacturers threatened to raise shoe prices unless something was done to force down the price of domestic cattle hides.

An export embargo was placed on them, prices fell, reflecting approximately $4.00 per head drop in domestic cattle prices and the shoe manufacturers proceeded to raise the price of shoes anyway. U.S. cattlemen paid the bill and the U.S. shoe manufacturers pocketed the profits.

Although the 1972 action of the Commerce Department still permits hides to be exported, there has been so much confusion and concern about the complex ticket or certificate method, meat packers cannot adequately plan their cattle buying programs and take into account by-product values. This completely disrupts marketing patterns of beef cattle.

Mr. McMillan goes on to state:

It is the earnest hope of the American National Cattlemen's Association that the restriction on hide exports will be lifted. Were it not for the price levels that have prevailed for hides in recent weeks, the by-product drop of meat packers would be much lower. If that by-product drop declines substantially, the meat packer must adjust his margin by paying less for cattle or selling carcass beef for more.

If carcass beef prices increase, this means that consumers will have to pay more for beef in the retail meat counter. If meat packers pay less for cattle, it could place cattlemen in a loss position. As a practical matter, both of these things will probably happen.

A serious effect of restricting hide exports is on the matter of U.S. balance of payments. It seems inconceivable that the Administration has opened flood gates to more meat imports while restricting hide exports. Both of these actions are detrimental to the beef cattle industry, but together they compound the very serious balance of payments problem.

Senator Curtis has offered an amendment to the Export Control Act which we believe deserves the support of every U.S. Senator. His proposal would require the approval of the Secretary of Agriculture, before any action is taken to restrict the exportation of an agricultural commodity. Had this authority been available, the unfortunate action of the Commerce Department of July 15, 1972, likely would not have occurred.

Mr. President, the hearings conducted by the Committee on Agriculture and Forestry, even though confined to 3 days, were very thorough. No witnesses were turned away, yet we were able to take the testimony of the most knowledgeable people in this field. I wish to say again for the RECORD that one of the reasons the junior Senator from Nebraska is speaking at length and incorporating in his remarks material from these various witnesses is that our time situation is such that Senators will not have the benefit of the printed hearings.

Mr. Baxter Freese, president of the Iowa Beef Producers, Ames, Iowa, gave some very helpful testimony to the committee. I quote now that testimony:

I appreciate the opportunity to appear before you today to share the views of Iowa's 50,000 cattlemen on the matter of hide export restrictions.

My name is Baxter Freeze. I am an Iowa farmer actively involved in the production of beef, pork, corn and soybeans. I have only limited knowledge about hide sales, the tanning industry and shoe manufacturing. Therefore, I will limit my remarks to an expression of the feelings of Iowa cattlemen.

Gentlemen, these feelings can best be phrased very simply and bluntly—they are mad, just plain mad. This was alluded to by Senator Aiken and this is not an exaggeration. This was not brought about by people like me, as our fellow feeders called me. They kind of got me perturbed.

In fact, I have not witnessed such an aroused reaction from a governmental decision for many years.

We were disappointed when quotas were lifted on imported meats. We were frustrated when the Secretary of State started actively soliciting shipments of foreign meat into this country. To have our industry be made the whipping boy for the third time in as many weeks should explain why Iowa cattlemen have reacted in this way.

I also quote from Mr. Freese as follows:

We would ask, why are Iowa cattlemen expected to subsidize the tanning industry and the shoe manufacturing industry when there is probably no more than 75 cents to $1.50 worth of rawhide in a pair of shoes retailing in the range of $20 to $40. With five children, no one is more aware of the high cost of shoes than I.

Mr. President, I think Mr. Freese was exceedingly fair in his statement because it is very doubtful that the amount of hide in a pair of shoes runs from 75 cents to $1.50; it is more apt to be from a few cents to 50 cents.

I again quote from Mr. Freese:

The other comment I might make, after listening to the presentation this morning from the Commerce Department, and their knowledge of the cattle business became apparent. I think that every cattle producer in the State of Iowa, every banker, and every truck driver and every feed manufacturer is going to be 100 percent behind Senator Curtis' amendment to put somewhat controls on hide exports under the jurisdiction of the Department of Agriculture.

We were favored with the testimony of Mr. H. L. Gerhart, Jr., president of the Independent Bankers Association of America and president of the First National Bank, Newman Grove, Nebr.

Mr. President, Newman Grove is a fine, small city in the State of Nebraska. It came close to being the county seat. It is one of those towns where, as in many other American towns, the banker is known by everyone and knows everyone, and he has helped the people of his community and is familiar with their problems and with their hopes. I read from his testimony before the committee:

I consider the quotas announced by the Secretary of Commerce as unfair and unwarranted for the following reasons:

1. It will have a depressing effect on prices of live cattle at a time when these prices are just getting back up to what they were 20 years ago. We submit that none of us would be satisfied with wages received 20 years ago.

2. Prices received by agriculture have not kept up with costs or prices received by other segments of the economy over the past 20 years. Today's American housewife spends 16 percent of the family budget for food compared to 31 percent in France and 50 percent in Russia. Yet in 1971 net farm income was slightly lower than in 1950.

3. Our information is that after allowing a moderate amount for labor and management, the farmer and rancher received 1.1 percent return on his investment in 1969, compared to 23.6 percent for leading food chains. While his net income dropped slightly during these 20 years, his debt increased by over five times and investment increased by over 2½ times. It is no wonder that our farm population has decreased by about 58 percent in the past 20 years, seriously affecting our nation's small towns and businesses.

4. The reasons given for imposing cealings on hide exports is to hold down the price of shoes and other leather goods.

The Secretary, as quoted by the press, has stated that hides have climbed to a price of 29 cents per pound as compared to an average of 14 cents. The 15-cent-per-pound difference in the price of a hide from one steer amounts to $7.50, a sum that could mean the difference between a profit or a loss to the rancher selling the steer.

Mr. President, additional helpful testimony was presented by Mr. Frank R. West, chairman of the board and president of American Beef Packers, Inc. I quote from his testimony:

I am Frank West, President of American Beef Packers, the second largest slaughterer of choice and prime cattle in the United States with annual sales over $500 million. American Beef defleshes and sorts all of their hides into various categories for selling to U.S. tanners and to exporters for overseas customers. My views on the new regulations restricting hide exports are as follows:

1. The regulations resulted in a stalemate in the trading of hides. On July 17 and 18 there was no hide market at all; then on July 19 and 20 there was a market for selected categories. Again on July 21 there was no market, and this week to date there has been no hide market.

Senator CURTIS. Will you explain to those of us who are not in the trade what is meant by there is no market this week? Does that mean you couldn't sell any or there weren't any quotations?

Mr. WEST. No quotations, no bids. We would get very few calls. Where normally you may get ten calls a day from people wanting to buy hides, you may get four inquiries on what you would take for hides but no call backs to trade.

Senator CURTIS. Do those calls normally come from tanners?

Mr. WEST. These calls come from what we call dealers, dealers and exporters, who then sell to the tanners.

Senator MILLER. So what are you doing with your hides?

Mr. WEST. We are holding them.

Senator CURTIS. Holding them?

Mr. WEST. Yes.

Senator CURTIS. What kind of a problem is that? Maybe it is covered in your statement later, but does that create a space storage problem for some packers?

Mr. WEST. Normally we sell our hides from six weeks to as much as through November 14, on some categories, certain export hides.

Senator MILLER. Do you mean some of the hides you have in your inventory have been sold for delivery at that time?

Mr. WEST. Yes. As we make them we ship them against contracts made through November 14. However, some categories exporters don't use on a regular basis.

Senator CURTIS. When you are talking about no bids, you are talking about no bids for future delivery?

Mr. WEST. That is right. Practically all hides are sold on a future delivery because of the storage problem, shrink and factors of this nature.

Senator CURTIS. But there has currently been practically no bidding going on since this program was announced?

Mr. WEST. That is right.

I predict there is going to be a ticket business, as tickets will be traded as an item and the worst part of this is that people other than the regular exporters or packers will be able to purchase these tickets. I anticipate that tickets will be worth a substantial amount—no one knows at this point. I also predict that there could be a black market in tickets. Further, it is my belief that U.S. shoe prices will not change in any way except possibly to go up. Since 95 percent of the cost of a shoe is made up of retail markup, labor, and other costs related to the manufacturing and tanning of hides, only five percent of the cost of a shoe goes for the raw hide.

In looking over the regulations, I noted there are no restrictions on bellies, shoulders or cropons. Also, there are no restrictions on exporting of wet blue hides. I see these as nothing but big loopholes.

As hides are sold approximately six weeks to three months in advance, there are going to be many breaches of contracts on overseas customers that have been cultivated in the past three years. If the regulations stand as written, many exporters could go bankrupt. American Beef Packers and many other packers like us have sold hides to exporters through November 15 prior to the restrictions. If exporters have to dump these hides back on the domestic market, it will be chaos.

Then I asked Mr. West:

Senator CURTIS. Will it have an adverse effect on the price of cattle?

Mr. WEST. Yes. I would predict this. The only reason it hasn't shown up immediately is because hides are sold ahead. You will see more of this problem around the first of October.

Senator CURTIS. Did you have experience under the 1966 effort to restrict the export of hides?

Mr. WEST. Yes.

Senator CURTIS. This ticket arrangement did not exist at that time?

Mr. WEST. No, sir.

Senator CURTIS. And this is more cumbersome and more damaging to the normal flow of business?

Mr. WEST. I believe it is. It is a negotiable ticket and people who are not in the exporting business or in the hide business at the present time, or meat packers—any man on the street—could buy one of these tickets.

Senator CURTIS. It opens up opportunities, at least, for taking advantage and getting it in the hands of people who will use it against our interest; is that correct?

Mr. WEST. If they remain the same as written, I predict you will have a regular black market.

Mr. President, another witness appearing before the Committee on Agriculture and Forestry was Mr. Roy W. Lennartson, of the Western States Meat Packers' Association, who offices in Bethesda, Md. Here is what he said:

The only highlight I would mention is Western States Meat Packers is headquartered in San Francisco, representing the packers and producers in 11 western states. The association is obviously opposed to the program announced by Commerce. We don't think it is necessary in terms of its scope and its complexities and so forth, and in view of the doubtful remedies it set out to correct.

We do point out that the packers and producers of the West Coast have been discriminated seriously in the proposal in that over 75 percent of all hides produced in those states are exported. In many, many cases 100 percent are exported on the part of the packers and producers. We do reflect concern also with respect to the distribution nationwide of these so-called export tickets. It sets up a whole new system of exchange which is going to be complex and the results of which nobody can contemplate at this time.

The potential value of these certificates could well be such as to create a very serious black market situation, as we call it. We doubt seriously whether the results of this additional value will be imparted back to the producers.

Finally, we are very much concerned as to the impact this program is going to have on the tremendous amount of work conducted by both the association and the Department of Agriculture in developing export markets for hides over the years.

These may now come to naught in view of the disruption that will be caused by the program.

Mr. S. W. Frankenthal, president of Packerland Packing Co., Green Bay, Wis., had this to say:

I feel that the real problem is that the tanning and shoe industry have obtained special economic protection to cover up its inefficiencies and the high cost of production, but all at the proposed expense of the farmers and the vendor of hides.

The tragic truth is that hides are being exported, processed into leather, sold for production of leather goods which are shipped back to this country, and sold at retail prices considerably lower than the same product manufactured in the United States.

Mr. President, the shoe manufacturers and the tanners are faced with some tough competition, but there is nothing unfair or to their disadvantage in their purchase of cattle hides, because the foreign purchasers are not buying cattle hides more cheaply than our own industry can. As a matter of fact, the foreign purchasers, in many instances, are paying more than are domestic purchasers of hides.

Another witness before the Committee on Agriculture and Forestry last week was Mr. John Dunning, director of government relations for the National Independent Meatpackers Association. With him was Mr. Edwin H. Pewett, the general counsel of that organization.

I quote from Mr. Dunning's statement:

This unwarranted action was based on the premise that the domestic supply of these materials was being endangered by a growing export market for cattle hides. Follow-

ing a meeting of the Secretary of Commerce with industry executives on April 17, 1972, the Secretary announced that more information was needed to establish the present inventory of cattle hides; the estimated requirements of the domestic shoe manufacturers; the estimated requirements of the exporters; as well as the projected production of cattle hides for the balance of the year.

When these figures were compiled and analyzed, the Secretary determined that the domestic supply of hides was not rising fast enough to cover what he described as "burgeoning demands by domestic and foreign buyers for U.S. hides" and that he was therefore required to move under the Export Administration Act "to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand."

I quote further:

We believe that the Secretary was misled by the information given him. The figures covering the domestic and foreign demand for cattle hides were provided by segments of the industry having a direct interest in lower prices for hides.

The shoe manufacturers themselves provided the Department of Commerce with the "projected" production figure of leather shoes and slippers for the August-December 1972 period. These figures appear in Chart A attached to this statement and was supplied by the Department of Commerce as part of the background information for this Export Control program.

The shoe manufacturers estimated their production at 158,101,000 pairs of shoes for the period August–December 1972, or 7.3 percent more production than during the same period of 1971. Yet the domestic production of leather shoes has declined every year since 1966 by an average amount of 6.3 percent per year, and in fact has continued to decline at the rate of 2.9 percent during the first four months of 1972.

Mr. Dunning's statement continued:

Allowing for a two percent increase in shoe production, in spite of a six year history of declining production, the projected increase in domestic needs for cattle hides would be 253,000 hides rather than 638,000 hides as shown on Chart B, for the period March-December 1972. And projecting a 2.2 percent increase in hide exports for this same period, which is in line with exports through May of this year, we can account for an increase in hide exports of 294,000 hides.

Projecting these demand figures against the estimated domestic supply of hides and leather, we foresee an imbalance of 240,000 out of 30,800,000 hides produced between March-December 1972, or a short supply situation so slight as to be negligible.

I believe the figure runs at something like 1/100ths of one percent.

This is certainly not a situation warranting the exercise of the Export Administration Act.

Mr. President, I refer now to some of the testimony—and there was not very much—in support of the action taken by the Department of Commerce.

This is the testimony of Mr. Robert W. Anderson, president, and Herbert Weinstein, of Parson's Tanning Co., Chicago, Ill.

It is our opinion that export controls will result in strengthening the tanning and shoe industries of the United States for it will be a great equalizer. Raw material costs to foreign nations will be higher thereby reducing their labor cost advantage. American tanning and shoe manufacturers will have lower raw material costs offsetting their high labor cost. The net effect will be the United States shoe manufacturer will be able to better compete with shoe imports than he can now.

Mr. President, is that not startling? They say they want to knock down the price to the farmer to offset their high labor costs. I did not say that; they did. The tanners openly admit that the reason why they pressured these bureaucrats into issuing such an order was, in their language, thus "offsetting their high labor costs." How unfair can we get?

I want to read again from Mr. Anderson's testimony. I asked this question:

Senator CURTIS. Are Japanese buying hides in this country cheaper than you can buy them?

Mr. ANDERSON. No. They pay a premium for all hides. There is a hide man in this room that sells to Japan under contract at higher prices than domestic. This has been normal.

Senator CURTIS. So any advantage that the Japanese have isn't because of the price of hides?

Mr. ANDERSON. Whatever advantage they they get, sir, it seems to be that the government is behind the operation to some extent. How they can pay these prices——

Mr. WEINSTEIN. They have in Japan a tanning capacity for 12 million hides, approximately, and they use those hides basically for their own consumption.

We cannot ship a foot or a pound of leather into Japan legally. It is illegal for us to ship leather into Japan.

Senator CURTIS. That is what I said. Your problem is not because Japan can buy hides cheaper than you can. Your problem is other matters. Japan has no advantage in the hide situation, according to your own testimony.

Mr. ANDERSON. No, they would be at a disadvantage. They are buying a higher priced raw material.

Think of it. Because these gentlemen, who want this order, cannot reach the foreigner, and seemingly they cannot do anything about their labor costs, they are attacking the producer of cattle in this country.

Mr. President, as I stated at the beginning, the amendment I have proposed, which is joined in by a long list of cosponsors, would do two things: It would provide that in the exercise of this export control authority, they could not exercise it with respect to an agricultural commodity, including hides, without the consent of the Secretary of Agriculture. The second part would be to bring to an end the order that already has been issued. I doubt that it would have any force and effect after we would change the law, but, to make it clear, we have incorporated the second section, which would do that.

Naturally, the question is raised, What good will the transfer of this authority to the Department of Agriculture do? It would do a great deal of good. You will be dealing with the Department that knows agriculture, that has jurisdiction of the Packers and Stockyards Act, where these cattle are slaughtered. Knowledgeable people in many sections of the Department will be working out these things.

Furthermore, they will have accurate statistics. I could not follow the Department of Commerce in their charts. But there were many witnesses in the room who are still looking for 2 million hides.

My purpose in offering this amendment is to do something about hides. I would like to see the farmers of the country retain a business they built up, rather than have it destroyed and tampered with, rather than have a black market, and rather than rob the farmer because somebody else is getting too much.

Secretary Butz appeared as a witness. His defense of the American farmer is well known. His willingness to go to bat for the farm families of our country has been well established in recent months.

I invite attention to two things in the statement of Secretary Butz. Naturally, he could not come there and state that his own administration was in error. But he did respond to the questions.

Before I quote Secretary Butz on the important question, I want to quote him on another matter in his testimony last week before the Committee on Agriculture. This is what Secretary Butz said:

Secretary BUTZ. In 1972, the consumers will spend approximately 15.6 percent of their disposal income for food, compared with 16 percent last year. It was 23 percent 20 years ago for their food and the consumer is spending less each year for food, at least of their disposal income.

Then Senator BELLMON, after much discussion of the subject of exports of hides, presented the important question to the Secretary:

Senator BELLMON. Even if the export demands are up, what is the reason for this, other than that we want to drive prices down. I think we have the wrong man, honestly, on the griddle. I don't believe you honestly want to do what was done.

Secretary BUTZ. There is no secret about it. I will tell you that it is no secret. I argued against it. I did not want it imposed.

This is the Government official who should be in charge of this.

Mr. President, I hope that the managers of this bill will see fit to accept this amendment. That way, the measure can be completed tomorrow, it can go to the President, and it can be signed. I am not unaware that there are features of this export control law that are necessary. I will, at a later date, offer this amendment. I have spoken today for the purpose of apprising Senators of the record that was established by the Committee on Agriculture and Forestry.

Mr. President, I yield the floor.

Mr. HRUSKA. I wish to commend the Senator from Nebraska for the initiative taken by him in proposing an amendment to the export control bill which would give final authority over export controls over all agricultural products, including fats and oils and animal hides, to the Department of Agriculture. That is where it belongs. I am pleased to be a cosponsor of the Curtis amendment.

The recent action by the Secretary of Commerce in imposing a ceiling on hide exports has been a grave disservice to the farmer. Testimony presented to the Senate Committee on Agriculture has made that amply clear. The purpose of the control is to check or reduce the price of hides which, admittedly, have advanced since last year. We are told that hide prices are at an all-time high. But what is "high" in this case? Hide prices today

are actually lower than the OPA ceilings of 30 years ago, if adjustment is made for changes in the general price level. After all, everything—wages, rents, the prices of other things, costs generally including the costs of the farmer and the whole cattle and meat industry—are all at an all-time high. How can this one industry live at a price which is below the ceiling level of 30 years ago, when all other prices are up?

Any reduction in the price of hides has an impact directly on the price of cattle which the rancher and feeder sell. A reduction of 10 cents a pound in the price of hides means a loss of about $7 a head in the price received for cattle. In effect, this decision represents action to benefit the leather and shoe industries at the expense of agriculture. Why should the shoe industry be given assistance at the expense of the farmer?

Year in and year out in this body we are concerned about farm income, we pass legislation designed to help maintain farm income at a reasonable level. Despite our best efforts, the farmer's share in the national income continues to dwindle, and each year thousands of farmers close down, sell out, give up the effort to continue an independent operation. If the market supports a level of hide prices which helps give the livestockman an adequate income, the Government should at least restrain itself from interfering with that wholesome fact.

We are told that it requires about 5½ pounds of green hides on the average to make a pair of men's shoes. For women's or children's shoes, only half that weight of hides is required. Thus, even at present hide prices, the cost of the hides makes up only about 10 percent of the final retail price. Holding down the price of hides to control shoe prices is like holding down the price of wheat to control bread prices or the price of cotton to manufacture and sell the white shirts or the colored shirts that many of you may be wearing today. The cost of the raw material is just too small a part of the retail price of a pair of shoes to make much difference.

The Department of Agriculture has calculated that production of hides this year will be about 39 million, compared with 37.6 million last year, an increase of 1.4 million hides. The last report of cattle on feed shows an increase on July 1 of 14.4 percent, compared with last year. These cattle will be coming to market, along with the fall marketing of nonfed cattle, and this will mean a heavy volume of hide production during the remainder of the year. Clearly there is no shortage in prospect.

On the other hand, domestic use has fallen off steadily for the last 3 years. Domestic use reached a peak of 22.5 million pieces in 1968, but amounted to only 19.9 million pieces in 1971. Meanwhile, export demand has remained strong and this has been the salvation of the cattleman. The hide export control order would permit only a very slight increase in foreign sales, while perhaps providing the domestic leather and shoe industries with more hides than they need or can use.

I strongly urge the Senate that we permit the Secretary of Agriculture to play a role in decisions of this sort, by adding the Curtis amendment to the pending bill.

Mr. President, again I want to commend my colleague from Nebraska.

Mr. TAFT. Mr. President, I have no desire to debate the proposed amendment of the Senator from Nebraska (Mr. CURTIS), who has such wide knowledge in this area.

However, it should be pointed out that the current problem with hide prices—which have doubled—in a year come from other nations' policies and actions.

Also, while I share the concern of the Senator for the failure of our farmers to share in our economic growth, I question how much this amendment would help, especially since, even after the 100 percent-increase in price in the last year, the hide represents less than 5 percent of the price of the animal.

Against this must be measured the increased costs to consumers and the potential loss of jobs in the United States.

So that the Senate may have some views and facts relating to these concerns I ask that certain material be inserted in the RECORD.

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

STATEMENT BY WILBUR MILLS, CHAIRMAN OF THE HOUSE WAYS AND MEANS COMMITTEE, ON THE FLOOR OF THE HOUSE OF REPRESENTATIVES, MARCH 2, 1972

The recent controversy over the import surcharge has distracted attention from the overdue need to close inflationary loopholes in certain of our export markets.

Specifically, I am greatly concerned that the export loophole inviting foreign speculative exploitation of the American hide market is at one and the same time inflating our costs and deflating our employment.

"Stagflation" is more than a theory so far as the inflation of American hide costs and the deflation of the American shoe and leather industry are concerned. It is a costly fact.

U.S. hide prices have roughly doubled in the past year. Export demand has bid them up. The jump in hide exports is matched by a corresponding jump in shoe imports, which have been running close to half of U.S. shoe production—as against a mere 5% in 1960. According to the Department of Commerce, imports soared to no less than two-thirds of U.S. shoe production in January! This ratio of imports to a basic American product is insupportable! It calls for prompt and incisive action by the President—just as soon as he is able to focus again on domestic and economic affairs!

In the case of the distress suffered by America's import-sensitive textile and steel industries, Presidential relief actions were prompted when the ratio of imports to production hit the sore nerve represented by 10%.

The policy implications of this spectacle are even more disturbing than the actual toll taken by hide cost inflation and shoe industry shrinkage. No other power of standing in the world today freely invites its competitors to strip it of its proprietary raw materials, while inviting them at the same time to flood its markets with lower-cost products fabricated from these same proprietary raw materials. I do not believe that America is still so rich or so naive that she can afford or agree to remain so improvident.

Two warning signals from the marketplace leave no doubt that failure to close this export loophole promptly will cause the other shoe to drop—and I am not joking.

The first danger signal is coming from the distress-ridden dollar market overseas: there is no doubt that foreign shoe manufacturers, joining in the speculation that the dollars they already have and the dollars they are expecting to earn will be worth less, are using them now to bid up the price of hides. Consequently, foreign fears for another markdown in the dollar are confirming domestic fears of another notch-up for both inflation and unemployment.

The second danger confronts the American consumer. The direct cost consequences to the American consumer of the run-up in the hide market are putting the Price Commission on notice to sanction an increase in the retail price of shoes of anything from $1 to $3 a pair. This price increase will come just as soon as today's run-up in hide costs translates itself into tomorrow's shipments of manufactured shoes. This means that the mothers of America's school children will find themselves paying more for shoes just before school opens next September. It also guarantees yet another upward "tilt" in the cost-of-living index which will, therefore, entitle all union members still employed next summer to the offsetting pay increases guaranteed by the cost-of-living clauses in their contracts.

I call upon the President to instruct the Secretary of Commerce to take prompt steps to introduce a licensing system to limit the export of hides and to study any other parallel cases of abuse. I would much prefer the lesser evil of hide export controls to the unmitigated disaster of dollar exchange controls. Failure to take such relatively limited remedial actions now will invite still new distortions threatening to force larger emergency actions sooner than I care to contemplate.

SHOE HIDE SHORTAGE, IMPORTS PINCH PROFITS

(By Eliot Janeway)

NEW YORK CITY.—Nowadays, talk about economics sounds so much like both philosophy and mathematics that figuring out how business actually works tends to increasingly get lost in the shuffle of words. Relating market trends and decision-making cross-currents to conditions in the basic industries making and selling the staples of daily life is the pragmatic way to get a handle on the way things are working in the market place.

Shoes are a handy place to begin—especially now that America is better dressed than it has ever been, while its once-thriving shoe industry needs a resolving job.

Philip G. Barach, head of Cincinnati-based United States Shoe Corp., is on both sides of the import argument. U.S. Shoe makes shoes in its 24 plants and sells them thru its 151 company-owned stores and 572 leased shoe departments. Here is his audit of the shoe trade balance.

JANEWAY. Do you see shoe prices going up this year and if so, why?

BARACH. Yes. The domestic shoe industry cannot be expected to hold the line on prices past this summer in view of the rapidly rising cost of hides and the continuing import problem. Hide prices have doubled in the last year and the further increases I see coming could add anywhere from $1.00 to $2.00 on retail shoe prices by August or September.

This, of course, will hit families just when they are outfitting their kids for the new school term and will also cause the cost of living index to jump.

JANEWAY. What's behind this increase in hide costs?

BARACH. Well, the United States is the biggest hide producing country, but Argentina normally supplies about 15 per cent of world production. Last year, Argentina drastically cut her cattle slaughter and since has retained a large portion of her hides for local tanning purposes.

This has put a squeeze on world supplies and sent the world price up sharply. U.S. hide producers are exporting to get the best price and U.S. users are faced with both soaring prices and hide shortages.

JANEWAY. What's happening to the hides bought abroad? Are they going into current consumption, or being hoarded speculatively?

BARACH. First of all, part of the demand reflects buying of leather as a hedge against the dollar. Foreign shoe manufacturers figure the dollars they expect to earn, are going to be worth less in the future, so they latch onto hides, which they think can be sold later at higher prices.

As for the hides, we've found there's a one-to-one ratio between the amount of hides going out of this country and the amount returning in make-up articles, such as shoes and handbags.

JANEWAY. The import problem has been around a bit longer. What has U. S. Shoe done to compensate for the rising flow of imports?

BARACH. We're calling for a moderation in imports by voluntary quotas. We're branching out into specialty retail operations. And we're importing 15 per cent of our shoe lines from Italy and Spain. The problem is a serious one. Imports accounted for over one-third of U. S. footwear sales in 1971. In the face of this we felt we had to bring in shoes if we were to remain competitive.

Speaking for myself, I think it's alarming that the country has allowed a situation to develop where domestic manufacturers are inclined to make a growing portion of their products outside the country.

JANEWAY. Are you saying that what America is doing is exporting jobs?

BARACH. That's right. Probably no other country of any significance is unrestrainedly shipping its raw materials out of the country, and then buying them back in fabricated form at a much higher price. Even Argentina realizes the importance of not exporting its raw materials without some value added. Argentina, and India too, now sell their hides in crust, or partly processed form.

JANEWAY. Has U. S. Shoe been affected by this exporting of jobs?

BARACH. Yes, we've had to phase down a number of our manufacturing operations, including facilities in Adjuntas, Puerto Rico; New York City, Keene, New Hampshire and Norwood, Ohio, due in large measure to the import problem. It's ironic that at a time when the country is facing high unemployment and rising welfare costs, the government is exporting high labor content industries.

JANEWAY. What do you figure you saved the government in welfare payments alone, thru your investment in Appalachia?

BARACH. Our Prestonburg, Kentucky, plant has been operating five years and generates roughly a $1.3 million annual payroll. Tho about 90 per cent of the employes are women, at least half of these women represent families where there were persistent unemployment and probably welfare payments.

We think we've saved the government about $250,000 a year in welfare costs there, to say nothing of the resulting general all-around increase in the tax base of the surrounding community. And, of course, there's no way to measure the dignity people get by making their own living.

JANEWAY. To shift overseas for a moment, do you see any changes in the manufacturing patterns over there as a result of the European economic slump?

BARACH. We see indications that Germany is beginning to ship home the workers it formerly brought in and trained and it is sending capital after them in other words, it's exporting its manufacturing operations, too. As a result, there is a speedup in the low wage countries like Spain and a slowdown in Germany.

HIDES TAKE GIANT STEPS IN TWO PACKERS' TRADES

CHICAGO.—The hide market took another giant step upward early this week.

An estimated 20,000 hides, or roughly last week's total volume, was traded by Wednesday morning by Swift and Wilson. Swift started Tuesday by moving 20,000 hides, including heavy native steers at 26, butts at 24, Collies at 23, branded cows at 25 and light native cows at 31. Prices were 1½ to 2 cents over last week's levels. Wilson fo'lowed suit Wednesday, moving at the same prices, but instead of heavy native cows, traded light native steers at 20.

Some sources here said it is impossible to determine whether the hides sold are going strictly domestic bound. Positive feedback from the leather shows and good leather business were most often quoted as reasons for the prices. Additionally, packers' offerings have been very limited, sources say.

Because of the hush-hush attitudes on many trades lately, volume for last week was difficult to pin down, but the source estimated between 25,000 and 30,000 hides traded. Light volume was blamed on attendance at the Leather Show.

MILWAUKEE.—Side leather specs maintain their "excellent" rating, according to tanners here, although blanket orders continue to be slow. One tanner rated the mood of footwear manufacturers as "ugly" because of the extended delivery of leather and strong competition from imports.

Side leather prices are very firm, especially in view of advances on the hide market scored early this week. A few weeks ago, tanners had eased off about 2 cents from peak prices.

Calf business is experiencing its between-season sluggishness.

BOSTON.—Hide prices were up on the average of 2 cents this week, but tanners reported business was active. New orders were considered good. "What business we have is good," remarked one tanner, "but we just don't have enough of it because of the unsteady market."

Specs were good, with interest mixed in full-grain and soft leathers and reversible suede.

CHICAGO HIDE AND SKIN PRICES, AS OF WEDNESDAY MORNING, MAY 3, 1972

	This week	Last week	Year ago
PACKER HIDES			
Heavy native steers	26	23½-24	15-15½
Light native steers	29	28	16½-17
Ex. lite native steers	30N	29N	18
Heavy native cows	26	25-26	14½-15
Ex. lite Texas steers	27N	26N	15N
Butt branded steers	24	22	12-12½
Colorado steers	23	20½-21	10-10½
Branded cows	25	22-22½	12-13
Native bulls	15N	14½-15N	8-8½
CALFSKINS			
Pkr. Nor. lgt. (under 9½ lbs.)	62½	62½	32½N
Pkr. Nor. hvy. (9½-15 lbs.)	57½	57½	30N
Pkr. Riv. lt. (under 9½ lbs.)	62½N	62½N	32½N
Pkr. Riv. hvy. (9½-15 lbs.)	57½N	57½N	30N
	Northern River		Southeastern	
	This week	Last week	This week	Last week
KIPSKINS				
Pkr. (15-25 lbs.)	45	45	43N	43N
Pkr. (25-30 lbs.)	43	43	41N	41N

N=Nominal trading.

THE UNITED STATES SHOE CORP.,
Cincinnati, Ohio, May 4, 1972.

Mr. JAMES LYNN,
Under Secretary of Commerce, Department of Commerce, Washington, D.C.

DEAR MR. LYNN: In the interest of keeping you fully posted relative to current pulse beats . . . our Chief Leather Buyer just yesterday afternoon informed me that several tanners called on May 3 . . . indicating a strong and considered opinion that hide prices were on the rise again and that the past modest dip in the last two or three weeks would be wiped out with prices returning to their former high level market. The tanneries who have been interacting indicate that the major reason for the sudden pick up keys on the return of foreign buyers in our hide market.

We consider the source of this information to be quite reliable and not a situation where tanneries are prodding us to rush in and cover our remaining 20 to 25% necessary commitments for our Fall line.

We have been standing aside hoping that prices would normalize a bit more.

While the press reports that have been emanating from Secretary Petersen's office have indicated a need for further study and information . . . we have found that some of the key hide dealers have been advising their foreign clients that the "word is out" that the Commerce Department will be doing nothing remotely connected with hide controls. We have also heard through the "rumor mill" that the best the industry can hope for is some kind of suggestion that we increase our productivity and that the Commerce Department may be willing to underwrite a study by someone like Battelle to help on increased productivity.

Evidently the hide exporter has therein rekindled the strong demand of overseas buyers who are in an unusual position to purchase either our calfskin or our hides with anywhere from a 10 to 17% devalued dollar.

The injustice and irony of these circumstances is certainly compelling to merit my writing.

I trust you are aware that I called Mr. Letson . . . advising him that the Price Commission has suspended our pending price increase applications . . . making some reference to a need for clarification on some industry studies on the hide and leather industry which we have been led to believe is a reference to the Department of Commerce studies.

This represents the height of a miscarriage of justice and is tremendously discriminatory and am not sure if it is even legal. These pending price increases are in our children's and men's areas and one small women's division . . . and likewise in our western boot division . . . probably applying to 40% of our sales.

Here we have already paid the higher price on leather and components . . . here we have not raised our prices for the last six months . . . and here we have answered all questions relating to the individual divisions . . . and now to have the Price Commission come along and suspend price increase requests that were due out on May 4 in two major divisions . . . by falling back on some Department of Commerce study. It really is an unbelievable travesty of

justice for we have already paid the higher prices . . . and unless I can convince Mr. Neeb in an appointment that I have on Tuesday morning at 10:30 on the injustice of the case . . . then our own firm will suffer quite detrimentally in a classic cost-price squeeze over which we had no control.

The fact is that hide and calfskin prices have gone up 100–120% and 35% respectively and with no fault of our own.

While this is a separate matter . . . you should be aware of the injustice to which businessmen are being subjected on matters over which they have no control. If the Secretary has the power to lower the export of hides and thus lower hide prices and with the rising leather market . . . it seems that the shoe industry is being overly discriminated against . . . not only in paying more for their raw materials . . . but now evidently being unable to pass along any of these costs because of what appears to be an arbitrary whim by the Price Commission.

Ironically, just when the country needs more employment it puts the United States Shoe Corporation, and I am sure many other shoe companies, in the position of re-studying the feasibility of shutting down another two or three of our plants . . . idling nearly 1,000 workers . . . and transferring the work to our Spanish and Italian complex of factories where our overseas manufacturing sources can actually buy the American hides at lower prices with their devalued dollars . . . and tan them more advantageously for production abroad.

All it will mean is that we will raise the level of our import capability through our marketing skills . . . further compound the balance of payment problem . . . further increase the lay-offs in the industry . . . probably ignite other competitors in following suit . . . and adding more people to the welfare rolls since the unemployment rate in most of the towns in which we operate exceeds 6% currently.

If we can't dissuade the Price Commission and there aren't legal steps that we can take to defend our shareholders' rights . . . then there is the added argument that we are better off to import more. In this area the Price Commission has no current jurisdiction.

The whole thing is insane in some respects with the injustices so ironic to the well-meaning and well-intentioned American Businessman. It is almost as if the Administration is trying to destroy an important domestic industry that employs over 200,000 people with another 100,000 in the supply industries.

Several additional points that need to be expressed are in the areas of productivity and "what happened in 1966".

The productivity of the American shoe manufacturer and shoe worker is the highest probably in the world. In our women's factories our production exceeds ten pairs per operator . . . in Spain it is six to seven pairs . . . and Italy seven to eight pairs per employee. Nearly ten years ago we had the Battalle people look through our factories, and while I am sure there is some good that would come of additional input in this area, please recognize that we have utilized every sophisticated skill in layout and its method analysis to increase production. 90% of our employees are on piece rates and have higher motivation to produce effectively.

Nearly all of our factories are one-storied, modern, well laid-out with the latest possible equipment. With the exception of trying to find some way of using more man-made materials which aren't up to our quality and standards . . . we know of no other way to increase productivity.

The reason for our current ability to run the factories reasonably full—compared to last year—was a commitment to more intricate designing . . . especially in our women's footwear . . . to match the more detailed shoes which take a great deal of hand labor . . . in lower priced labor countries like Spain and Italy. It is this adjustment in our mix of shoes requiring more hand labor and product excitement that has slowed down our productivity by 10% . . . but conversely and pleasantly, it has increased our production and sales so that we had the very pleasant situation of just a month or so ago reaching out to open up a closed down factory in a depressed town, Maysville, Kentucky . . . albeit . . . on a temporary basis to make more footwear.

When one reads all the negative statements made by both the spokesman for the Price Commission and even for the Department of Commerce . . . I am surprised . . . since it doesn't indicate a deep understanding of the problems that have confronted the American shoe manufacturer.

In our men's division, one of the most successful product and advertising campaigns has keyed on the fact that these were . . . "American made Italian shoes". Again reflecting more hand detailing and labor intensity.

Perhaps the Labor Department, the Department of Commerce and the Administration would prefer that we continued exporting our jobs . . . recognizing that last year we shut down three factories and exported 900 jobs overseas . . . and here we are as a company—90% non-union in the production field . . . and with the most wonderful labor crew who literally agreed this year to continue through with but a 1 to 2% increase primarily in their fringe benefits . . . and in April raising our minimum wage level to $1.80 . . . so we could compete more effectively with low wage countries.

I really don't know how much more can be expected of an innovative and dedicated management group. I really wish people would understand the whole question of productivity in our industry. It isn't the fault of the American footwear manufacturer that we have had such modest increases in productivity for the past ten years.

The second additional point concerns the situation of 1966. It is true that price increases in the shoe industry rose probably an average of 4 to 5% after the period and even during the time when there was a hide embargo on . . . and they rose in the same manner through 1970. However, no one has pointed out that the relative comparison in the hourly wage of the shoe worker versus the average industrial worker was strikingly discounted. In other words, from the period of 1960 to 1966 wages were relatively stable . . . maybe averaging increases of 1 to 3% . . . and prices were likewise stable.

As I recall, in 1966 the shoe worker's unions put great pressure on the two leading shoe manufacturers, Brown and Interco which are about 100% organized with 7 to 9% yearly wage increases secured. This pattern continued right through 1972 . . . and our own firm followed suit commensurately.

The shoe industry is not a high paying industry with our average hourly wage of $2.50 compared to the average industrial worker of $3.50. Therefore, while shoe prices did rise . . . the stability of our leather market enabled the shoe manufacturers to pass along primarily their increases in labor . . . so that the slow-down in hide exports held price increases to a level of sanity.

All these figures are verifiable if you check with your boot and shoe workers' union and go back and get the average hourly wage from 1961 to 1966 . . . and follow its rather rapid escalation through 1972 and then compare it with the average industrial worker.

Within your own department's exhibits it was made plain that the profit margins for the same period of time for the past five years have been trending downwards. I believe our own firm—six or seven years ago—was able to net 5% after taxes . . . and for the past two or three years . . . our after-tax margins have been between 3½ to 4% . . . so certainly from an overall corporate viewpoint it hasn't been in the shoe manufacturers profit margins.

I would conclude that the whole problem of the hide and leather prices is integrated with the problems of imports. Here you have an industry with no restraints in imports . . . while in the oil industry the limit is $1.25 per drum . . . when you have a textile industry which recently has been granted some protection of voluntary controls . . . when you have a steel industry that already has them . . . when you have a shoe industry which from the chart attached has shown nothing but a decimation by imports so that its domestic production is back to a level of fifteen years ago. We have had for the last five years in New England alone 110 factories shut down and a loss of jobs of 20,000 people . . . where we have overseas countries helping through subtle subsidization of export credits to stimulate lower cost shipments to the United States and now to be saddled with the final blow of a sharply rising leather market and a current inability to pass those increases along. (Am enclosing the Price Commission's telegram . . . ironically, we filed on April 4 for our price increases in the men's and children's divisions and they would normally have been approved by May 4 . . . our western boot division was filed on April 26 and would normally be out May 26).

In some respects this caps the final madness that would indicate to a historical writer twenty years hence of perhaps an unmeaning set of circumstances that literally destroyed an important industry and whose destruction will add immeasurably to our welfare rolls and rapidly escalating unfavorable balance of payment problems.

Since from time to time I have taken my case to Henry Cashen . . . I am sending him a copy of this letter . . . also to Senator Taft and a copy to your own counsel, Mr. Letson . . . who I have conversed with on the Price Commission interaction.

I am sure there will be other thoughts that come to your mind to add to your meeting several weeks ago . . . but I did feel it important to keep you closely posted and I trust that Secretary Petersen will likewise have the opportunity to be appraised of this letter or to read its contents.

With every good wish.

Sincerely,

PHILIP G. BARACH.

P.S.—Am also enclosing an article that appeared in the April 30 New York Times in the event you missed it . . . which carries with it key center industry coverage.

Mr. TAFT. Mr. President, another consideration for the Senate in considering adopting this amendment is the likely effect it may have in delaying the necessary extension of the basic legislation on export controls.

Mr. TOWER. Mr. President, the recent imposition of export controls on cattlehides is an action which appears to have little probability of saving the American consumer any money, yet will serve to impair our export earnings, irritate our trading partners, and generally upset supply-demand economics in hides and leather goods at home and internationally. The disruption of the free-market, free-trade balance in this commodity can be expected, under basic economic theory, to gradually restrict total world supply and to overprice the supply that is available. We cannot escape the facts that demand for cattlehides has increased substantially in 1971–72, and that world supply has been impaired by the herd-rebuilding embargoes

of Argentina and Brazil. The natural result of increased demand and restricted supply is higher prices, but that result serves the basic economic function of encouraging more production and encouraging more competition from new middlemen in the marketing process.

I will agree that there can be conditions under which limited controls might be necessary, as where U.S. cattle producers might be depleting herds, or where international tensions might justify partial embargoes or stockpiling—to the extent this is possible with hides. But without such serious conditions present, it is difficult to justify the interference with the basic supply-demand rules of trade in such a commodity.

I therefore support the amendment offered by Senator CURTIS, to remove the present export controls from cattlehides, and to involve the Secretary of Agriculture in any further actions under this act involving agricultural exports.

MILITARY PROCUREMENT AUTHORIZATIONS, 1973

The PRESIDING OFFICER (Mr. BURDICK). The hour of 6 p.m. having arrived, the Senate will now return to the unfinished, H.R. 15495, which the clerk will state.

The assistant legislative clerk read as follows:

H.R. 15495, 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 authorize construction at certain installations in connection with the Safeguard antiballistic missile system, 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.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment by the Senator from Washington (Mr. JACKSON), on which there will be one half-hour debate before action thereon.

ORDER FOR CONSIDERATION OF EQUAL EXPORT OPPORTUNITY ACT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 30 seconds without the time being charged.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on tomorrow, following disposition of the amendment by the Senator from Massachusetts (Mr. KENNEDY) to H.R. 15495, the unfinished business, or at such time as the distinguished majority leader or his designee may wish to do so, it be in order to proceed again to the consideration of S. 3726 for the second track.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

MILITARY PROCUREMENT AUTHORIZATIONS, 1973

The Senate continued with the consideration of the bill (H.R. 15495) 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 authorize construction at certain installations in connection with the Safeguard anti-ballistic-missile system, 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.

Mr. JACKSON. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I wish to take but a moment of the Senate's time to summarize the measure now before us, my unprinted amendment authorizing the President to continue for another year our existing policy of supplying Israel with credits for the purchase of defense equipment including aircraft.

Senators will doubtless recall that the amendment I am today proposing passed this body earlier, in September 1970. It was, for the purpose of consistency, set to expire 2 years later, or a couple of months from now. The effect of my present amendment is to extend the authority we granted in 1970 through the end of next year.

Two years ago the situation we faced in the Congress was very similar to the situation with which we are today confronted. Then, as now, the military assistance bill had failed in the Senate and the President was left without authority for credit sales to Israel. The Senate acted to extend that authority and it did so despite some questions as to the jurisdiction of military credit authority in the Procurement Act. I am confident that Senators will again give resounding approval to my amendment and thereby assure that these vital credits will continue.

Without this amendment we face the very real possibility that the President will be left without the authority to extend much needed military credits to Israel in a timely fashion and on the basis of interest rates the Israelis can afford. In the ordinary course of events authority for these purposes would have been enacted by now in the military assistance legislation that last week failed to obtain a majority in the Senate. It is therefore essential, if the uninterrupted flow of equipment to Israel is to continue, that we move now to extend the life of the current authority granted under my amendment to the 1970 Defense Procurement Act.

Mr. President, the 87 to 7 vote that affirmed my original amendment in September 1970 represented the wisdom of the Senate in acting to assure the flow of essential equipment to Israel on credit terms the Israelis could afford.

The present extension is essential to meet obligations already incurred in negotiations with Israel. Extension of this authority will enable us to provide these credits, on the same credit basis as was applied to an earlier $350 million credit sale carried out under this authority.

Mr. President, I hope that the Senate will act expeditiously on this matter.

I am very pleased to yield 5 minutes to the senior Senator from Connecticut, who has been long active and most effective in assisting in this matter.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. RIBICOFF. Mr. President, as a cosponsor of this amendment I urge all my colleagues on both sides of the aisle to give it their support. I know that the distinguished Senator from Washington, whose expertise in this area is unchallenged, would not have sought to amend the military procurement bill unless it were essential.

The recent defeat here in the Senate of the Foreign Assistance Act which included some $300 million in credits for Israel raises substantial uncertainties whether this item can be resurrected by new legislation in a timely fashion. The Congress must act now to insure that the flow of needed armaments to Israel continues. Failure to act could only contribute to greater instability in a region which is now in a considerable state of flux.

The history of the Middle East since the 6-Day War clearly demonstrates that during the times that the United States has lent Israel its diplomatic and military support the chances for peace have improved. By the same token during the times when Israel was threatened with a cut off of arms and was pressured to commit itself to total withdrawal from the Sinai as a precondition to negotiations, the threat of hostilities increased. The bellicose rejection by Egypt's President Sadat of Prime Minister Meir's most recent pleas for peace negotiations underscores the need for maintaining Israel's deterrent capabilities.

It is still too early to assess the full significance of the withdrawal from Egypt of some of the Soviet advisers previously stationed there. But what should remain unmistakably clear is that the key to peace in the Middle East is the maintenance of a secure and viable Israel behind defensible borders.

Now is not the time for the Senate to decide such a fundamental issue on technicalities of jurisdiction. As in the past when the Senate has confronted this problem, it has voted overwhelmingly to

provide this authority. I am confident that the Senate in its traditional spirit of bipartisanship on this subject will resolve this issue in favor of maintaining the military balance in the Middle East, and in favor of peace.

Mr. JACKSON. Mr. President, I ask unanimous consent that the name of the senior Senator from New York (Mr. JAVITS) be added as a cosponsor of my amendment.

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

Mr. JACKSON. Mr. President, I yield 2 minutes to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. Mr. President, I commend the Senator from Washington who has taken an extraordinarily fine position on this matter before and who does so again. I thoroughly agree with him that the protective character of this amendment needs to be emphasized in view of the unfortunate action of the Senate with respect to the military foreign assistance bill.

Mr. President, I have asked for time because there are two observations I wish to make. I have joined as a cosponsor of the amendment and I urge it upon the Senate.

Mr. President, I have just been to the Middle East within the last 2 weeks and had an opportunity to consult with both our own authorities there and the authorities of the Israeli Government. Everything I saw there bears out exactly what was anticipated when action was first taken on the amendment of the Senator from Washington about 2 years ago, that if we made the Israelis feel secure in terms of their own survival, they would relax in terms of their willingness to work out a peace.

They are always willing to negotiate directly. However, there is a certain constraint. They had to hold on to everything that could possibly give them a sense of great assurance so long as the uncertainty remained. That uncertainty was ended by the action taken by Congress and the President. Really for the first time in the history of Israel, since 1948, I found an attitude which was very much more congenial toward the possibility of peace in that area of the world.

I cannot come back with stated proposals but I can come back and report that in my judgment the attitude of the Israeli authorities is such that any opening for peace, as Mrs. Meir already stated, will be cordially received and pursued which I think is deeply attributable to the American policy. I believe the American policy has been vindicated in the Middle East because it is clear you cannot win favor in the Middle East among even the Arab States by yielding to unwise policies, in terms of Russian control of the area or the oil resources there. But by maintaining our character and integrity as we have with respect to Israel and our general policy makes clear that while we express the greatest friendship for each of the Arab States we will not allow them to influence us adversely against Israel.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, will the Senator yield to me for 1 additional minute?

Mr. JACKSON. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, by doing that we have won rather than lost respect and I deeply believe we are on the way back to a more equitable and stable situation in that area, which has now started with Yemen, and which, in my opinion, will continue in a very real way.

What happened in Egypt, while it may not be exactly attributable to this policy, is another confirmation of it. It cannot help but ease the tension which existed there so long.

So this amendment comes at a very fortuitous time and represents a very constructive policy on that part of our country. I hope the Senate gives it overwhelming approval. I congratulate my colleague on the very fine initiative with which he moved forward in this area. There is no better way of doing things than simply and directly, and that is what he has done.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, if I may have the attention of the Senate, we went over this matter this morning. I am opposed to the amendment, not on the substance of what is in it, but this same provision was on the floor about a week ago in connection with the military assistance bill, and that bill failed to pass.

Undoubtedly, the Committee on Foreign Relations has jurisdiction of this subject matter. If we are not going to abide by our rules to the extent that Senators can put amendments on any bill they wish, regardless of the subject matter, and when defeated, pick up the amendment and put it on another bill, we should change the rules of the Senate. I think we have a sound procedure and it is the only kind that will keep us out of trouble.

Another point is that this is strictly a military hardware bill. It is not a policy bill, primarily. It has a special place in the hard law as military bill and it is a bill that has to pass. I have tried to maintain the proper subject matter for this bill all the way through with some slight exceptions of a very minor nature.

I do not think a vote against this amendment would be interpreted as a vote on the merits of the credit sales involved. To the contrary, it would be better, in the long run to let this measure take its regular course. Some kind of military assistance bill will be passed this year and that is the place for consideration of this matter, along with other related matters in that field.

Therefore, I submit this amendment, should not go into a real substance of this bill. I hope the amendment is rejected for those reasons.

Mr. TUNNEY. Mr. President, I commend my able colleague from Washington on his fine work in again bringing to the attention of the Senate the important needs of the state of Israel.

Sometimes American citizens tend to forget that survival is an imperative and continuing concern for the tiny Middle Eastern democracy. Sometimes we tend to believe that, because of Israel's startling economic and social success, her military credit needs are somehow less urgent.

Nothing could be further from the truth. Eternal vigilance is the price of liberty—in Israel as in the United States. It remains on a continuing basis our obligation to help the Israelis maintain that vigilance.

The funds authorized by this amendment are no less urgent for fiscal year 1973 than they were before. And the needs of the Israelis are no less reasonable in fiscal year 1973 than they have been before. Israel does not ask for American men. She does not ask for the support of farflung or tenuous strategic or tactical objectives. She does not ask for assistance on behalf of a divided or totalitarian country.

Instead, Israel, the only democratic regime in the Middle East, continues to need the minimal American commitment to her survival, to the survival of a free and united democracy. Although the region has been relatively tranquil in the past several months, Israel is still surrounded by hostile neighbors, countries who are likely to take immediate advantage of the slightest military weakness.

The United States cannot allow that possibility to occur. We must continue to support and assist Israel in her legitimate and reasonable needs, and it is for that reason that I strongly support the amendment that has been offered.

Mr. JACKSON. Mr. President, I am ready to yield back my time. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. JACKSON. I am prepared to yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

Mr. JACKSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time is yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from North Carolina (Mr. JORDAN), the Senator from Maine (Mr. MUSKIE), and the Senator from Alabama (Mr. SPARKMAN), are necessarily absent.

I further announce that, if present and voting, the Senator from Maine (Mr. MUSKIE), the Senator from Oklahoma (Mr. HARRIS), the Senator from Alaska (Mr. GRAVEL), and the Senator from Georgia (Mr. GAMBRELL) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER),

the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), the Senator from Iowa (Mr. MILLER), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Tennessee (Mr. BROCK) is detained on official business.

If present and voting, the Senator from Iowa (Mr. MILLER) would vote "yea."

The result was announced—yeas 76, nays 9, as follows:

[No. 322 Leg.]

YEAS—76

Allen	Fong	Nelson
Allott	Goldwater	Packwood
Anderson	Griffin	Pastore
Bayh	Gurney	Pell
Beall	Hansen	Percy
Bennett	Hart	Proxmire
Bentsen	Hartke	Randolph
Bible	Hollings	Ribicoff
Boggs	Hruska	Roth
Brooke	Humphrey	Saxbe
Buckley	Inouye	Schweiker
Burdick	Jackson	Scott
Byrd,	Javits	Spong
Harry F., Jr.	Jordan, Idaho	Stafford
Byrd, Robert C.	Kennedy	Stevens
Cannon	Long	Stevenson
Case	Magnuson	Symington
Chiles	Mathias	Taft
Cook	McClellan	Talmadge
Cotton	McGee	Thurmond
Cranston	McGovern	Tower
Curtis	McIntyre	Tunney
Dole	Metcalf	Weicker
Eagleton	Mondale	Williams
Eastland	Montoya	Young
Fannin	Moss	

NAYS—9

Aiken	Fulbright	Mansfield
Cooper	Hatfield	Smith
Ervin	Hughes	Stennis

NOT VOTING—14

Baker	Gambrell	Mundt
Bellmon	Gravel	Muskie
Brock	Harris	Pearson
Church	Jordan, N.C.	Sparkman
Dominick	Miller	

So Mr. JACKSON's amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. Under the previous unanimous-consent agreement, there will now be one-half hour of debate on the amendment of the Senator from California (Mr. CRANSTON), following which the vote on that amendment will be taken. The Senator from California is recognized. How much time does he yield himself?

Mr. CRANSTON. Mr. President, I yield myself such time as I may require.

My amendment would eliminate $171.4 million for the so-called SAM–D program. SAM–D is a surface-to-air missile system designed primarily to protect the field army from hostile aircraft.

I yield to a distinguished member of the Committee on Armed Services, the Senator from Missouri (Mr. SYMINGTON).

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. CRANSTON. Five minutes.

Mr. SYMINGTON. I thank the able Senator from California.

Mr. President, it was not possible for me to be here earlier today for the debate on this amendment now being offered by the senior Senator from California (Mr. CRANSTON).

As a member of the Tactical Air Power Subcommittee, however, I participated in the review of the SAM–D surface-to-air missile system and supported the recommendation of that subcommittee to the full Armed Services Committee that "because of the high cost and low quantity of the program, the $171.4 million request should be deleted and the program terminated."

That recommendation to delete funds for SAM–D was supported by six other members of the Armed Services Committee. I regret, however, that in the full committee the proposal was defeated by a vote of 9 to 7.

Time is limited, but I would briefly outline the major considerations on which the Tactical Air Power Subcommittee based its recommendation.

The Congress has already appropriated $387 million for advance development of SAM–D. The total R. & D. is estimated at $1.2 billion; and the price tag of the total program is estimated at $3.8 to $5.2 billion, depending on the quantity procured.

The cost per fire section of surface-to-air missiles is quite high, and the fact that a SAM–D fire section has only one radar makes it highly vulnerable to attack. One direct hit can destroy the entire fire section.

As noted in the subcommittee report:

Both the NATO countries and the Marines will not buy SAM–D, are looking for a lower cost, higher quantity SAM system to follow the Improved HAWK.

If the Defense Department continues to insist on pursuing the production of this expensive system—despite our allies refusal to purchase same—once again, the American taxpayer is bound to be left holding the bag.

I do not believe this system is worth the cost, and therefore strongly support the position of the Senator from California.

Mr. CRANSTON. I thank the Senator very much for his support and contribution. I yield to the Senator from Ohio.

Mr. SAXBE. Mr. President, I want to speak briefly in favor of Senator CRANSTON's amendment to strike funds for the SAM–D, surface-to-air missile program. I was one of those who joined with the Senator from Missouri (Mr. SYMINGTON) in the committee in support of this recommendation. According to testimony before the Senate Armed Services Committee, the cost to completion of this program has grown by $1.3 billion during the past 12 months.

This year's SAM–D request is for the first full year of engineering development; $387 million has been appropriated in prior years for advanced development on SAM–D, while the total R. & D. is estimated at $1.2 billion, and the total program at $3.8 to $5.2 billion, depending on the quantity procured.

SAM–D would replace both the improved Hawk medium-range SAM and the Nike-Hercules long-range, high-altitude SAM in the 1980's time period. Its advantages are greater maneuverability, better electronic countermeasures capability, and the ability to fire up to eight missiles simultaneously.

As to the disadvantages of SAM–D, I suppose the primary one is the high cost per fire section—again we are talking about cost effectiveness—and coupled with that the inherently vulnerability of a high cost, low quantity system. There is only one radar set in a SAM–D fire section. This is placed along with two vans of electronic computers and a power van. One direct hit can destroy the whole fire section. Thus, this system is extremely vulnerable.

SAM–D procurement cost—in escalated dolars—will average $20.7 million per fire section of 20 missiles. Including R. & D. it is $27 million. Because of this high cost per unit, both the NATO countries and the Marines will not buy SAM–D and are looking for a lower cost, higher quantity SAM system to follow the improved Hawk.

Because of the high cost and low quantity of the SAM–D program, I recommend deletion of the $171.4 million request and termination of the program. The Army should be encouraged to develop a cheaper "wider proliferation" SAM system that NATO and other friendly countries can afford.

Mr. CRANSTON. I thank the Senator from Ohio for his welcome and strong support.

Mr. President, let me briefly summarize the reasons for my concern and for the concern of many others over SAM–D.

First, there is the matter of overruns. A few days ago the GAO reported an increase of $28.7 billion between the original and current cost estimates of 77 different weapons systems. SAM–D is one of the worst overrun offenders. The original estimate for SAM–D in 1969 was $2.5 billion. The estimate now is $5.2 billion—an increase of 108 percent in 3 years.

The cost overrun on SAM–D is bigger than the C–5A overrun. SAM–D now costs as much as the F–14. It would cost more than the Washington ABM. There probably will be more overruns. Why is that? Because R. & D. is not yet completed, because engineering development is only being undertaken just now, because production is way off in the future, because use will not come until the end of this decade.

This morning I questioned the distinguished chairman of the committee, Senator STENNIS, about whether we might anticipate some overruns. He said that we probably will have still more increased costs on this complicated system. I asked how much SAM–D eventually will cost—$6 billion, $7 billion, $8 billion? Nobody really knows.

My second point relates to SAM–D and NATO. SAM–D was originally planned for use by our troops assigned to NATO in Europe. No plans have yet been made to deploy it in the United States. Our NATO allies have not offered to help pay for SAM–D. They have not entered into any agreement to pay for SAM–D, for the reasons given by the Senator from

Ohio. They think it costs too much, and they question its capacity to stand up under attack.

So here is $5 billion and more added to the cost shouldered by U.S. taxpayers of all the U.S. troops stationed in Europe for 27 years after World War II. Meanwhile, our allies refuse to pay their fair share of the costs of NATO, and the dollar falls in value as gold flows out to meet our military commitments in Europe and elsewhere.

All this seems to me to be further evidence of the wisdom of Senator MANSFIELD'S fight to reduce our NATO costs. Costs of the SAM–D will increase. Will we still have these American troops in Europe in the early 1980's, when SAM–D may be ready? Is that why we are now planning this vast expense for SAM–D?

My third point relates to the SALT negotiations. I paid tribute this morning to the distinguished Senator from Mississippi for his strong support for those agreements. Since we apparently have made a breakthrough in weaponry in negotiations with the Soviet Union, why do we have to turn right around and escalate in some area not covered by the agreements?

I want to read one paragraph from an article published in the Washington Post yesterday, in which Henry R. Myers, a Washington consultant on arms control and science policy, said the following:

> The strong support for the Moscow agreements in Congress, combined with the administration's half-hearted justification of the Washington ABM site, indicates a general recognition that attempts to build missile defense systems for any purpose have served only to fuel the arms race. The meaning of SALT is that the United States and the Soviet Union have acknowledged that missile defense and "mutual restraint" cannot coexist.

So, why SAM–D?

Fourth, the missile package of the Redeye, Vulcan, and Chaparral systems against low-flying aircraft, and the improved Hawk, a system similar in many respects to SAM–D, against medium- and high-flying planes, gives our ground troops more than adequate protection against hostile fire.

The F–15, which Assistant Secretary of the Air Force Grant Hansen claims will "outclimb, outmaneuver, and outaccelerate any fighter threat in existence foreseen on the horizon" also makes SAM–D less than totally necessary.

In addition, the Navy already has the analogous Aegis missile. The differences between SAM–D and the Aegis have not been made very clear. I tried to clarify them this morning in a discussion with the distinguished Senator from Mississippi, and it was not possible to clarify any great difference between these missiles at this point—if, indeed, there is truly a significant difference.

Is interservice rivalry involved? Must each branch of the service have its own special missile?

Let me say in closing that if the Armed Services Committee and its distinguished chairman had not had their own doubts about SAM–D, I probably would not have had the temerity to stand up and offer this amendment. But let me recount the history of the committee in regard to this weapons system.

In fiscal year 1970, the Armed Services Committee directed that $75 million intended for the SAM–D be cut and that the program be terminated. Their stated reason was that the SAM–D's costs did not match operational priorities. The program was restored in conference. In fiscal year 1971, the committee directed that $15 million be cut and that a study should be made of the SAM–D's cost-effectiveness. These measures lost in conference. The same thing happened in fiscal year 1972.

When the pending bill was considered by the committee, an amendment identical to the one I have offered was defeated by a close vote, as Senator SYMINGTON indicated. The chairman of the committee, Senator STENNIS, was one of those voting against the SAM–D and for the amendment in the committee.

It is for these reasons that I urge adoption of this amendment, ending the SAM–D program.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McINTYRE. Mr. President, will the Senator yield me 10 minutes?

Mr. STENNIS. I yield 10 minutes to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, the Senate knows how critically I have examined the R. & D. budget of the Department of Defense in my capacity as chairman of the ad hoc Subcommittee on Research and Development. I have been no less critical in my appraisal of the request for funds to support the engineering development program for the Army's surface to air missile for the 1980's and 1990's, the SAM–D.

I am convinced, Mr. President, that the SAM–D is essential to provide our field armies with the protection from air attack which they will require in that time period. We all recognize that technology does not stand still. Our potential adversaries, no less than we, are developing electronic countermeasures—ECM—and tactics which can defeat weapons which are designed for less sophisticated offensive systems than those which will be available in the next two decades.

Our current surface to air missile systems, Hercules and Hawk, were conceived and deployed in the 1950's. They are already 20 years old. Even with the stopgap measures of the improved Hawk system, we can extend their effective life for at best another 10 years. It is too much to expect of 1950 technology that it can contend with the experience and scientific advancement of 30 years of development.

So it seems to me imperative that we take the necessary steps to assure that our technology keeps pace. To ignore this critical segment of our weapons system modernization program would be to expose our field forces to unacceptable risks.

For a field army to be effective, it must be able to maneuver in the combat environment. Our experience in World War II and in Korea—even in Vietnam—has taught us that a modern army—and even a quasi-guerrilla army cannot effectively maneuver to achieve its objectives if the enemy controls the air. Nowhere has this been more dramatically proved than in the 6-day war between Israel and the United Arab Republic. Even in Vietnam where the enemy has been willing to take casualties which would be totally unacceptable to us with our different concepts of the value of human life, the North Vietnam army has been unable to sustain an offensive in the face of unrestrained air attacks.

The lesson to me is clear: If we are going to commit field armies to the possibility of combat, we simply must provide them with the capability of defending themselves against air attack.

Currently, we are providing our forces with air defense protection with a family of surface to air missiles, Hercules, Hawk, and the shorter range Chaparral and Redeye missiles, augmented by various point defense weapons like the Vulcan antiaircraft gun and, of course, the area defenses provided by Air Force interceptors. Studies by the Army and Defense Department clearly indicate that these systems will not provide adequate defenses in the 1980's and 1990's.

For a decade now, the services have studied the problem with a view toward providing the necessary air defense protection within the constraints imposed by budgetary limitations and the priority needs for modernization of other weapon systems. The end result has been an urgent and priority recommendation that we proceed with development of the SAM–D and a supporting family of short range air defense weapons.

In designing the SAM–D, system, cost has been a driving factor. Every effort has been made to design a system which would provide adequate defense levels in the most cost effective manner. The number of fire units has been reduced; manning requirements have been drastically curtailed; maintenance requirements have been significantly cut by use of solid state electronic technology and modular maintenance techniques; and the logistic burden has been sharply reduced by paring the number of components in the system.

The net result is that SAM–D represents the most cost effective air defense system we are able to devise with current technology. It is a low risk development whose major components have been proved in an extensive advanced development program.

SAM–D is a battlefield weapon system—designed for survivability. It is mobile. It can be moved quickly from site to site presenting an enemy with a difficult problem in fixing its location for attack. It is readily camouflaged with only a few motorized units and no highly visible rotating antenna. It has a self defense capability to engage multiple targets simultaneously, making it a costly target for enemy air attack.

Mr. President, we have already invested $386 million in the various stages of development of this system to bring it to the stage of engineering development where we can finally evolve it into an effective, deployable defense system. But, more than that, we have invested time.

To scrap this development now on the whimsical notion that we might somehow develop a more austere system which might serve the purpose would be to waste not only the dollars we have poured into this effort but, perhaps more importantly, to delay the deployment of a defense system which might mean the difference in the survival of our field forces.

The Army and the Department of Defense urgently recommend the SAM–D development, Mr. President. The need for an adequate defense system and the cost effectiveness of SAM–D as the answer to that need are persuasive to me.

The effect of this amendment would be to scrap this promising system. I shall vote against the amendment and I hope that it will be defeated.

Mr. President, I ask unanimous consent that a statement of the responses to questions raised by the Senator from California (Mr. CRANSTON) be printed in the RECORD.

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

Question 1. Why so much cost growth in SAM–D?

Answer. The original estimate for SAM–D in 1967 was made in current year dollars and did not anticipate the Advanced Development Program. Since 1967, there have been extensive studies of the potential threat which have necessitated adjustments in weapon system requirements. The expanding threat describes a high performance maneuvering target, in a severe ECM environment, and the employment of saturation tactics by the enemy. Five years of Advanced Development of critical componentry for the SAM–D weapon system has given considerable insight into the complexities of the hardware required to defeat the expanding threat. This insight has allowed a more realistic adjustment to the cost estimates. By this extensive hardware effort, coupled with a detailed analysis of the lessons learned and applied to the Engineering Development and production cost estimates, has projected increases in the original cost estimates which would have amounted to overruns had the program been contracted for as originally estimated in 1967. The increased cost estimates have been further validated by the application of parametric cost techniques which takes into account lessons learned from other comparable programs.

What the Army has accomplished in pointing out these cost estimate increases is the identification of higher costs before they become overruns.

Senator Cranston's statement that the SAM–D Project is basically redundant and militarily unnecessary is incorrect in that the SAM–D weapon is intended to counter the project threat through the 1980–1990 time frame. Improved Hawk is a missile improvement only, does not include improvements to ground equipment, nor can the ground equipment be updated without major redesign. Current systems such as Hercules and Improved Hawk are not expected to be able to counter the threat beyond the 1970's. The ". . . little more hardware for a lot more money" is hardware necessary to counter the high performance maneuvering target in a severe ECM environment using saturation tactics which cannot be accommodated by current systems.

Senator Cranston notes that ". . . estimate of project cost increased 108% in three years." Senator Cranston fails to note that in the price increase the quantities of hardware have changed, e.g., more than twice the number of launchers as in the 1969 engineering estimate, almost twice the number of missiles, further that estimate was in constant 1969 dollars, while the current estimate takes into account expected inflation over a projected 15 year period, engineering changes to accommodate such features as increased nuclear hardening, increased ECCM capabilities and weapon reconfiguration for improved strategic mobility, and finally the applications of lessons learned from other similar programs through the use of parametric cost estimating techniques. It should be recognized that if SAM–D is not developed, the cost of extending the use of Hawk and Hercules will eventually equal and exceed the cost of developing and deploying SAM–D and will still not provide adequate defense.

The suggestion that the F115 makes SAM–D unnecessary does not appear to take into account the enormous expense of maintaining aircraft on station to counter an unexpected threat nor does it take into account the considerably less reaction capability that manned aircraft have as compared to terminal air defense weapons, also, the application of a fighter aircraft to effect terminal air defense requires a "one for one" interceptor to target which makes a multiple engagement capability extremely expensive as well as somewhat hazardous. Finally, the mission priority may preclude the application of fighter aircraft in their terminal air defense role.

Question 2. What assurance is there that cost growth has stopped?

Answer. Cost growths are under control by the following actions taken by the Army. First, the current estimates project fifteen years into the future and are escalated to include anticipated inflation over that period. Next, there is established a Requirements Control Board at the executive level of Department of the Army which includes two Assistant Secretaries and several senior Army Generals who continually review requirements with a view toward lessening costs, and further they attempt to lower costs wherever possible. There are in the development contract production cost objectives which provide incentive to the contractor to keep production costs down. Finally, there is a monitoring contractor whose mission is to overview the entire SAM–D program—contractor and government effort—for the purpose of identifying high cost areas and recommending to the Project Manager alternate designs to reduce not only production unit cost, but life cycle cost as well. Finally the applications of lessons learned from other similar programs through the use of parametric cost estimating techniques should give a firmer potential cost estimate.

Question 3. Relationship of SAM–D to Navy Aegis?

Answer. Both the Army and the Navy have under development air defense systems for deployment during the same time period. Considerable joint effort was expended from 1965 to 1967 in attempting to define aspects of the proposed development efforts by each service which could be common. The Army's requirement for a field mobile air defense system and the Navy's requirement for a shipboard system compatible with present developed Navy hardware made both programs sufficiently different to warrant independent developments. To insure that both programs shared in the technology developments by the other, a formal Joint Army/Navy Technical Interchange Group (JAN TIG) was established in September of 1968. The purpose of the group was to explore mutual technical problems, identify undesirable duplication of effort, and to provide potential backup for technical problem areas encountered by either service. To date beneficial exchanges have taken place in the areas of radar hardware, software, displays, targets for test programs, and the threat to include ECM.

Question 4. Why don't Europeans want to pay or help pay for SAM–D?

Answer. The current NATO requirement for a new weapon system contains a national forecast by country, expressing individual concern for the replacement of the U. S. furnished Nike Hercules and Improved Hawk systems. The NATO countries are currently generating an operational requirement for an air defense weapon similar to SAM–D. There are U. S. Army officers who are members of the NATO Working Group, who are participating in the development of the requirements for such a weapon system. Considerable interest has been expressed by the NATO countries in SAM–D. A representative of the SAM–D Project Office was requested by the Working Group in April 1972 to brief SAM–D's capabilities. The Working Group will visit the U.S. in October 1972. The SAM–D Project Office will serve as host to the group and will provide indepth briefings as well as visits to the contractors' plants for hardware reviews.

The NATO efforts to generate requirements for an air defense weapon are about at the same stage that SAM–D was in 1965, i.e. concept formulation (feasibility studies).

While a number of the NATO countries have individually expressed interest in SAM–D, until they have collectively examined and accepted requirements such as SAM–D is capable of meeting, one could not expect that they would indicate a willingness to help pay for SAM–D.

Question 5. What are the firm plans for CONUS deployment of SAM–D?

Answer. None. There are planning cost estimates for a CONUS deployment and there are studies to indicate quantities of hardware and locations. However, there is no officially approved plan for deployment of SAM–D in CONUS.

Question 6. What is the relationship of SAM–D to the SALT agreements?

Answer. The SALT Agreements do not address SAM–D as such since SAM–D is designed to defend against aircraft only. The Treaty precludes testing such systems as SAM–D in an ABM mode and the U. S. Army plans no such tests. If the SAM–D Program were redirected so that the system had *no* capability against any ballistic missile, even short range tactical ballistic missiles, the system would not be operationally effective in an air defense role.

Question 7. What is the Soviet PACT threat?

Answer. The Soviet PACT Threat is the total number of aircraft that the Soviet Union and its Warsaw PACT countries have available for utilization against the U.S. Deployed Armies in Europe.

Mr. McINTYRE Mr. President, I have listened to the arguments of the distinguished Senator from California (Mr. CRANSTON), the distinguished Senator from Missouri (Mr. SYMINGTON), and the distinguished Senator from Ohio (Mr. SAXBE). I think I understand and have a feeling for the apprehension they are talking about when they consider the cost of this system. I believe the RECORD will show that I took a critical view of this back in 1969. But, as I stand here now, we already have invested some $350 million in this high-technology program—and, I might say, a low-risk program.

If it will be of any assistance to the Senator from California, I think we can assure him of something like this. In next year's hearings on the matter of

SAM–D, the R. & D. subcommittee, while we do not normally operate openly—we are really in executive session because of the secrecy involved in these issues—will be delighted to invite the Senator from California and such one, two, or three experts he may wish to bring before our subcommittee to give us the benefit of their feelings, that SAM–D is, we will say, oversophisticated, and to bring out all the arguments at the subcommittee level concerning this program, and to cooperate fully—with the misgivings that other members of this committee have held concerning this program—if, in return for this, he will be kind enough to withdraw his amendment.

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

Mr. McINTYRE. I yield.

Mr. CRANSTON. I appreciate very much the approach suggested by the distinguished chairman of the subcommittee that has been responsible for this weapons system. I am grateful for his understanding approach to the problem and for his recognition that there may well be grave questions about this weapons system.

I talked with the Senator before the time began to run on this amendment. I talked earlier in the day with the distinguished chairman of the full committee. I suggested that if we could find a way to cut some of the funds now by agreement, and commit the weapons system to full-scale study before we go into the major production expenditures, I would then be happy to withdraw my amendment. In view of existing contracts, it was found that there is no possibility of making any significant cuts from the funds authorized in this measure.

However, in view of the fact that there is widespread concern on the part of many committee members over SAM–D, and in view of the agreement that we will have an opportunity for full investigation, for hearings, and for the appearance of witnesses who may have some new light to throw on this weapons system, I will be glad to agree with the Senator from New Hampshire.

In view of the lateness of the hour and the fact that many Members of the Senate may be rather tired after an exhausting day, I will be happy now to withdraw my amendment, and I hereby do so.

The PRESIDING OFFICER (Mr. Moss). Does the Senator ask unanimous consent to withdraw his amendment?

Mr. CRANSTON. Yes. I ask unanimous consent——

Mr. STENNIS. Mr. President, a parliamentary inquiry. Did the Senator——

The PRESIDING OFFICER. The Senator asked unanimous consent that he be permitted to withdraw his amendment——

Mr. STENNIS. I do not believe I have a right to object, but I do want some more discussion here. Will the Senator withhold?

Mr. CRANSTON. I withhold withdrawing my amendment.

Mr. STENNIS. I yield such time to the Senator from New Hampshire (Mr. McINTYRE) as he may want.

Mr. McINTYRE. Mr. President, I am agreeable. I think that the Research and Development Subcommittee can cooperate with the Senator from California (Mr. CRANSTON) and such two or three of his expert witnesses that he would like to bring before us. It must be understood, however, that normally these subcommittee hearings are—while we do take down a record of everything that is said—held in low profile. There are no open hearings because of the secrecy involved.

Under those circumstances, I think, Mr. President, due to the statements here of Members that we can give this program a good, hard look, to allay some of the misgivings some of our colleagues have about it, I will be happy to assure the Senator from California that that will happen, and cooperate with him in view of his desire to withdraw his amendment.

Mr. CRANSTON. The purpose would be, as I understand it——

Mr. SYMINGTON. Mr. President, is there a unanimous-consent request——

Mr. CRANSTON. Not yet. In a moment.

Mr. SYMINGTON. Reserving the right to object, and I probably will not object, I should like to make a statement.

Mr. STENNIS. I yielded to the Senator from New Hampshire so that he may yield to the Senator from California.

Mr. CRANSTON. I have one question. The purpose of the hearing would be to get at the facts but not necessarily to allay our misgivings in regard to this weapons system, if such misgivings are well-founded.

Mr. SYMINGTON. Mr. President, will the Senator from California yield?

Mr. CRANSTON. I yield.

Mr. SYMINGTON. I am not quite sure I understand this development. The Tactical Air Subcommittee, under the chairmanship of the able Senator from Nevada, looked into the SAM–D and recommended against it, so I am not quite sure just what the position of the R. & D. Subcommittee is. I only mention this because the able junior Senator from Nevada is not on the floor at the moment and it was his subcommittee that looked into the SAM–D, to the best of my recollection.

Mr. CRANSTON. May I address that question to the chairman of the committee? Where would the responsibility lie for taking a look at this weapons system, which it so obviously merits?

Mr. STENNIS. I have been under the impression today that the Research and Development Subcommittee always handled this matter, but on looking into it further I find that there are one or two items that can fall into either category. We have them. They come within the category of either subcommittee. This one, it seems, this year, was handled by the Tactical Air Subcommittee, so to that extent I may have given the Senator from California (Mr. CRANSTON) the wrong impression.

Mr. McINTYRE. Mr. President, in prior years the Research and Development Subcommittee has taken a look at the SAM–D, and the Tactical Air Subcommittee has had a look at it this year. It is appropriate to do that. We do not have any fine lines on it. This is a program strictly research and development and primarily the jurisdiction would fall to the Research and Development Subcommittee.

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

Mr. STENNIS. Yes, I yield.

Mr. CRANSTON. In light of our conversation prior to this matter's coming to a head on the floor——

Mr. STENNIS. Mr. President, may we have order and quiet? I think this is a worthwhile subject for all Senators to hear. It is very important. This weaponry is also very expensive.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senate will please be in order.

Mr. CRANSTON. In light of our conversations about the SAM–D prior to this moment, and in light of the colloquy we have just had, will the distinguished chairman of the Armed Services Committee assure us that in whatever way is appropriate, there will be an examination of this weapons system of the sort that we have had under discussion?

Mr. STENNIS. I think the Senator can certainly be assured of that. I would want an indepth look taken at it myself. I cannot speak for the entire committee. We have two very capable subcommittees, each one of which has gone into it in prior years. I would think the consensus would be that there would be an indepth hearing and everyone can speak for himself at it.

I announced today that I had voted against this item in the markup of the bill because I thought it should be arrested and considered in depth to see whether we could make a new start and what kind of new start, but I was not in favor of cutting it out altogether, so I was opposed to this amendment. I think we will have indepth hearings in keeping with the Senator's desire as already expressed on the floor. That would be my vote and my purpose.

Mr. CRANSTON. I appreciate that very much. I want to make plain my understanding, based on my conversation with the Senator from New Hampshire, that if it did turn out not to be the will of the committee to kill the program entirely, it might be possible to find ways to simplify the system, get away from the incredibly rapidly rising cost estimates, and find a system that might be sounder when under attack than this system appears to be.

Mr. SYMINGTON. Inasmuch as we apparently have had some problems in the subcommittees, for example, the Research and Development Subcommittee recommending unanimously against the recent track element, I would ask the able chairman of the Armed Services Committee—I am a member of one of the subcommittees, not the other—if he would be agreeable to saying that the full committee would look into this matter next year and then there would be no question of prerogative of priority among the various subjects.

Mr. STENNIS. Let me reply in this way, that I think we have two mighty good subcommittees, as I have said.

When this was in its hearing stage, the Research and Development Subcommittee handled it. This year, it has gone over to development, for this money we are talking about, so it got into the Tactical Air Subcommittee by consent, it seems, of the other subcommittee.

There is a great deal of interest in the subject matter. Many of us think it should be reevaluated. I say tonight to my good friend from Missouri, that I would hate to say we would favor taking the matter away from both subcommittees, but we will have a conference on it and talk the thing over before the full committee. If it appears wise at that time for the full committee to go into it. I will favor that, and we will work out something along that line.

Mr. SYMINGTON. I do not want to take away anything from a subcommittee. However, I was not properly informed about the research and development aspect of the Trident matter. I did not think that I was adequately prepared, based on one hearing we had in the full committee and therefore, inasmuch as it has been brought up on the floor just prior to the statement of the Senator from New Hampshire, in a statement based on the findings of the Tactical Air Subcommittee, I would hope that the able chairman would keep it in any of the subcommittees he would like to keep it in, that it be thoroughly investigated by the full committee before we get into a hassle such as this on the floor again. If the Senator would agree to that, I would appreciate it.

Mr. STENNIS. Mr. President, let us have it understood that at least there will be a broader chance permitted for the matter to be fully aired before the full committee before a final decision is made by the full committee. That would include the idea that one of the subcommittees could hold full hearings.

Mr. SYMINGTON. The Senator is correct.

Mr. TOWER. Mr. President, I support the committee request for $171.4 million for research and development of SAM–D. I do so because the need exists for a modern air defense system for the field Army and because SAM–D fills that need well.

There is no question that our troops face a massive air threat, particularly in Europe. Warsaw Pact countries possess about 4,000 fighter aircraft in combat units and about 1,800 more in training units. Historically, the Air Force has not been able to adequately defend the field Army during the overwhelming initial outbreak of hostilities. It would not appear that the beginning stages of any European conflict would be less intense. SAM–D will defend the airfields as well as the field Army and as an adjunct to Air Force fighters will be an important tool in attaining air superiority.

One of the major justifications in my mind, for SAM–D is its cost effectiveness. Studies have shown that five fire units of improved Hawk would be required to provide the same area coverage as one fire unit of SAM–D. This means fewer personnel and thus a reduction in the associated manpower costs that now consume over half the budget. The SAM–D life cycle cost is about one-third of that for improved Hawk while providing the same amount of defense. This is to a large part due to the fact that SAM–D uses approximately 40 percent less personnel when compared to improved Hawk and Nike Hercules. Additional cost savings are accrued because SAM–D requires only one-tenth the number of spare parts needed to keep improved Hawk and the Hercules system operative.

Against this background, we must remember that Nike Hercules, the current primary high-altitude system has a questionable life expectancy beyond 1975. While this system has served us well since its inception in the late 1950's, technical developments, and the simple fact that equipment wears out, prompt our consideration of SAM–D. Great strides have been made in electronic countermeasures. The success of our B–52 operations over North Vietnam are due primarily to the neutralization of salvos of SAM's by our electronic countermeasures. Similar developments by the Soviets cannot be far behind, if indeed they are not already here. In the ECM environment of the SAM–D time frame, improved Hawk would have a drastically reduced capability. Combine with this the increases in aircraft performance, particularly maneuverability, made since the midfifties, and one can see the need for an improved surface-to-air missile.

SAM–D is the only system capable of combating the threat. In addition to its electronic countermeasures capability and its ability to operate against highly maneuvering targets, SAM–D possesses the ability to engage multiple targets. Improved Hawk can engage only one target per fire section. This becomes particularly important when one remembers that any enemy is not likely to send its aircraft over one by one.

Some have alleged that the SALT treaty would limit SAM–D. This is not the case, however. The treaty pertains only to anti-ballistic-missile systems and, while SAM–D may have a minor inherent capability to counter tactical ballistic missiles and terminal air-to-surface missiles, the SAM–D is not designed to counter strategic ballistic missiles. Additionally, the treaty prohibits upgrading of SAM's for an ABM defensive role to include testing of the SAM in such a mode; here again we shall abide by the treaty and not pursue such a course with SAM–D. Therefore, it may be concluded that the Strategic Arms Limitation Agreement places no limitations on the proposed SAM–D program.

We need a modern air defense system. Our field armies must be protected; our airbases must be protected. SAM–D will help give us that protection.

Mrs. SMITH. Mr. President, I hope the Senate will reject this amendment. Our Nation needs the research and development funds for the SAM–D. That need is clear. A modern field army must enjoy control of the airspace over the battlefield in order to succeed on the ground.

It is as simple as that. If you need any proof of this truth look at what the Israelis with their control of the airspace did to the well-equipped Egyptian Army. Or look at what our airpower has done to the North Vietnamese army whose commanders place far less value on human life than we do.

We need SAM–D with its ground-to-air capability in order to attain this desired control of the airspace over the battlefield. It will not only replace the obsolescing Hercules and Hawk but it will reduce the requirements of fire units, manning, maintenance, and logistics.

Let us recognize that this amendment would make us technologically and defensively inferior. Let us defeat it.

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD additional material dealing with the SAM–D program.

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

SUMMARY

The Field Army of the 1980's must be defended against a sophisticated air threat.

As long as the United States maintains a standing Army and as long as potential adversaries maintain a tactical Air Force of some 8000 aircraft, ground based air defense is a necessary part of effective Army field operations. SAM–D is the program to provide future Field Army air defense.

BATTLEFIELD SURVIVABILITY

In order for a SAM system to perform its mission, it must survive. Experience in Viet Nam, coupled with various related studies, has established the features of importance to maximize SAM system survival. By incorporating these features, SAM–D has improved its survivability by a large factor over existing systems.

Survival is a function of two factors:

(1) Difficulty in locating the SAM site: SAM–D is much more difficult to locate from the air because of its less distinctive signature, as illustrated by the upper Table on the right. A large number of individual elements forms a distinctive pattern on the ground which is much easier to recognize from the air than the small number of SAM–D elements; further, since SAM–D does not employ rotating antennas, it can be easily camouflaged. When a missile is launched, its smoke trail immediately locates the launcher, and in the case of HAWK, the entire battery; remote location of mobile launchers in SAM–D precludes this. Finally, firing sites are often located on one sortie and attacked on the next. Because of the small number of central elements of a SAM–D site, they can easily be moved between sorties to void the previous location data.

(2) Difficulty in penetrating to and destroying the SAM–D site: Because of its high firepower, SAM–D extracts a higher attrition from an attack on itself than a low firepower system. Further, SAM–D has eliminated many vulnerable elements of existing systems, such as interconnecting cables, whose loss would render the system temporarily inoperative and thus helpless to the attacking aircraft. Viet Nam experience has shown that the use of Anti-Radiation Missiles (ARM's), which home on the signals radiated by radars, further complicates the problem of survival.

PROGRAM COSTS

A major objective of the decade of studies that led to SAM–D was to define the lowest cost approach to Army air defense. The low program cost of SAM–D results from (1) a smaller number of fire units required to provide a given level of defense, combined with (2) reduced manning requirements, main-

tenance requirements, and logistic burden per fire unit. These benefits result from application of the advanced technology described on page 2.

War game studies have been used to establish the quantitative levels of SAM–D and alternate systems needed to provide the required level of air defense. A dramatic illustration of the results of these studies is shown in the graph at the upper right, which compares the relative costs of SAM–D and a combination of Improved HAWK/Hercules (the existing SAM systems) to meet air defense needs. It is important to note that the SAM–D costs shown include the full research and development costs, investment costs, and support costs, including manpower and spare parts. No allowance was included in HAWK/Hercules costs for wear-out of already old equipment. The level of air defense provided in the two cases is identical, except against the higher threat level which only SAM–D can handle, as discussed on page 4.

The reader can readily see that the R&D and investment costs of SAM–D are paid back by its lower support costs within five years of first deployment. These lower support costs derive directly from the lower manpower requirements, which in turn result from the use of modern system and component technology. The component technology also provides a higher reliability and reduced dependence upon logistics supply and thus a considerable increase in combat readiness relative to the present systems. A comparison of the manpower requirements for one fire section of SAM–D and its equivalent in HAWK/Hercules is shown in the Table at the lower right.

PERFORMANCE

The advanced technology employed in SAM–D permits performance improvements in areas in which existing systems are limited. The most important of these areas are:

Firepower.

Operation in a jamming environment.

The SAM–D phased array radar permits the conduct of at least 4 times the number of intercepts at one time as the present systems. This increased firepower contributes to reducing the cost of a SAM–D deployment by requiring fewer fire units to establish a given level of air defense.

As we have learned in Viet Nam, electronic countermeasures (ECM), or "jamming", can be an effective tool for tactical aircraft. It is an evolving threat, since technology advances permit more sophistication and more power to be carried by the aircraft. Again, the SAM–D phased array radar, with its electronic beam pointing, provides good performance against even advanced ECM techniques. The graph at right illustrates this point in quantitative terms by showing the performance improvement obtained with SAM–D against the important "stand-off" jammer—that is, an aircraft standing outside of the SAM range and radiating jamming energy in order to screen aircraft attempting to penetrate the defense zone. The curves show the range to which the SAM's can effectively overcome this jamming.

It is seen that, while Hawk performs well against the current threat, its performance against the future threat is degraded to an unacceptable level.

Relative to the HAWK and Hercules Systems, these SAM–D features permit—

Performance Increase: 4 to 1 in Firepower; 10 to 1 in an ECM environment (+4 to 1 in firepower); 2 to 1 against maneuvering and formation targets (+4 to 1 in firepower and +10 to 1 in an ECM environment).

Cost Decrease: 10 to 1 decrease in logistic burden; 5 to 1 decrease in manning requirements; 3 to 1 decrease in operating and maintenance costs.

Battlefield Survivability Increase: These aspects are discussed in more detail in the following pages.

Because the SAM–D technology represents such a major advance, the DOD conducted an Advanced Development Program to fully demonstrate the new system features. This program, begun in May 1967, has recently been completed at a cost of approximately $230 million. 100 percent of all technical objectives were achieved as graded by a U.S. Army evaluation team.

BACKGROUND

Primary air defense of the US field army today is provided by the high altitude NIKE Hercules and low altitude HAWK surface to air missile systems. Both of these systems were conceived and deployed in the 1950's. Because of the state of technology at that time, they have only limited performance against certain aspects of the current threat, and they have high manning and maintenance costs. Recognizing this fact, the Army initiated an "Improved HAWK" program several years ago to improve the performance against the modern threat and to reduce maintenance costs. While the stop-gap of upgraded HAWK performance extends its useful life through the 1970's, it does not provide an adequate defense level against the anticipated threat of the 1980's and 1990's. Equally important, extending the life of the HAWK equipment, already over ten years old, into that period would create problems of equipment wearout which would very greatly increase field support costs.

The Army's solution to its air defense problems is SAM-D. SAM-D basically fulfills two objectives which cannot be met by improving existing systems. First, by applying modern technology, it provides a new system with inherently much greater capability than existing systems to cope with threats that are projected for the last two decades of the century. Second, it uses modern technology to reduce the manning requirements, maintenance requirements, and logistic burdens by a large factor as compared to existing systems. Not only does this ease the Army's serious problem of providing skilled manpower, but it provides a system whose research and development and investment costs will be entirely paid for by savings in support costs as compared with required levels of older systems.

THE SAM–D SYSTEM

SAM-D applies advanced technology to the future air defense needs of U.S. Army tactical forces. These needs of improved performance, improved combat readiness, and reduced costs are provided by four basic features of SAM-D:

(1) The single SAM-D system with only three unique major equipment items replaces both the HAWK and Hercules systems consisting of fourteen different major equipment items.

(2) The multi-function phased array radar of SAM-D with its high speed electronically steerable beam performs the functions now requiring ten radars in the HAWK and Hercules systems.

(3) The digital processing feature of SAM-D optimizes system performance, utilizing the latest in micro-electronic technology. This technology offers improved reliability, lower cost, and a ten to one reduction in the repair parts required for SAM-D relative to the repair parts required by HAWK and Hercules.

The new and unique guidance system of SAM–D permits considerable increases in system performance against maneuvering targets, formation targets, and ECM tactics while simultaneously reducing the complexity of the onboard missile equipment.

SAM–D COST GROWTH

The $1,318.7M cost estimate increase in the period 30 June 1971 to 31 March 1972 has reflected in the respective SAR's dates back to the last change which was the December 1970 SAR. Since December 1970 the number of missiles required has almost doubled, and the launcher requirements are up approximately two and one-half times that figure shown in the December 1970 SAR which accounts for $281M. There is $907M due to the application of new OSD escalation indices, a $334M increase that includes nuclear hardening features, electronic counter countermeasures capabilities, and hardware reconfiguration to allow use of standard Army vehicles. Continuation of the Advanced Development Program, pending decision for approval to enter Engineering Development accounts for $98M. These increases were offset by a decrease of $300M by revising cost estimates through application of parametric cost estimating techniques. This technique employees experience gained in comparable programs and provides a more intelligent estimate of possible program cost.

The original program estimate for SAM–D was prepared in March 1967. Since that time, an Advanced Development Program was directed which added $259M to that original estimate. The earlier estimate was prepared in constant year dollars and did not take into account cost growth due to inflation.

In 1970 while awaiting decision to enter Engineering Development the Army conducted a comprehensive Air Defense Review which resulted in increased requirements for SAM–D that included greater nuclear hardening, operation in a more severe ECM environment, and increased capability to cope with maneuvering targets. The results of the comprehensive review were evaluated by the SAM–D Program Office, the contractor, and Government support agencies. An assessment was made of the impact of the comprehensive Air Defense Review on SAM–D design and in turn program costs. Also, the lessons learned during the preceding four years of Advanced Development were applied to the preparation of a new program cost estimate. The results of these lengthly analyses has provided the Army a realistic cost estimate of SAM–D which in effect has projected expected actual costs through fifteen years into the future taking into account not only the cost of design to a more sophisticated threat but also anticipated inflation during that fifteen year period.

To insure an austere SAM–D Program, the Army has taken two steps in management intended to provide top level attention and to evaluate the weapon system design in terms of production cost as the design progresses.

The first step was the establishment of a high level requirements control board. This board includes two assistant secretaries of the Army along with several senior Army general officers. Its mission is to review requirements that drive cost and determine at the senior levels of the Army what alterations should be made to the Program to avoid cost increases. Such alterations include investigations of alternate solutions to the requirements and/or alterations of requirements to avoid expected cost increases. This board has already provided valuable direction in the elimination of the tracked vehicle as a carrier for the SAM–D weapon with an attendant tracked vehicle development cost savings of $12M and a production unit cost savings of $115,000 per vehicle by employing standard Army wheeled vehicles instead of tracked vehicles. The board evaluated the nuclear hardening requirements specified for SAM–D and made adjustments to the requirements which has reduced the production hardware cost estimates by $20M. Potential high cost

areas will be continually examined by the Requirements Control Board to avoid cost growth and to lessen production unit cost where ever possible.

The other SAM–D unique management innovation is the Systems Engineering Cost Reduction Assistance Contractor (SECRAC) whose mission is to examine the SAM–D design from a systems engineering viewpoint with the objective of deriving a lower cost production design. This contractor is IBM/ITT. IBM in a support role to NASA has had extensive experience in solving such problems and has structured its Army support team with personnel experienced in the NASA support organization. The SECRAC's first contribution has been significant in that the SAM–D computer development hardware and tactical prototype design has been evaluated and has been found by the SECRAC to be the most austere concept available in the industry today. SECRAC's comparison included such candidates as one of their own computers, another Army program computer design which is in production along with the state of the art as exhibited throughout the computer industry. The SECRAC will continue to examine hardware requirements and propose more austere production designs. The SECRAC's findings will be reviewed with the SAM–D Project Manager and in turn with the Requirements Control Board as required.

The Army's contention is that SAM–D is consuming considerable RDT&E resources aimed at providing adequate air defense for the 1980's and '90's. It has resorted to innovative management techniques at highest levels to avoid cost overruns and to insure that there is in fact adequate air defense for the future.

DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING,
Washington, D.C., July 24, 1972.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on Priorities and Economy in Government, Joint Economic Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I have been asked to answer your letter of June 26, 1972 concerning the relationship of SAM–D and SALT. As you are well aware, DoD has been concerned about the use of SAM's in an ABM mode for a considerable period of time. The DoD efforts in this regard have been focused on the potential degredation of the U.S. deterrent if the Soviets upgradeed their extensive SAM deployments to defend urban areas.

Based on this concern, substantial analysis within DoD has been directed at understanding the interrelationship among SAM equipment limitations, the technical limitations on upgrading SAM's, and the effectiveness of various offense responses to counter upgraded SAM's. During the negotiation of the ABM Treaty, both sides were well aware of SAM–D, and the Treaty does not preclude this system. However, the Treaty precludes testing such systems as SAM–D in an ABM mode and we will not do so.

The answers to your specific questions are provided in the attachment. If I can be of further assistance in this matter, please let me know.

Sincerely,

JOHN S. FOSTER, Jr.

QUESTIONS OF CHAIRMAN PROXMIRE, SUBCOMMITTEE ON PRIORITIES AND ECONOMY IN GOVERNMENT, JOINT ECONOMIC COMMITTEE WITH ANSWERS, SUBJECTS SAM–D SALT RELATIONSHIP

(1) Does SAM–D's capability against ballistic missiles bring it within the scope either of Article II(1)'s definition of an ABM system or provision (A) of Article VI, as interpreted by the United States?

The SAM–D program is not in conflict with either Article II(1) or Article VI(a) of the ABM Treaty.

(2) If SAM–D is within the scope of Article II(1) or provision (A) of Article VI as interpreted by the United States, have any plans been made for termination of the program and, if not, why not?

As stated in (1) above, the SAM–D program is not in conflict with either of these provisions, and thus does not need to be terminated.

(3) Would it be feasible to develop SAM–D in such a way that its capability against ballistic missiles was deleted? If so, what consideration is being given to this approach, and what are the arguments against it?

If the SAM–D program were redirected so that the system had *no* capability against any ballistic missile, even short range tactical ballistic missiles, the system would not be operationally effective in an air defense role. This is true primarily because there is an overlap in the attack characteristics between tactical ballistic missiles, aircraft, and aircraft-launched air-to-ground missiles. Thus, deletion of a capability against all ballistic missiles would deny a capability against aircraft and aircraft-launched missiles. There is, however, a distinct separation in attack characteristics between the above class of threats and long range strategic ballistic missiles. No consideration is being given to reducing SAM–D performance capabilities.

(4) If SAM–D's capability against ballistic missiles does not bring it within the scope of Article II(1) or provision (A) of Article VI as interpreted by the United States, what is the reasoning by which this conclusion is reached?

Simply stated, SAM-D is not in conflict with Articles II(1) or Article VI(a) for the following reasons:

SAM-D is being designed and developed as an Air Defense system, not as an ABM system to counter strategic ballistic missiles.

SAM-D will not be tested in an ABM mode.

(5) As interpreted by the United States what is the meaning of the term "strategic ballistic missiles" as used in Article II(1), and if the term is meant to exclude "tactical ballistic missiles, which of the following classes of Soviet missiles are, in fact, excluded—SRBMs? MRBMs? IRBMs? ICBMs? SLBMs? Is it true that SAM–D would have no capability whatsoever to intercept "strategic balistic missiles" as so defined?

The term "strategic ballistic missiles" is meant to exclude "tactical" ballistic missiles. The distinction between these two classes of missiles results from the different flight characteristic of the re-entry vehicle, e.g., velocity, which is related to the range of the missile, and trajectory altitude. A strategic ballistic missile operated at or near maximum range reaches an altitude well above the atmosphere and a peak flight velocity of about four to seven kilometers per second. By comparison, other ballistic missiles operate at lower velocities and altitudes which are in or near the aircraft regime.

The SAM–D system does not have the capacity to intercept strategic ballistic missiles and will not be tested in an ABM mode, SAM-D, therefore, will not have the operational capability to intercept strategic ballistic missiles in flight trajectory.

(6) What is the meaning of the phrase "flight trajectory with characteristics of a strategic ballistic missile flight trajectory" as used in the unilateral statement of the United States as to the meaning of the phrase "tested in an ABM mode"?

As stated in my testimony before the House Armed Services Committee on 13 June 1972, this phrase means, in my view, a flight trajectory with a maximum velocity exceeding two kilometers per second, or a maximum altitude exceeding 40 kilometers.

(7) Would deployment of SAM-D in Europe violate Article VI's prohibition against deployment of radars early warning of strategic ballistic missile attack outside national boundaries, as interpreted by the United States? Why or why not?
Why or why not?

SAM-D is neither an ABM system, nor is its radar a system to provide early warning of strategic ballistic missile attack and, therefore, its deployment is not restricted by Article VI.

(8) Was SAM–D specifically discussed during negotiating sessions with the Soviets? What certainly do we have that the Soviets interpretation of its compatibility with the ABM Treaty is identical to ours?

SAM-D was not discussed with the Soviets. The ABM Treaty places no limits on air defense systems per se. However, certain collateral constraints have been placed on air defense systems as an extension of the limits placed on ABM systems. These include limits on power aperture product of phrased-array radars and the obligation not to give air defense systems an ABM capability or to test air defense systems in an ABM role.

SAM–D IS TECHNOLOGICALLY SOUND

A primary factor in continuing the development of any new weapon system, assuming there is a demonstrated need for the type of weapon being considered, is the existence of the necessary technology and industrial capacity to assure success of the development within cost and schedule constraints. I have previously stated my belief that the Army needs a new Air Defense Missile System.

I am convinced that the Army's SAM–D Development Program is technologically sound. I further believe that the supporting technology is sufficiently mature to warrant continued engineering development which has been requested by the Army.

The SAM–D Engineering Development program is based on the results not only of proposals and studies, but, and this is highly significant, on the results of an extensive, successful Advanced Development Program.

The primary objective of the SAM–D Advanced Development Program was to demonstrate that the supporting technology is sufficiently mature to warrant a full scale development program. Accordingly, the Advanced Development Program was planned and conducted in a manner to demonstrate those characteristics and performance factors which are essential to successful operation of the system in its intended roles and missions. This Advanced Development Program was initiated by the Army in 1967. The technological demonstration aspects of the program were successfully completed in 1971. In September 1971 a group of experts which had been tasked to review the Advanced Development Program published their review report with the conclusion that, and I quote, "the Advanced Development Program objectives, as defined—, have been met and exceeded in most cases."

My conviction of the technological soundness of the SAM–D Engineering Development Program is based not only on the conclusion of the review task team, but also on the scope of effort successfully completed in the Advanced Development Program.

In order to successfully cope with the airborne threat to our field army forces, an air defense system must be capable of gathering and processing rapidly, considerable quantities of data relating to the air battle situation. Given a decision to engage a target or targets, the system must then be capable of delivering the interceptor missile to the target under a variety of natural and enemy induced environments. Multiple simultaneous engagements are necessary to achieve a credible and effective air defense posture.

These system requirements are best achieved by the use of a combination of equipments that include: a radar that is capable of performing all data gathering functions and supporting the guidance of the interceptor missiles; missiles that use advanced guidance techniques; and, a high speed digital computer with software (computer programs) specifically designed to perform all equipment control and data processing operations not requiring the immediate application of human judgment.

Operating equipment and software necessary to demonstrate these system requirements were built and tested to specifications during the Advanced Development Program. The hardware and software were integrated into an operating system and all critical elements of system operation were demonstrated.

For reasons of economy in terms of both dollars and time, commercially available hardware parts, components, and assemblies were used in building the advanced development model system. No attempt was made to design the system at that time either to military form or to withstand the rigors of field operations. These aspects of system design are rightfully a part of and constitute the major effort of the Engineering Development Program. These aspects of system development, although not trivial, do not constitute a development risk.

In summary, there is no technological reason for not continuing the full scale development of the Army's SAM-D Air Defense Guided Missile System. Indeed, the supporting technology is far more advanced at this point in the development effort than for many other weapons systems development efforts that we have authorized, and funded.

I firmly believe and propose that we approve the program and funding level as contained in the Army's R&D budget request.

HAWK AND HERCULES COMPARED TO SAM-D

SAM-D is an advanced surface to air missile system designed primarily for defense of the Field Army. It is intended to replace Nike Hercules and Hawk missile systems overseas. A secondary and optional role of SAM-D is to replace Nike Hercules and Hawk in the Continental United States.

SAM-D will provide a significant increase in performance compared to either weapon system which it will replace. It will be able to engage more targets simultaneously, will be more effective against jamming electronic countermeasures and will be more effective against maneuvering targets. There is no other weapon system under development which can meet the requirements set for SAM-D.

SAM-D is designated to incorporate the functions of nine different type radars that the combined Hawk and Hercules weapons employ. Nike Hercules can handle only one target at the time and requires five different type radars. HAWK can handle two targets simultaneously, requiring five different radars of four different types. SAM-D can engage several targets simultaneously employing only one multifunction radar.

Nike Hercules and Hawk weapons employ technology of the 1950's. Hawk has been updated with an improvement program to extend the useful life of Basic Hawk through the 1970's. This was done by replacing the first generation missiles, however, the fire control equipment of the basic system cannot be modernized. SAM-D is designed around the latest technology to provide defense against the expanding threat and to extend an adequate level of defense against the anticipated threat through the 1980's and 1990's.

SAM-D will be a less costly weapon system because of reduced manning requirements, fewer operational units needed and decreased logistics burden. For a given deployment, about one-half the number of personnel are required for SAM-D as for combined Hawk and Hercules. Studies have shown that the ratio advantage for SAM-D over Improved Hawk can be as high as five to one. Hawk and Hercules have a combined total of 30,000 weapon system peculiar repair parts. SAM-D is being designed to require about one-tenth or 3,000 peculiar repair parts. This is made possible by using the latest in microelectronic technology. This technology offers improved reliability, lower cost along with the ten to one reduction in repair parts.

Another unique advantage that SAM-D provides over existing air defense weapons is its increased performance against maneuvering targets, formation targets, and ECM tactics while simultaneously reducing the complexity of the on-board missile equipment.

SAM-D's unique guidance scheme—referred to as a Target Via Missile relay link—allows the expensive guidance componentry to be placed on the ground rather than in the missile as earlier air defense missile systems were designed. The TVM guidance link and high speed digital computers make it possible for target information to be received at the defensive missile, rebroadcast to the ground, target data processed, and defensive missile steering commands transmitted back to the missile to effect terminal guidance. This technique also provides greater accuracy than command guided missiles like HERCULES and accuracy comparable to HAWK which has missile on-board guidance computation equipment.

SAM-D is being designed to meet the most sophisticated ECM and target maneuver tactics expected in the timeframe of its deployment. The age of Nike Hercules precludes it from consideration, and the improved Hawk design and growth potential limits it to the very near future threat projections.

In replacing both Hawk and Hercules air defense weapons, SAM-D has been given the HERCULES high altitude capability. The question of such a capability is answered by recognizing that high altitude aircraft reconnaissance will provide the enemy, via modern optical and electromagnetic reconnaissance equipment, vital intelligence data on all military facilities and installations deployed in support of Field Army operations as well as considerable intelligence data concerning Field Army forces. Such information in the hands of the enemy allows him to more effectively plan his tactics against our Field Army forces and support installations. Overflights of the Field Army to attack rear areas and troops enroute to the fighting area are also a logical reason for enemy high altitude operations, hence, the need for the high altitude capability of SAM-D.

Finally, current cost figures, constrained FY 72 dollars, shown in the Department of Defense approved Development Concept Paper for SAM-D, coupled with Army studies, indicate that the total life cycle cost of SAM-D will be approximately 50% of an equally effective deployment of improved HAWK. An equally effective deployment of improved HAWK is defined as four times the number of improved HAWK batteries currently programmed.

The PRESIDING OFFICER. All time has expired.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senator from Mississippi may be recognized for an additional 2 minutes.

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

Mr. STENNIS. Mr. President, I thank the Senator from California.

Let me assure the membership of the Senate that the difference of opinion here among some of the committee members—and I am one of them—is not as great as might appear on the surface. We are all concerned about the cost of the weapon. I think we are all agreed that there must be a modern ground-to-air missile. However, the extent of the program and how many are matters that are still open. We will consider that again next year.

I commend the Senator from California for the work he has done. He made a very fine presentation of his viewpoints this morning and presented some excellent arguments from his viewpoint.

The Senator from California is very willing to do what appears to be best, as I understand it, and defer this matter for consideration next year.

This has several years to run. I thank the Senator for his attitude.

Mr. CRANSTON. Mr. President, I thank all Senators involved, the Senator from Mississippi, the Senator from New Hampshire, the Senator from Missouri, the Senator from Ohio, and all others.

Mr. President, I ask unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered, the amendment is withdrawn.

Mr. MANSFIELD. Mr. President, for the information of Senators, there will be no more votes this evening.

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

Mr. ROBERT C. BYRD. Mr. President, would the Senator withhold that request.

Mr. MANSFIELD. I withhold my request.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats. The Senate is not in order.

ORDER FOR RECOGNITION OF SENATOR HARTKE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order with respect to the recognition of the senior Senator from Indiana (Mr. HARTKE) at this time, for the purpose of calling up his amendment, be vacated and that the distinguished Senator from Indiana (Mr. HARTKE) be recognized instead on tomorrow following the disposition of the Kennedy amendment which is also scheduled under the unanimous-consent agreement entered into.

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

ORDER FOR LIMITATION OF TIME ON HARTKE AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent further that time on the Hartke amendment on tomorrow be limited to 1½ hours, the time to be equally divided between the distinguished author of the amendment, the Senator from Indiana (Mr. HARTKE), and the distinguished manager of the bill, the Senator from Mississippi (Mr. STENNIS).

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

RESCISSION OF ORDER RECOGNIZING SENATOR TUNNEY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order recognizing the distinguished Senator

from California (Mr. TUNNEY) on tomorrow following the disposition of the amendment by the Senator from Oregon (Mr. HATFIELD) be vacated.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR TUNNEY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, was the request to vacate the order with respect to the amendment by Mr. TUNNEY tomorrow agreed to?

The PRESIDING OFFICER. It was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order be reinstituted.

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

ORDER FOR ADJOURNMENT TO 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9:45 a.m. tomorrow.

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

ORDER VACATING RECOGNITION OF SENATOR BUCKLEY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order previously entered recognizing the distinguished Senator from New York (Mr. BUCKLEY) tomorrow be vacated.

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

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow immediately after the two leaders have been recognized under the standing order the distinguished senior Senator from New York (Mr. JAVITS) be recognized for not to exceed 15 minutes.

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

MILITARY PROCUREMENT AUTHORIZATIONS

Mr. STENNIS. Mr. President, I had agreed to the withdrawal of the Hartke amendment in oral conversation with the Senator from West Virginia (Mr. ROBERT C. BYRD), but I want to say something for the RECORD. I was glad to agree to the change under all the circumstances. However, we stayed here today to move this calendar along and we have had a very good day.

According to the unanimous-consent agreement, it was certainly within the prerogatives of the Senator from West Virginia, to allot time on that Hartke amendment. Some who spoke on that amendment spoke for the amendment and I spoke in opposition.

Now, the Senator from Indiana, I understand, did not understand the amendment was to be voted on tonight, so it will go over until tomorrow. I think we will have time, if we move into debate, to dispose of these matters tomorrow, including the Hartke amendment.

Then on Wednesday we will have final debate, unless something unusual or unexpected comes along, such as the so-called end-the-war amendment, and final passage of the bill will be on Wednesday.

I thank the Senator from West Virginia for his leadership and assistance. I think these unanimous-consent requests made a few minutes ago will be taken care of in the morning, and then we will begin debate on the bill at 10 a.m. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. STENNIS. I thank the Senator.

EQUAL EXPORT OPPORTUNITY ACT — A UNANIMOUS-CONSENT AGREEMENT ON CURTIS AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the Senate returns to the so-called second track item tomorrow evening, S. 3726, there be a time limitation on the amendment by Mr. CURTIS of 1 hour, to be equally divided between the distinguished Senator from Nebraska (Mr. CURTIS) and the distinguished Senator from Minnesota (Mr. MONDALE), manager of the bill.

May I say that this request is being promulgated with the concurrence of the two Senators whose names I have mentioned.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. CURTIS, should the Senator from Wyoming (Mr. MCGEE) wish to offer an amendment, he be recognized for that purpose, and in that event the time limitation on the amendment by Mr. MCGEE be limited to 30 minutes, to be equally divided between the Senator from Wyoming and the majority leader or his designee.

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

Mr. ROBERT C. BYRD. Mr. President, I know there will be no questions about Senators, who are opposed to the amendment by Mr. CURTIS, obtaining time from the manager of the bill tomorrow, but it just occurred to me that the manager of the bill supports the amendment by Mr. CURTIS. However, I think I will leave that request as it is, because ordinarily the time is given to the manager of the bill, and I am sure the Senator from Minnesota (Mr. MONDALE) will yield time to any Senators in opposition thereto, so there will be no question about that.

Mr. President, I ask unanimous consent that on any other amendment, if there be such, to S. 3726, there be a time limitation of 20 minutes, to be equally divided between the mover of such and the manager of the bill.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that final passage of the bill (S. 3726) occur tomorrow no later than 9 o'clock p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the vote on final passage of S. 3726 may occur perhaps as early as 8 o'clock p.m., but 9 o'clock would be the outside limit in any event.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 9:45 a.m.

After the two leaders have been recognized under the standing order, the senior Senator from New York (Mr. JAVITS) will be recognized for not to exceed 15 minutes.

At 10 a.m. the Senate will resume the consideration of the unfinished business. At that time, the Senator from South Dakota (Mr. MCGOVERN) will be recognized to call up his amendment, and upon the disposition of the McGovern amendment the Senator from Oregon (Mr. HATFIELD) will be recognized to call up his amendment, upon the disposition of which the Senator from California (Mr. TUNNEY) will be recognized for the same purpose. Upon the disposition of the Tunney amendment, the Senator from Massachusetts (Mr. KENNEDY) will be recognized to call up his amendment, on the disposition of which the senior Senator from Indiana (Mr. HARTKE) will be recognized to call up his amendment.

Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. Hartke tomorrow, the Senate resume the consideration of the second track item, S. 3726.

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

Mr. ROBERT C. BYRD. Mr. President, upon the resumption of the consideration of the second track item (S. 3726), the Export Control Act, there will be a time limitation on the amendment by Mr. CURTIS, and upon the action on that amendment, the Senator from Wyoming (Mr. MCGEE) may or may not have an amendment. In any event, final passage of the Export Control Act will occur at no later than 9 p.m. tomorrow.

Mr. President, there will be several yea and nay votes tomorrow.

ADJOURNMENT TO 9:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:45 a.m. tomorrow.

The motion was agreed to; and at 7:45 p.m. the Senate adjourned until tomorrow, Tuesday, August 1, 1972, at 9:45 a.m.