

der, there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes; at the conclusion of which the Chair lay before the Senate the unfinished business.

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

#### PROGRAM

Mr. BYRD of West Virginia. Mr. President, the Senate will reconvene on Tuesday, March 28, 1972, at 10 a.m.

After the two leaders have been recognized under the standing order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes; at the conclusion of which the Chair will lay before the Sen-

ate S. 1821, the bill dealing with civil air carriers. There is a time agreement on that bill. As I recall, the agreement calls for 4 hours of general debate on the bill and ½ hour on any amendment, debatable motion, or appeal, with the exception of an amendment to be offered by the distinguished Senator from Louisiana (Mr. ELLENDER), on which there is a 1-hour limitation.

Mr. President, also on Tuesday next, the Senate will consider the legislative appropriations bill. In accordance with past experience, one may quite appropriately, I think, expect a rollcall vote on passage of that appropriation bill.

The distinguished majority leader indicated earlier today that the Senate may also take up on Tuesday next Senate Joint Resolution 218, to extend the authority conferred by the Export Administration Act of 1969.

There will be, I should think, at least one rollcall vote on Tuesday next, and that would come on the appropriations bill. If there are to be rollcall votes on the pending legislation, S. 1821, on civil air carriers, I understand that those votes would quite likely, if unanimous consent is granted, be put over until the following day, Wednesday.

#### ADJOURNMENT UNTIL TUESDAY, MARCH 28, 1972, AT 10 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. on Tuesday, March 28, 1972.

The motion was agreed to and, at 12:05 p.m., the Senate adjourned until Tuesday, March 28, 1972, at 10 a.m.

## EXTENSIONS OF REMARKS

### DEDICATION OF DR. MORRIS L. PARKER PARK IN CHICAGO

#### HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. YATES. Mr. Speaker, the Dr. Morris L. Parker Park was dedicated on September 26, 1971. The park, which is located on the southwest corner of 29th Street and Ellis Avenue, was donated by Dr. Morris L. Parker, a Michael Reese Hospital surgeon. Shortly after the dedication, an article about Dr. Parker appeared in the Alumni Newsletter of the Michael Reese Hospital and Medical Center. The article highlights the career of this remarkable human being who has selflessly devoted himself to the care of others.

Dr. Parker is well known, loved, and respected in Chicago, and I wish to share with you a little of his story:

DR. MORRIS LOUIS PARKER

Outstanding physicians acquire reputations in various ways—some as diligent, intrepid researchers; others as committed, lucid, eloquent teachers and speakers. This issue wishes to salute a senior physician whose special hallmark has always been an intense commitment to the well being of his patients and whose main focus has always been on that elusive quality called patient care.

Morris Louis Parker has always been a person to reckon with at Michael Reese since January 1924 when, after his internship at Cook County Hospital, he joined the staff as an associate of Dr. Alfred Strauss—a major plum for a bright young aspiring surgeon. His credentials were impressive—a scholarship student at Northwestern, number one in his class in medical school and number one in the prestigious competition for a County Hospital internship. It was a time when appointment to the Reese staff carried a certain social cachet—such appointments were generally the prerogative of affluent German-Jewish physicians (who took Sunday walks with their wives down Hyde Park Boulevard, dressed in frock coats) and not of poor boys who came to Reese by way of Kiev and Seattle. Dr. Parker and the late Dr. Leon Block—a most eminent internist—were the first to

breach what seemed at that time an imposing social barrier.

Dr. Parker spent 10 years in association with Dr. Strauss—actually nine, because in 1931 Dr. Strauss and Professor Dr. Enderlin, the Hochsurgeon of the University of Heidelberg, exchanged associates for a year. Dr. Parker speaks often and fondly of that year in Germany. It is not unusual to hear him say, "I had to go to Heidelberg to learn that," as he incises peritoneum over the base of a diseased gall bladder preparing for its removal. Several other legends of the Parker mystique date back to that year.

The Strauss-Parker association ended in 1933 with Dr. Parker opening his own office on the 17th floor at 30 N. Michigan—the only office he's ever had. The "Chief" is fond of recollecting that a substantial blizzard had hit the city at the end of January 1933 and there wasn't much traffic downtown on February 1 as he crossed Monroe and Michigan. Just he and a lone traffic patrolman—and no patients at all. But the weather improved and the practice grew and flourished and flourished—tended by a physician who cared. The stories are legend—about doing every night ward emergency for many years—about prowling the halls at midnight one last time to see the sick ones—about no time for vacations—about a real commitment to his patients' well being.

For a long time Dr. Parker was Mr. Michael Reese to a large segment of the Chicago Jewish community—especially to the Hyde Park sector. "There was a time when every child on Ingleside Avenue between 53rd and 55th—on both sides of the street had had his appendix out by me."

The man not only had a major concern for his practice, but also for his hospital. To this day he still knows the names and identities of more maids, orderlies and elevator operators than any one else around. The hospital as a whole has been a major recipient of his benefactions—most recently the little park on 29th and Ellis was created as his gift to the community. Other philanthropies, some public, many private have centered on several local universities and medical schools (in the form of prizes for research and teaching excellence as well as scholarships for poor students) and on various Jewish projects both domestic and Israeli. His several years of service on the board of the Jewish Federation of Chicago have been a special source of pride.

A vast experience especially in surgery of the GI and biliary tracts, in thyroid, breast, hernia surgery—results in strong convic-

tions about the management of various problems—convictions often at variance with current surgical establishment views. A major regret over the years has been the lack of time and facility to collate and publish much of the experience and to detail the convictions. A major pleasure occurs when the pendulum of surgical opinion swings toward agreement with views, which when espoused initially seemed to be heretical—a phenomenon mostly recently noted as the world surgical community ruminates about the management of breast cancer.

As he looks ahead to finishing his first 50 years as an active practitioner of the "Queen of the Arts," the "Chief" would probably agree that his main gift to this community has been the nurturing of a tradition of conservative concerned surgical care as exemplified not only in his own work but in that of the many physicians who have been associated with and trained by him and who remember fondly the fabled Parker maxims such as "Resolve the problem into its component parts—and solve them one by one" and "Cut well, sew well—get well."

#### BYELORUSSIAN INDEPENDENCE

#### HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. PEYSER. Mr. Speaker, March 25 is a significant date for all men who prize freedom. On this day 54 years ago, in 1918, the people of Byelorussia culminated a six century struggle by declaring their independence as a free nation. This struggle was originally against Czarist Russia, but once this foe had been repulsed the enemy became imperial Germany. When finally free, these people demonstrated their natural feelings of freedom by structuring their state on the basic precepts of liberty: Freedom of speech, freedom of assembly, and free elections. Unfortunately, these hard-won aspects of liberty were again snatched from them by the tyranny of Bolshevik Russia.

Even under the oppression of Russia,

the people of Byelorussia have progressed to the 15th most industrialized country in the world.

Though the industrial progress of this country has been great it has not been permitted to reap the benefits of its progress because of Soviet domination. In the words of their great leader, Kastus Kalinowski, uttered on his way to a Russian gallows in 1863:

Then and only then will you gain freedom and happiness, when Moscovite rules you no more.

It is important that those of us who have taken the gifts of freedom for granted to remember and salute people who have and are continuing to struggle so valiantly for them. I ask that all Americans and free men everywhere join me in acknowledging this day of independence for the Byelorussian people, and express our hope that once again these people will be able to take their place among the great free nations of the world.

FLIGHT OF PIONEER 10

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. RHODES. Mr. Speaker, in the day of marvels in which we live, none is greater than the flight of the planetary space craft Pioneer 10 which was launched on March 1 from Cape Kennedy on an approximately 2-year investigative trip of the planet Jupiter. The mission of Pioneer 10 will take it farther into space than has ever been attempted on any previous mission; the craft will fly by Jupiter, and at its closest approach will still be about 87,000 miles from the planet. As Pioneer 10 flies by, it will make its investigation of Jupiter through the use of many complex and highly sophisticated instruments aboard. One of these, and of particular interest to Arizonans, is the "imaging photopolarimeter" which will produce highly pictorial data and which will be directed by Prof. Tom Gehrels and six of his colleagues of the University of Arizona's Lunar and Planetary Laboratory. The imaging photopolarimeter is second to the heaviest of the instruments carried by Pioneer 10. It will, according to information compiled by NASA and sent me by Professor Gehrles:

Measure intensities and polarization of visible light. Its measurements of reflected light (zodiacal light) will be used to calculate the amount, distribution, and origin (from asteroids and comets) of interplanetary dust. At Jupiter, experimenters will use the data to attempt to find the structure and composition of the Jovian clouds and atmosphere, data on the planet's thermal balance, and to retrieve close-up pictures. The instrument also will attempt to collect data on Jupiter's little-known moons.

I congratulate the men who developed, are directing, and will translate the findings of the imaging photopolarim-

eter—and wish for them and Pioneer 10 the greatest success in this marvelous mission into space.

LOOK OUT—THE POSTAL SERVICE IS COMING

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. PICKLE. Mr. Speaker, recently Steve Young, reporter for the Columbia Broadcasting System, reported on the controversy over the abandoning of the local postmark by the Postal Service. Mr. Young's report is at once both humorous and to the point giving a good insight into the situation. I insert here excerpts from that report:

Texas Congressman J. J. Pickle has sounded a warning to Snook, Pflugerville, Dime Box and the rest of the country that the Postal Service is coming. Congressman Pickle says such picturesque places as Dime Box, Pflugerville and Snook, Texas soon will lose their postmarks. This, because the Postal Service has been instituting Area Mail Processing for the past two years.

There are about 32,000 post offices throughout the country. Hundreds already come under the Area Mail Processing Plan. The goal is speed up mail and keep costs down. This is done by putting expensive equipment to work for many communities—none of which alone could afford the gear. Instead of the regular postmark, letters from associate offices, processed by a sectional office, carry a two-letter abbreviation of the state, plus three digits pinpointing the place. But the postmaster in each community is supposed to have one box designated "Drop Mail Here for Local Postmark" for people so inclined.

That's a problem for the postmaster of Snook—Charles Sevesta, Sr. There's no room for another box. And a promised big new building may not be ready before Area Processing goes into effect.

The Postal Service says few people take advantage of the local postmark option anyway. And if true, it's a pity. A letter postmarked "U.S. Postal Service, TX 778" doesn't have quite the same snap as Snook. And under the Area System, a letter dropped in any but the specially designated Dime Box mailbox also will be postmarked TX 778.

TX 778 may be meaningful to computers. But it doesn't readily reveal that in 1910 a man used to ride horseback through the area, picking up letters left for delivery. People put them in a makeshift mailbox, along with the fee of one dime. (Hence the name "Dime Box," yes that name has identity, color, history and hometown pride in it.)

And sad to say, the people of Snook already seem to have forgotten how Snook got its name.

The Postal Service says a place name in a postmark is unnecessary and irrelevant. The point of a postmark, it says, is to cancel the stamp, not to identify the origin of the letter. (I do not agree, at least, why not have both?)

Recently, a reporter tried to obtain the phone number of someone in Snook. Long ago, the telephone company switched to area information operators. The voice known as 713-5551212 said of Snook: I never heard of it. What is it near? How are you spelling it? The efficient reply probably is TX 778.

THE MEDICAL CRISIS—FREE ENTERPRISE VERSUS SOCIALIZED MEDICINE—IS IN WASHINGTON

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. RARICK. Mr. Speaker, pending before the Congress at the present time are several health care proposals which if enacted can only lead to disaster—the complete socialization of medicine. To condition the American people to accept such legislation, the propaganda mills continue to put out half-truths and distorted information:

One of the charges made is that health care expenditures have been the fastest rising item in the Consumer Price Index. This is misleading. Physicians' services have increased at a lower rate than other services. By lumping them with other health care expenditures, it helps create the climate of "government should control doctors." Who wants a government doctor?

Another false charge based on statistics of the World Health Organization is that the U.S. lags behind other Western nations in indices of health such as infant mortality. This should please abortionists and population control people, but the statistics are misleading. World Health Organization statistics are used without any comment of their validity or source. In many nations, Sweden for example, a neonatal death need not be recorded and may never be recorded.

Still another criticism of private medical care is that examinations reveal poor planning of hospitals and other health facilities. Government planning, as we know from experience, wastes colossal sums of dollars to save pennies that might be wasted through a private non-political system.

A national program of health care is said to be needed since emphasis can and should be put on preventing illness and disability.

Americans are being urged to destroy a free choice, private, individual responsibility system in order to improve the situation. Why? When in fact the statistics show foreign countries with government dictated and controlled medical systems have a much inferior prevention record than has the U.S. A comparison of the record of such preventable diseases as tuberculosis shows even socialist Sweden far behind the U.S.

Presently there are major plans for nationwide guarantees of medical care either awaiting Congressional action or early introduction. Next the socialists will seek to guarantee the right to live forever. And they will when the people will buy it and if it would produce votes.

Through an organized propaganda campaign of misleading and even false charges and information as to the nature and scope of the problem of the nation's health, the American people have been led to believe that a national health program is mandatory. We are told we must change even if for the worst—just to change from our present system.

The experience of other nations with socialized medicine should serve as a stark warning to the U.S. to beware on embarking on such a course for political promises to get the votes of the poor and disgruntled.

The enactment into law of a national health plan would necessitate payrolling a whole new layer of bureaucrats to administer the program—to draft guidelines and to spy on doctors. The administrative cost



of Medicare and Medicaid is estimated to be greater than the doctor cost, whereas the administrative cost of private insurance programs is only about 30% of the premium. So the current propaganda about the high cost of medicine as an argument for nationalizing health services simply doesn't hold water. Under socialized medicine the costs would go up and the quality of service would go down.

A minor factor never mentioned by the leadership of either of the two major political parties is that any national health care program is clearly unconstitutional. The sovereign states did not delegate the power of providing health care to the federal government. This power belongs therefore to the States and the people thereof in accordance with the 9th and 10th amendments—that is if the States and the people think they can improve medical treatment by hurting doctors and providing inferior treatment at higher cost.

In Louisiana health services are provided by doctors in a free enterprise system. The doctors themselves, as well as patients, families, relatives, friends, some churches, and other charitable groups, help the less fortunate. In addition, our state of Louisiana has for many years operated charity hospitals to provide medical aid to the indigent. Our system may not be perfect, but it's superior and far ahead of any example suggested.

If the Nixon Administration really wants to return power to the people, why not allow the States and local governments to retain a certain percentage of the income taxes their citizens pay to Washington, say about 20% or 30% or even more. The State and local governments could then provide more and better services, including health care if their people prefer it that way.

When you want a doctor, you want one. You want him to be your doctor and not working for the Washington crowd. You know the man who pays the bills is always the one who is sought to be satisfied. And when it comes to you and your family and your doctor, you don't want Uncle Sam, federal judges, H.E.W., the Justice Department the U.N., or even the President looking over his shoulder.

I insert in the RECORD at this point for the consideration of our colleagues pertinent quotes from Lester Karotkin, M.D., entitled "Where Does American Medicine Stand?—Socialized Medicine Versus Quality Medical Care":

[From the Houston Tribune, Jan. 13, 1972]  
**WHERE DOES AMERICAN MEDICINE STAND?—  
 SOCIALIZED MEDICINE VERSUS QUALITY MEDICAL CARE**

"Let me define the key term—medicine. When I say American medicine I do not refer to the medical profession, but rather to Medical Care—that is, to medical services as provided to you, the patients. Where does American medicine stand? In my opinion, it is on the brink of disaster."

"The brinkmen are your legislators in Washington and the disaster would be the adoption of any of the so-called health proposals now pending in Congress. So intense is the drive for a system of federally subsidized medical care by Congress that even President Nixon has seen the political wisdom of offering a proposal of his own."

"I have a little good news, too. I rather feel like the Russian commissar who gathered together his little colony of peasants, isolated in the far reaches of Siberia, to report to them that he had some bad news and some good news. The bad news, he said, is that we are completely out of food and there is nothing to eat but snow. The good news is that there is enough for everyone. A few days later he gathered them for another bad and

good report. Tell us the good news first, they shouted. Very well, he said, the good news is that we have figured out how to convert textiles into food; and the bad news is that the only textiles we have are the ones you are now wearing."

"Because the government (i.e. The Taxpayer) must regulate that which it subsidizes. Allow me a loose metaphor; If uncle is going to pay the dinner check: then uncle will not only order the meal; he will write the menu. In order to assure the necessary regulation and control, legislation has been introduced in Congress under the treacherously innocent-sounding designation of peer review. Designed to accompany or to supplement the various national health insurance bills, these machiavellian masterpieces provide for committees of physicians, under the direction of the department of H.E.W., empowered to veto your doctor's decision to hospitalize you, to impose limitations on the length of your hospital stay, and to pry into your medical records in order to police your personal physician. The planners feel that such policing mechanisms are essential to prevent overutilization of available resources. In other words, manuals of government rules and regulations, rather than your doctors judgment, will dictate how much and what kind of medical service you will receive."

"There appears to be a strong probability that you may even lose the services of your own doctor altogether. When the regimentation gets too oppressive, many practicing physicians will retire from practice much earlier than normally. Youngsters choosing a career will be less apt to enter a profession so demanding in personal sacrifice, now shorn of its freedom of action and reduced virtually to the status of a civil servant. But then, I guess there will always be doctors. The government is, indeed, already actively subsidizing medical schools and its students: not without certain stipulations, of course. Government demands that many students be selected from the deprived segments of society even though they displace applicants with much higher scholastic qualifications. And just in case the shortage of doctors really gets critical as the screws tighten, a new breed of sub-physicians is being spawned. Scattered around the country, a number of medical schools have established a new curriculum to train a corps of physicians' assistants. These programs aim to teach youngsters with a high school diploma how to diagnose and treat the sick and injured after two years or less of training. It is suggested that these mass-produced replicas of the real thing will screen patients coming to doctors offices and hospitals, handle the "routine problems" and only call upon the real doctor if there is something serious. There is already a training program for physicians assistants in full operation in Houston. Recently a group of my colleagues and I met with the professor in charge of this program accompanied by two graduate physician assistants. We learned that these young men were being allowed to do medical histories and physical examinations, liver biopsies, bone marrow biopsies, minor surgery and other procedures traditionally reserved for fully trained physicians. This is like delegating to an apprentice carpenter the task of drafting full architectural plans for a thirty story office building.

"So you see, it is you the patient—the celebrated consumer—for whose suppose benefit these programs are being proposed that is going to get the worst of it. If you think you have a right to privacy, for example, forget it. Under government subsidized medical care, your medical records can become public information. After all, the bureaucrat who has to validate your claim for medical services has to review the record. It is happening now, under the medicare program

for the aged. Insurance intermediaries for medicare have been demanding complete hospital charts of claimant patients, whereas they actually need only a few items of information for claim settlement. Some doctors have told me of government agents appearing at their offices demanding to review the charts of their patients. Medical information on medical patients is being analyzed by computers and from the data obtained, the insuring agents of the government are portraying caricatured profiles of doctors' practices and sending the doctors letters of warning if the services they rendered exceed the government-defined norm.

"Now, about this alleged crisis in medical care. The crisis, my friends, is in government. Inflation spawned by government fiscal policies has caused medical costs to skyrocket. Minimum wage legislation has helped to raise hospital costs disproportionately since 70% of the patient's bill represents the services of labor. Government subsidization of research in medical schools with astronomical grants has diverted emphasis away from teaching and clinical practice, thus reducing the effective pool of practicing physicians. Increasing government employment of physicians to serve in planning, administrative and other non-clinical capacities has further reduced the ranks of those who treat the sick. Government for many years now has been announcing one crisis after another in order to establish the psychological climate in which further encroachment on free-enterprise can be engineered."—quotes from Lester Karotkin, M.D.

H.R. 13989 INTRODUCED

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. ROY. Mr. Speaker, I recently introduced a bill, H.R. 13989, which would seat two school board members on the Advisory Commission on Intergovernmental Relations. ACIR is the only Federal commission dealing with intergovernmental relations, yet it excludes any representation from the governing bodies of school districts, which account for expenditures and employ personnel substantially equal to those employed by all other agencies of local government combined.

School districts in Kansas are fiscally independent, as are most school districts in the United States, and the legal responsibility for education rests with school boards and not with the Governors or the mayors.

Since President Nixon has delegated to the ACIR the responsibility for developing the new Federal role in education, it is particularly important that school board members are involved now in ACIR. Including input directly from boards of education should help to focus greater attention upon public school problems, as they relate to other units of government.

President Nixon, in his state of the Union address, was loudly applauded for saying that education should remain in local control. If the Congress really believes this, then school boards should have representation on a national policy commission which is directly charged

with the single most important question of school finance in our entire history.

"DEMOCRACY" IN SOUTH VIETNAM

**HON. BELLA S. ABZUG**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mrs. ABZUG. Mr. Speaker, this morning's New York Times carried a sad reminder of the kind of democracy that so many thousands of young Americans have died to protect in the Vietnam war.

Madame Ngo Ba Thanh, an articulate lawyer and critic of the Thieu government, is on trial for allegedly engaging in "activities harmful to national security," organizing an "illegal organization," and distributing printed materials that "undermine the anti-Communist potential of the people." In the United States, we have code words, but in South Vietnam, they have code charges. What this particular series means is that Madame Thanh has had the temerity to express opposition to the militaristic and anti-libertarian policies of the puppet dictatorship which runs South Vietnam.

Despite a severe asthmatic condition, Madame Thanh has been imprisoned for 6 months awaiting trial and has not been admitted to bail. Yesterday morning, she was carried to the beginning of her trial on a stretcher; during the proceedings, she suffered an attack which included a brief loss of respiration and heartbeat. The court decided to postpone the trial indefinitely, but ordered that Madame Thanh be returned to prison in the meantime.

Some democracy.

The article follows:

[From the New York Times, Mar. 23, 1972]

TRIAL OF AILING CRITIC OF SAIGON REGIME IS POSTPONED

SAIGON, SOUTH VIETNAM, March 22.—Mrs. Ngo Ba Thanh, a leading critic of the Saigon Government and the war, who has been in prison and has been suffering asthmatic attacks for six months, was carried to military court in downtown Saigon on a stretcher today to face charges of having engaged in activities harmful to national security.

But the trial was postponed indefinitely after a doctor testified before the filled court that Mrs. Thanh was in critical condition and in need of immediate medical attention. Mrs. Thanh, a 40-year-old lawyer, suffered what appeared to be an asthmatic attack as she lay on the stretcher at the courthouse entrance waiting for the trial to begin.

LAWYER SEEKS RELEASE

Mrs. Thanh was arrested Sept. 18 after participating in an anti-Government demonstration led by a former lower house deputy, Ngo Cong Duc. Mr. Duc was not arrested then but was later convicted in absentia of having left the country illegally. The demonstration was called to protest the uncontested presidential election held on Oct. 3, in which President Nguyen Van Thieu was re-elected.

Nguyen Long, Mrs. Thanh's lawyer, has been calling on the authorities for Mrs. Thanh's release because of her poor health which, he asserts, is directly related to prison conditions.

Mrs. Thanh is a key figure in several peace groups here. The small, energetic woman, who holds a degree from Columbia University in New York, has met many visiting United States Congressmen in the last several years to tell them of the position of President Thieu's opponents.

According to her lawyers, Mrs. Thanh has been charged with three offenses—having engaged in "activities harmful to the national security," having organized an "illegal organization," and having distributed printed matters that "undermine the anti-Communist potential of the people."

Mrs. Thanh heads a group of Vietnamese women called the Vietnamese Women's Movement for the Right to Live. Her lawyers, however, vigorously deny that she is guilty of any crime.

"She came to a demonstration and was arrested while others were not," one of her three lawyers, said. Another added that all charges against her were ungrounded and that they were "only excuses for her arrest and detention."

Shortly after arriving on a stretcher before the regional area military field court, Mrs. Thanh appeared to suffer an asthmatic attack. With sweat dripping from her pallid face, she choked and coughed, and her breathing grew rapid.

A doctor arrived minutes later and injected Mrs. Thanh with tranquilizers and a heart stimulant after it appeared, briefly, that her respiration and heart had stopped.

The doctor pleaded with the five judges, military officers, for the woman's immediate release for treatment at a nearby civilian hospital. "Mrs. Thanh is in very serious condition," he said. "Her heartbeat is up and down. She can die at any moment."

The judges recessed for 30 minutes before announcing that the woman's trial would be postponed indefinitely to allow her appropriate medical treatment. However, they added that she must be returned to prison.

BYELORUSSIA'S INDEPENDENCE DAY

**HON. EDWARD J. DERWINSKI**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. DERWINSKI. Mr. Speaker, although it is still 4 years off, plans are already underway for the proper celebration of the bicentennial of the independence of the United States. When compared to many Old World nations, our country may properly be described as young. On the other hand, when we compare it to the many countries that have appeared on the scene during the last quarter of a century, America is an old member of the family of nations.

Old or young, be their independence something that they have jealously maintained for centuries or something to which they have hardly become accustomed, they have one thing in common. All have good reason for celebration.

On Saturday next, an ancient nation of Europe will observe its independence day. It will not celebrate, for its freedom was of little more than ephemeral duration. It will not rejoice, for its people have for over half a century been part of the vast Soviet Empire.

On March 25, 1917, Byelorussia, which had been part of the Russian Empire, declared its independence. In 1919 it was

conquered by the Communists who, in November 1917, had wrested power from the regime which had replaced that of the Romanoffs.

Mr. Speaker, let us hope and pray that some day in the not too far distant future the people of Byelorussia will be able to celebrate instead of merely observe their independence day.

AUTOMATIC FUND TRANSFER—A HEAVY BURDEN FOR OUR FINANCIAL INSTITUTIONS

**HON. RICHARD T. HANNA**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. HANNA. Mr. Speaker, as our financial institutions play a more and more important role in American life and as the burdens of playing such a role become apparent, the responsive members of that community begin seeking ways to more effectively meet their responsibilities. A major aspect of this burden—automatic fund transfers—has, as was expected, become a center of significant controversy.

In light of the recently exploding reliance of consumers on the personal check and the projected geometric increase in the use of such instruments as pointed out in the following article, it is clear that banks must find some answer to the paperwork pressures which threaten to place banks in an embarrassingly parallel position to the recent stock exchange paperwork crisis.

The article follows:

BACKGROUND INFORMATION ON THE PAPERLESS ENTRIES PROJECT IN CALIFORNIA

When not using cash, most people pay their bills with the ordinary paper check. And despite reports of an impending "cashless or checkless society," the check will continue to serve as a basic component of the payments system for a long time.

Californians each month write 150 million checks and the figure is growing eight per cent annually. Because of this growth rate and because of operational problems in other industries, there has been anxiety recently about the banking industry's ability to process more and more paper checks.

To obtain accurate information on projected check volume and on the facilities needed to handle it, the American Bankers Association commissioned the A. D. Little Company to study the check payment system and its probable growth during the 1970's.

The results of the study indicated that, assuming the continued use of present technology, and continuing effective bank management, the nation's check payments system can be maintained in an operationally sound condition through 1980. Consequently, there is sufficient time for the banking industry to proceed with orderly, well-planned improvements.

On the other hand, there is no time for complacency and some new payment method needs to be developed. The industry has now selected and developed a supplement to the check payments system. It is called pre-authorized paperless entries. It is a voluntary system in which customers at banks can replace certain paper check transactions with automatic electronic transfers of funds. Pre-authorized paperless entries represent the



logical first step in improving the current payments system.

The concept is not new. Many California banks have employed both pre-authorized credits and debits for several years. For example, bank employees have had their pay deposited directly to their bank accounts for many years, and many types of payments have been automatically deducted from bank customer's accounts: Life insurance premiums, United Fund pledges, Christmas Club transfers—just to name a few.

Federal civil service employees and military personnel can authorize their pay to be deposited directly into their bank accounts.

For several years, some banks in the state have offered services such as automatic payroll deposits and direct billing. These services are called "paperless" because the bank's accounting work is done on magnetic tape or punch cards.

But until now, each of these pre-authorized paperless entry services has been limited to transactions within a single bank.

Although these single bank services can be effectively used for certain types of payments, experience indicates that such services have extremely limited potential for two particularly important reasons:

1. Employers are unwilling to direct the banking business of their employees to any single bank, which is essential to the individual bank system of paperless payroll deposits.

2. And in the case of direct billing, no single bank in the state possesses a sufficient number of the same customers as the billing organization to make this service economically attractive.

It became clear that the principal missing element was an arrangement for the exchange of pre-authorized paperless entries—both deposits and billings—between banks.

To do this required an industry-wide effort. So, in April, 1968, the San Francisco and Los Angeles Clearing House Associations created a special committee to study and recommend arrangements for exchanging paperless credit and debits among banks.

Thus, the SCOPE Committee—the Special Committee on Paperless Entries—came into existence.

The SCOPE Committee includes representatives from ten commercial banks and observers from the Federal Reserve Bank of San Francisco, the California State Banking Department and the Regional Administrator of National Banks.

And although it is a project of the San Francisco and Los Angeles Clearing House Associations, it was agreed at the outset that the system must be designed to permit participation of all California Banks, regardless of size, or the type of processing system used internally.

Since all 144 California banks were to be included, it was soon realized that direct exchange arrangements between individual banks would simply not be practical.

Central clearing facilities for pre-authorized paperless entries were needed with automated clearing houses (ACH) in both San Francisco and Los Angeles.

In response to a request from the SCOPE Committee, the Federal Reserve Bank in San Francisco which already had the important computer installations, courier arrangements and settlement mechanisms—agreed to operate the automated clearing houses on a pilot basis.

By August 1970, the SCOPE Committee had defined the essential inter-bank exchange arrangements and procedures, and had drafted the legal agreements required to support the new services.

The development of the automated clearing house began shortly thereafter. The project is currently on schedule, and it should become operational in 1972. The ACH systems have been successfully tested in both cities.

In the system, there are five participants whose roles must be defined:

1. *The individual customer or employee.* This is the party that must pre-authorize the automatic deductions (in the bill-paying service) and the automatic payroll deposits. The services are optional for every customer and employee.

2. *The company or employer.* The company receives the payments made by customers of the direct billing service; and the employer generates the automatic payroll deposits.

3. *The originating bank.* The company's banks, because the paperless entries originate through his bank.

4. *The receiving bank.* The individual customer's or employee's bank so termed because the "paperless" entries are received by this bank.

Either to receive or originate paperless entries, a bank must join the automated clearing house, signing an indemnification agreement with the Federal Reserve Bank and agreeing to comply with the regulations of the ACH.

Companies wishing to offer paperless entries to either employees or customers must sign a separate indemnification agreement with their bank—the originating bank—permitting them to submit the entries through their banks.

And most importantly each individual customer or employee of the company that wants to participate must complete an authorization agreement permitting the company to initiate entries and authorizing his bank—the receiving bank—to accept them.

Here is an example of an automatic payroll deposit transaction:

After the employer has made arrangements with his originating bank to accept paperless entries, he distributes individual authorization forms to his employees. The employee who is interested authorizes the company to enter automatic deposits in his checking account—at the bank of his choice (which can be any bank in California)—at the same time, authorizing his receiving bank to accept the paperless deposits.

Every payday the employer will deliver a tape containing employee identification or account number information and net salary payments to the originating bank.

The originating bank enters deposits for employees who bank with the same bank as the company, and then forwards a tape containing information about deposits to all other banks to the Automated Clearing House.

The ACH then balances, sorts, and distributes paperless entries to the various receiving banks and handles the inter-bank settlements.

Finally, of course, the receiving banks then credit the employees' account in accordance with the authorization.

The typical pre-authorized billing transaction is similar. An example is a monthly payment to the electric company.

After the electric company has made arrangements with its originating bank, individual authorization forms are sent to its customers. The customer that prefers automatic debits to writing a monthly check authorizes the electric company to initiate billing entries to his checking account. And he authorizes his bank to pay the amount of the entry.

Since these billed amounts vary somewhat from month to month, the company will send a memo bill to customers who have pre-authorized their payments. This memo will be mailed about a week preceding the initiation of the paperless entry. If the amount due is in error, the customer can then stop payment as he can on a paper check.

The company then generates a magnetic tape containing customer account numbers and billing amount information. This tape is delivered to the originating bank, which processes entries regarding its own accounts,

and forwards interbank entries to the automated clearing house.

The ACH makes the interbank settlements and the receiving banks post the pre-authorized paperless debits to the depositors' accounts in accordance with the authorization.

The originating and receiving banks will have completed each transaction the same day as it was initiated.

There are four major benefits to the employee choosing to receive the direct deposits on payday:

First, this service guards against loss, theft and forgery of the employee's check.

Second, the service helps the employee avoid those time-consuming trips to the bank on payday, and waiting in line when he gets there.

Next, it enables him to receive his pay immediately, even if he is on vacation, out of town on business or at home ill.

And finally, automatic payroll deposits eliminate the postage costs involved in banking by mail. There is, of course, no charge to the customer for this service.

There are also a number of benefits to customers who pay some or all of their recurring bills by this automatic service:

The customer saves the time spent writing checks to creditors each month.

The service also saves the cost of postage used to mail in payments.

Automatic bill-paying will also prevent the customer from overlooking those recurring bills, and at the same time, it ends worries about penalties for late or delinquent payments.

Charge, if any, for this service will vary from bank to bank.

Nor do the automatic services cost the customer any of the financial independence he has now with his checking account. He retains his account to handle such varying items as department store purchases and other one-payment items. And he can stop payment on paperless entry payments as he can on his personal checks.

The target that the SCOPE Committee has set is modest. For payrolls, the committee would like to convert 35 per cent of all payroll checks in the state to the new system during the next five years.

And if 15 per cent of the reasonably predictable recurring payments are switched to the pre-authorized paperless billings system during the same period, that phase of the project would also be considered successful.

But even with such modest projections of 35 and 15 per cent, many thousands of checks will be eliminated each year in California.

Of the 150 million checks per month which are written in the state, more than 45 million are suitable for a paperless entries payments system. The majority of these are payroll checks, which make up the largest part of the SCOPE target.

And if the goals of 35 and 15 per cent are met, more than 12 million checks will be eliminated each month in California.

Similar pre-authorized payment systems are being examined in many other states. California will likely be the first to become operational, but if it proves effective and workable here, it will be installed elsewhere, and someday will become a nation-wide service.

We have in this country other types of financial institutions, and an equal need for flexibility in the adaptation to modern trends in the savings and loan industry exists. The discovery and developing of such new areas will inevitably come into some conflict. The area of automation is one example of an already emerging conflict—as is clearly illustrated in the attached documents.

Both the banks and savings and loans have a legitimate concern and are desirous of developing a constructive ap-

proach to that end. Both present factual materials which argue well for flexibility necessary for these institutions to meet adequately present and future circumstances. I firmly believe both should be carefully reviewed, and I commend them to the attention of my colleagues:

#### ANALYSIS OF THE ECONOMIC IMPACT OF SCOPE

There have been previous discussions and the furnishing of information with respect to the Transmatic Program and the resistance of the commercial banks, on an apparently coordinated basis, to the use of Transmatic.

Transmatic is essentially a system whereby a borrower from a savings and loan association preauthorizes the savings and loan association to instruct the commercial bank holding his checking account to pay out of the customer's checking account the monthly amount due on the customer's home loan from the association. The degree of commercial bank resistance is undoubtedly due in large part to the fact that the same preauthorized system would lend itself equally to the preauthorized transfer from bank checking accounts to savings deposits in savings and loans. The Program has been frustrated by the refusal of certain banks to honor the preauthorized demands and, in some instances, by such devices as the systematic mutilation of the customer authorizations before their return, not honored, to the savings institution.

At the same time, the entire financial system is moving toward electronic transfers ("checkless society") dominated by the same commercial banks. The banks have jointly created SCOPE. This impact of this development cannot be overestimated.

Up to this point, commercial banks have had a statutory monopoly of demand (checking) accounts. The same statutes prohibit the payment of any compensation by banks for the money which they receive in this form of account, although there is a substantial movement among commercial banks toward lobbying a modification of these statutes.

Since checking accounts are a necessity for any business organization and for most families, the checking account monopoly not only gives the commercial banks the huge advantage of massive amounts of free or cheap money with no inter-system competition, but also the competitive advantage that, whatever other services are offered by competing types of financial institutions on however desirable bases, every business and 80% of all of the families of the country must nevertheless go to commercial banks for this essential service and, in this respect at least, be customers of commercial banks.

The transition from checks to electronic impulses as the basic means of transfer of funds in the entire economy poses both imminent and long range opportunities and threats so far as the benefits of this monopoly of the commercial banks are concerned. The opportunities exist in that domination and control of the system of transfers by electronic impulse will be far more important and all-encompassing than even the checking account monopoly.

Accordingly, with such domination and control, commercial banks could make even more difficult the utilization by the public of the financial service offered by savings and loans. Threats flow from the fact that if savings and loan associations were permitted to participate in the system of transfer of funds by electronic impulse the demand account monopoly of the commercial banks might have less significance than the present, and competition against the dominant commercial banks could be seriously strengthened.

These factors are frankly discussed at commercial bank meetings to develop the plans

for transfers by electronic impulse. An example is the automation conference in May 1971, of the American Banking Association. At this meeting, the desirability from the viewpoint of commercial banks of their total control of the funds transfer system by electronic impulses to reduce savings and loan competition both for deposits and for loans was freely discussed, as was the use of the vast information in these EDP networks by the banks for their business development purposes.

The reportedly imminent SCOPE program in California gives both specificity and perspective to what is about to happen in deposit institutional competition. SCOPE is an acronym for special committee on paperless entries. This committee has a representative from every major California bank. The same banks that are refusing to cooperate in the Transmatic Program have been conducting a concerted campaign to persuade savings and loans to use the SCOPE program. The difference, of course, is that SCOPE will be controlled by the major commercial banks in California; Transmatic would not be so controlled.

It is reported that in at least one city, a pilot program testing the most advanced stage of SCOPE is in effect. Under this program, for example, a consumer in a supermarket merely furnishes his SCOPE account number and his bank checking account is automatically debited without either cash or a check passing through his or the retailer's hands. The long term competitive implications of this are, of course, enormous. Retailers who for financial reasons cannot, or who are not permitted to, participate in such a program will be at a gross competitive disadvantage in competing for customers.

The barriers to entry to smaller banks will be substantially increased because of the enormous amount of technology and investment which may be required to join in such a setup. The inter-relationship between "competitive" banks will be all the more pervasive.

In its final projected phase, SCOPE will have an enormous effect upon the overall nature of competition in this country. It seems apparent that that effect will be anti-competitive and proconcentration. The stakes to the commercial banking establishment are enormous and it can only be assumed that no stone will be left unturned in order to accomplish the ultimate SCOPE goals.

SCOPE is the beginning in California of the checkless society. The nation is at the critical decision point of whether the commercial bank monopoly of the transfer of funds will be extended to the degree that effective deposit and lending competition by other deposit instrumentalities will be rendered even more difficult. The commercial banks in California are effectively planning on this premise to make the decision for the country.

Thus, every employer of size, even those now rated as moderately small employers, will, through its own EDP system or through that to which it is tied, deliver to a commercial bank in California for each payroll the drum with the electronic impulses which will make possible the electronic impulse transfer of the periodic payroll amount by that bank to the account of each employee in any branch of any bank. No other financial instrumentality under this plan would be permitted to receive the drum for the purpose of causing the initial transfers to be made. But the SCOPE program by the banks contemplates expanding their present monopoly one critical step further. The transfers by the first bank will be made only to commercial banking accounts, and not at all to deposit accounts in savings and loan associations. At the present time, of course, payroll checks can be and often are deposited directly into the savings and loan account.

To summarize, as of now only commercial banks are permitted to have demand deposits. This monopoly, combined with the legislative prescription that the banks receive the use of money in demand accounts free, gives to the banks an enormous competitive advantage. This advantage will be augmented by projected legislation permitting controlled interest payments on demand accounts, in effect creating a combination time-demand account to be a commercial bank monopoly by statute. Nevertheless, there is nothing to prevent any checks being deposited with a savings and loan association at this time.

Thus, as is often the case, particularly where there are two or more wage earners in a family, an entire payroll check may be deposited in a savings and loan deposit account, with or without coincidental withdrawals and transfers. This will become impossible under the SCOPE program. After SCOPE is in effect, the initial transfer of funds from the first bank will be made only to other banks. There is, of course, no functional reason why such transfers could not be made to savings and loan deposits as well as to commercial bank accounts. There is no reason that the transfer by electronic impulse from the original bank cannot be made to a savings deposit account in a savings and loan association, rather than only to a commercial bank account, except the banks' joint plan to extend their monopoly.

SCOPE is demonstrably designed to cement the banks' present monopoly and expand it further. If the program starts imminently as now projected by the banks acting in concert, the commercial banks' control of the economy, to an even greater extent than presently exists, may be substantially irreversible for a generation.

#### SAFETY OF U.S. AIR TRANSPORTATION SYSTEM

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. GOLDWATER. Mr. Speaker, an unfortunate and misleading impression regarding the safety and reliability of the Nation's air transportation system could very well be created, if amplified and repeated, as a result of self-serving demagoguery in some quarters of the aviation community. I am therefore compelled to set the record straight and, in this way, restore public confidence in the airplane as a safe and efficient mover of people and goods.

Comments, among others, to the effect that there is a "decreasing margin of safety" at the Nation's airports are not only irresponsible and inflammatory but, more importantly they are false. Such statements are adequately denied certainly by the U.S. air carrier safety record during the year John Shaffer has been Administrator of the Federal Aviation Administration. In this time frame, 1969 through 1971, the average annual fatalities for all carrier operations, has been 169, as compared with the yearly average of 312 during the period 1960-68.

A great deal of credit for this outstanding safety record, of course, must rightfully go to the skilled and dedicated professionals who make up the airline flight crews. But I suggest the record also



indicates that those in the FAA are performing their tasks with equal dedication and skill as well—not to mention the very significant contributions of airline management or the magnificent machines they have purchased from American manufacturers.

Contrary to the impression which a few of the aviation community have been trying to create for purposes of personal aggrandizement, the FAA is not dragging its feet regarding the development and modernization of the national airports and airways system. The fact of the matter is that FAA has greatly accelerated its efforts in this area, thanks to passage of the Airport/Airway Development Act of 1970, which was sent to the Congress by President Nixon with the highest possible legislative priority.

As a result of this legislation, FAA's annual funding for facilities and equipment has increased more than three times while funds for airport development have quadrupled. FAA's fiscal year 1972 budget, for example, includes a total of \$302 million for facilities and equipment as compared with an average of about \$90 million per year in the decade preceding enactment of the Airport/Airway Development Act of 1970. And authorization for airport planning and development, on the other hand, is \$295 million in fiscal year 1972 in comparison with an average of about \$70 million annually before the legislation.

Many of the system improvements programmed over the past 3 years already have been realized or are in the process of realization. Space does not permit a listing of all of these advances here, but they include the installation of new automation equipment, airport radars, control towers, instrument landing systems, and a variety of other navigation and communications equipment.

I would like to single out for special mention, however, the very great strides made in the automation program in 1971, especially in the terminal area. During the year, FAA took delivery of the first 25 automated radar terminal systems—ARTS III—which provides controllers with alphanumeric data and automatic tracking of beacon-equipped targets. Fifteen of these installations already have achieved an initial operational capability and two—Chicago O'Hare and Denver—are fully operational. In addition, FAA last May ordered 29 more ARTS III systems bringing the total number purchased to 64. All of these units are scheduled to be installed and operational by the middle of 1973 providing a safer and more efficient airport environment and considerably easing the workload on both controllers and pilots.

Some elaboration also appears in order with regard to the timetable of FAA's installation program for instrument landing systems—ILS—since this has been the subject of much negative criticism. Again, contrary to the impression which has been created, the FAA program for ILS installation is moving ahead at "flank speed." The FAA presently operates 322 ILS's at 271 airports. An additional 156 units are now coming off manufacturer production lines and delivery of this equipment is proceeding

at a rate of 4 to 18 a month. Our schedule calls for all of these ILS's to be installed and operational in early 1973. Another 175 ILS's, including 87 Category II and IIIA systems, are programmed through fiscal year 1978, making a total of 653 at some 520 airports. Of these, 428 will be on primary instrument runways of air carrier airports, 140 on secondary runways of air carrier airports, and 85 at general aviation airports.

On the subject of ILS's I should mention also that Mr. Shaffer has informed me the agency will let the first contracts early this year for the initial phase of the microwave ILS-MLS development program. This MLS should be ready for production by 1976, and he envisions a procurement of some 643 MLS systems in the 1976-82 time period.

There are those concerned in specialized areas of responsibility of aviation who feel that the FAA does not accord single needs sufficient attention and priority. This is a short-sighted attitude for, the FAA too, desires to move forward with all speed in the implementation not only of its ILS program but all its other hardware programs as well. In doing so, however, the FAA must squarely face the twin realities of time and resources. The aviation trust fund is a repository for moneys collected under the "user tax" schedule. It is not, as some conceive it, an open account on which the FAA can write unlimited checks, although the funds are being used as fast as they can be. Further, FAA's facilities and equipment program is continually subject to review and approval by both executive and legislative branches as a part of its overall budget request.

Moreover, as the Government agency responsible for all civil aviation, FAA horizons must of necessity be considerably broader than those of single segments of the aviation community. Where those in the private sector are free to press for special improvements, the FAA must equitably weigh the needs of all aviation interests. That agency must not only provide for the 2,600 aircraft operated by the scheduled air carriers but also for the 132,000-plus aircraft that make up the general aviation fleet. They, too, have a legitimate claim on FAA available resources.

Arbitrary and capricious statements and half-truths regarding the adequacies of the Nation's airport system may have achieved a doubtful publicity for the perpetrators. But failure to perceive, perhaps deliberately to ignore, the factors of implementation for the good of the whole, has resulted only in an unnecessary "black eye" for the entire U.S. air transportation system.

To those few dissidents, I would say only that we must never forget how very dependent aviation is upon the support of Congress and the public and the effect which needless controversy has on that support. Aviation community action, therefore, should be directed at reinforcing public confidence in the airplane as the safest and most efficient mode of transportation so that FAA Administrator John Shaffer might proceed as expeditiously as possible with the building of a national aviation system which the

traveling public and U.S. commerce both deserve and must have.

As in all things, the overall picture should be carefully considered, and credit given where credit is due.

HON. ARTHUR J. GOLDBERG DE-  
CLARES CONGRESS HAS A "NEED  
TO KNOW"

### HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. MOORHEAD. Mr. Speaker, the House Foreign Operations and Government Information Subcommittee was privileged to receive testimony at our hearings this morning from the Honorable Arthur J. Goldberg, former Associate Justice of the U.S. Supreme Court, former Secretary of Labor, and former U.S. Ambassador to the United Nations.

Mr. Goldberg's testimony was part of the subcommittee's continuing review of the administration and effectiveness of the Freedom of Information Act—5 U.S.C. 552—and related subjects, such as the functions of the Federal Government's security classification system, and the extent of Executive withholding of information from the Congress.

Mr. Speaker, seldom has any congressional committee received such an eloquent and well-reasoned statement of the right of the legislative branch to have full access to information from the Executive to enable us to fulfill our constitutional responsibilities.

Mr. Goldberg said:

I commence with the premise that there is no Constitutional justification for denying to Congress the information necessary to the performance of its duties. Under Article 2, Section 3 of the Constitution, the President is required to "give to the Congress information of the State of the Union" and both by practice and tradition this is not confined to the annual "State of the Union" message.

If the people have a right to know, their representatives have a need to know. Without adequate information from the Executive Branch of government, Congress cannot appropriately perform functions entrusted to it under the Constitution. Moreover, nothing can contribute more to the weakening of Congress and to an undue concentration of power in the Executive than the Executive's recalcitrance in appropriate sharing of information with Congress.

Mr. Speaker, I am increasingly concerned over the growing reluctance of the Executive to provide essential information to the Congress that is vital in carrying out our duties. Just last week, I reported to the House—RECORD 8694, March 16, 1972—the circumstances leading to the invocation of so-called executive privilege by the President against our subcommittee's request for the country field submissions for Cambodia for fiscal years 1972 and 1973—similar to documents which had routinely been made available to us for many years by the Agency for International Development and as recently as last fall. Other committees of the House and Senate are also being refused documents on a fairly regular basis by administration

officials, despite the written agreement of April 7, 1969, between President Nixon and our subcommittee in which he pledged "the free flow of information to the Congress and the news media" and asserted that he would follow similar agreements made by the subcommittee with his predecessors—Presidents Kennedy and Johnson—that only he, personally, would invoke executive privilege if it became necessary.

As Mr. Goldberg told the subcommittee this morning:

It is an understatement to say that we are witnessing an increasing confrontation between the Executive and the Legislative Branches in this area. We must promptly take all necessary steps to prevent this confrontation from becoming a constitutional crisis.

Mr. Speaker, I commend Mr. Goldberg's statement to all members and include it at this point:

TESTIMONY OF ARTHUR J. GOLDBERG

My name is Arthur J. Goldberg. I consider it a privilege to respond to the invitation of Chairman Moorhead and the members of this subcommittee to testify on this matter of overriding national concern.

Having previously testified before this subcommittee on June 23, 1971, on the broad question of the problem of withholding information from the press and public generally, I would like today to confine my testimony to the question of the Executive withholding information from Congress.

I commence with the premise that there is no Constitutional justification for denying to Congress the information necessary to the performance of its duties. Under Article 2, Section 3 of the Constitution, the President is required to "give to the Congress information of the State of the Union" and both by practice and tradition this is not confined to the annual "State of the Union" message.

If the people have a right to know, their representatives have a need to know. Without adequate information from the Executive Branch of government, Congress cannot appropriately perform functions entrusted to it under the Constitution. Moreover, nothing can contribute more to the weakening of Congress and to an undue concentration of power in the Executive than the Executive's recalcitrance in appropriate sharing of information with Congress.

That vital information necessary to Congress in the performance of its duties has been and is being withheld by the Executive, no one can really challenge. Indeed, it can be argued that very often Congress receives the information it requires through "back-grounders" or "leaks" by the Executive Branch to the press rather than through an orderly and considered transmittal of information by the Executive to Congress.

This is a matter which rightly concerns this Committee which is primarily responsible for the enactment of the Freedom of Information Act. (5 U.S.C. 552.)

The Freedom of Information Act in Section 1 specifically provides that the authority of the Executive to withhold information regarding matters that are "specifically required by Executive Order to be kept secret in the interests of national defense or foreign policy . . . is not authority to withhold information from Congress."

This reservation was obviously inserted in the law to protect the right of Congress to be adequately advised, even in cases where the Executive was of the view that national defense or foreign policy necessitated secrecy insofar as the general public was concerned.

The Congressional sense of frustration in this area demonstrates the widely held view that Congress is being denied information by the Executive and, at the same time, is being

asked to enact legislation and make appropriations relating to the national defense and foreign policy.

It is an understatement to say that we are witnessing an increasing confrontation between the Executive and the Legislative Branches in this area. We must promptly take all necessary steps to prevent this confrontation from becoming a constitutional crisis.

It is important, in this connection, to note that the recent Executive Order of the President, effective June 1, 1972, dealing with the classification and declassification of national security information and materials, formation to Congress and, consequently, nowhere specifically enhances the flow of information to Congress and, consequently, does not materially ameliorate the situation as it now exists.

The Executive Order itself, however, represents a step forward in protecting the public against overclassification and ensuring earlier de-classification of national security information and material, although, by my lights, it still is overly restrictive in both areas. Perhaps in this limited sense it does ensure more information to Congress as part of the public.

However, the Executive Order, which, by its terms, deals with the general right of the public to know, does not satisfy the need of Congress to have necessary information promptly available for legislative purposes. The restrictive and sweeping provisions for classification and the long time limits for declassification do not eliminate present obstacles to the furnishing of information for timely legislative consideration and action. Furthermore, vagueness of the words "grave danger to the national security" acts as an impediment rather than an inducement and authorization to the Executive to furnish appropriate information to the peoples' representatives in the Legislature as well as to the people at large.

It is my ultimate conclusion that the present system, whereby the Executive Branch itself determines the rules for disclosure of its own documents, is inherently inadequate to keep Congress informed.

It would be in order to serve this purpose for Congress to draw upon the various proposals of its members and others and lay down specific guidelines in carefully considered and well drafted legislation. I have no doubt that Congress is authorized to enact such legislation under the "Necessary and Proper" Clause of the Constitution.

It is true that Article 2, vesting the Executive power of the United States in the President, necessarily implies that certain activities he conducts, either directly or through his staff and the Executive Departments, are privileged. By the same reasoning, under Article 1, certain activities of Congress, either directly or through its staff, are also privileged.

I find it rather ironic that the Executive Branch, which strongly insists upon the President's privilege in his dealings with his own staff, should be challenging in the courts the privilege of Congress in relation to Congressional staffs. What's sauce for the goose must also be sauce for the gander.

The time is overdue for Congress to act in this area with due sensitivity for national security and for the protection of the legitimate privileges of the Executive as well as Congress' rights and responsibilities.

Our nation is a nation of laws and not men. In the public information area, except for Constitutional safeguards and the laws which this Committee, by and large, has sponsored, we have been very much a government of men and not laws. It is this reason which prompts me to urge that this Committee now address itself to the formulation of a comprehensive statute dealing with the duty and limitations of the Executive's responsibility to inform the Congress and the rights, limi-

tations and safeguards of Congress to be informed.

I would hope that in drafting such a law, the Executive Branch and the Legislative Branch would cooperate in the interests of both and in the ultimate interest of the public both serve.

CONCERN FOR AMERICAN PRISONERS OF WAR AND MISSING IN ACTION

HON. NICK GALIFIANAKIS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. GALIFIANAKIS. Mr. Speaker, this is the week—March 21 to 27—that Presidential proclamation has designated as "A Week of Concern for Americans Who Are Prisoners of War and Missing in Action."

It was in March of 1964 that the first American was taken prisoner, and today, 8 years later we as a people still share the anguish of not knowing the fate of many of our brave men; 8 years later we still share the frustration of being unable to directly affect the conditions in which our valiant servicemen must live as prisoners in an enemy land.

I cannot be coolly logical or political on this subject, for it wrenches at my heart, angers me, and tortures my conscience as it does all of us. But our sorrow, our anger, and our guilt are worthless emotions unless they are channelled into positive action. If we harness the power of our collective feelings about these men and pull together, I have faith, I must have faith, that that power will be felt around the world, all the way to Hanoi. We have seen that adverse world opinion does affect the actions and attitudes of governments, even North Vietnam. It is a power not to be underestimated.

And yet, a week of concern must appear an inadequate gesture to many in the face of so many years of mistreatment of our men and anxiety of their families. But it says clearly, officially, unequivocally, "We care." Not just political leaders or the families directly involved, but all of us as Americans who believe that all men are God's creation, human beings with souls. What right, then, to turn these creations into objects of ridicule, to treat their lives as meaningless chips in the game of war? No right.

There must be adherence to basic human laws. These prisoners must be treated in accordance with the provisions of the Geneva Convention. We must know the names and physical condition of our men held prisoner. Our sick and wounded must be released. There must be inspections of those prisoners. We demand this at the very least.

I can think of no other single issue of more overriding importance to the people in our Nation than the lives and well-being of their husbands, brothers, fathers, sons, and fellow Americans. These are our people and they must be returned to us.

I was a strong supporter of the POW/



MIA resolution which was passed unani- mously recently in the House of Repre- sentatives. It calls for placing prisoner exchange in top priority position.

That is Government language. Let me put it in the words of a child:

Mr. Congressman, I miss my daddy. I love him more than they love him over there, so I hope you can tell them to send him home. My little brother doesn't know him yet, and I know he will like him a lot when he meets him. Can you help us?

We must never lose sight, regardless of what else we face today, of our obligation and our love for these men, and for their families.

#### CONGRESSIONAL INTERNS

### HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. PEPPER. Mr. Speaker, now that the time for congressional interns is here again, I thought my colleagues and others who read the CONGRESSIONAL RECORD would be interested in the experi- ences an intern had in my office last summer. The article by Diana Seutter, a senior high school student at the Oak Knoll School for Girls, Summit, N.J., and a niece of a legislative aide in my office, Mrs. Amelia Lasser, appeared in the school newspaper, Undercurrents, for March 1, 1972. The article follows:

#### INTERN IN CONGRESS

(By Diane Suetter)

Last summer I spent several weeks as a Congressional intern in Washington, D.C. What does an intern do? I spent a lot of time typing, running errands, answering the phone, filing letters, and I loved every minute of it. I was there during the hectic days of the early wage and price controls so I know all the inside story on what was up. I saw my first news room and it really astounded me! It was a huge mass of people and papers and phones—and Noise! I even got a chance to help work on some crime legislation—even if it was only finding the sources of sixty footnotes.

Of course, it wasn't all exciting. Working hard from eight in the morning to six p.m. or later usually isn't; and of course I saw more of the typewriter and the xerox machine than anything else. What makes it excit- ing is that you really do feel you are contrib- uting and plus you have the opportunity to really see how our government works.

One thing which really surprised me was the unbelievable amount of mail from the constituents. They write about things like their problems with money, or send the Con- gressman an article they thought would inter- est them, or express their views on some issue, or ask about job possibilities, even ask advice on some personal problems. It sur- prised me because I always thought that people never wrote to their congressman enough; but now I know they do!

Some of the interesting things interns can do are visiting embassies and attending receptions and even taking part in lectures and seminars given by eminent public fig- ures. And, of course, you can sit in on house sessions.

Most of the interns are of college age, although some are in high school; and most of them work as interns for the entire sum- mer. This is what I hope to do one summer during college.

As far as any money and lodging are con-

cerned, I was a volunteer and I lived with relatives. However if you are interested in being an intern you can be put on the pay- roll (but it's not very much). Often the in- terns live together and there are parties and social activities. It's so easy to meet people because there are so many interesting peo- ple around, and yes girls, there are many college boys who will pick you up given the chance.

All in all I had a great time and I would recommend interning to anyone interested in seeing how our government works and really runs from day to day; and one who is not afraid of hard work as well as fun. You can write to your congressman and send him information about yourself, telling him why you want to become an intern and then ask for an interview. The best time to apply is now, so hurry!

#### LET'S GET TOUGH WITH ALLENDE

### HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. GROSS. Mr. Speaker, the Com- munist government of Chile lost little time after it came into power in embark- ing on a course of massive grand larceny, literally stealing the assets of American interests in that country, notably copper companies.

An excellent editorial in the current issue of Barron's magazine points up the fact that Chile's marxist dictator, Salva- dor Allende, like Communists every- where, best understands the hard line, the abrupt no-nonsense attitude—especi- ally when it is displayed by those with whom he must deal.

Chile is today bankrupt for all in- tents and purposes and, as the editorial says, now is the time for those bankers and governments with whom Allende must do business to get tough with him.

I include the editorial for insertion in the RECORD at this point:

#### CHILE IN DEFAULT: CREDITORS ABROAD SHOULD TAKE A HARD LINE

(By David A. Loehwing)

For U.S. copper companies, it has been a long time since anything but bad news came out of Chile. Hence it was with a certain clenched-teeth satisfaction that officials of Kennecott Copper three weeks ago received tidings from Santiago of a decree, signed by President Salvador Allende, ordering pay- ment of a \$5.8 million installment on Chile's debt to the company. Kennecott had lent \$92.9 million to help finance expansion of El Teniente, a big copper mine in which, until last year's seizure of all U.S. copper interests, it owned a 49% stake.

In signing the decree, President Allende also promised that all but \$8.3 million of the balance eventually will be repaid; he plans to hold out that amount on the ground that it was "unprofitably invested," a state of af- fairs which means, under a new Chilean law, that it need not be repaid. The \$5.8 million might have fallen into the same bottomless pit but for the timely intervention of a U.S. District Court, to which Kennecott prayed for relief after Chile defaulted on the payment December 20. The court slapped an attach- ment on Chilean assets in this country, in- cluding bank accounts of a half-dozen gov- ernment-owned concerns, as well as that of the Chilean central bank.

Anything the copper firms manage to sal- vage from their once-huge investments in

Chile should be considered gravy. For the Santiago regime, financially speaking at any rate, is up against the wall. It has asked foreign creditors for a stretch-out of repay- ments on \$1.3 billion of its indebtedness, in- cluding \$20 million which is overdue the Ex- port-Import Bank. In December, a mission headed by the Chilean Ambassador to Wash- ington held informal talks with representa- tives of 44 U.S. banks which hold over \$200 million of the nation's debt.

At the bankers' behest, the Chileans then submitted their rescheduling plans to the Paris Club, a 16-nation group of central bankers, which, in turn, called in the Inter- national Monetary Fund; a group of IMF ex- perts now is in Santiago for an on-the-scene study. Another meeting of the Paris Club is set for March 30 to hear the IMF report. Meanwhile, Dr. Allende won't admit publicly that Chile can't pay its debts. Although it has the highest per-capita debt of any coun- try in the world, the President insists that his country remains credit-worthy.

Like the escudo, which has suffered debase- ment perhaps a hundred times in the past decade, Dr. Allende's statements can scarcely be taken at face value. An ardent Commu- nist, he is fond of deriding the low estate to which the dollar has been brought by U.S. "imperialism," i.e., its penchant for giving away money to countries like Chile (which got \$1.3 billion in the decade of the 'Sixties). Yet the economic and social deterioration of Chile in the 16 months since Dr. Allende's left-wing coalition took office has been even more rapid than that of Cuba under Fidel Castro. Inflation is rampant, industrial pro- duction is sagging along with farm output, and consumer goods—including food—are in critically short supply.

The country is being sustained by imports, but reserves of foreign exchange are nearly exhausted; unless new credits are extended, that flow must soon stop. Traditionally gentle and law-abiding, Chileans are starting to take up arms against each other, and the army soon may be compelled to step in and restore order. In the circumstances, to help out the Allende regime would be tantamount to throwing good money after bad. In their own interests as well as those of the hapless people of Chile and the whole non-Communist world, the bankers ought to take a hard line.

All the more so in view of the record. Over the past year, the Allende regime has expropriated nearly \$850 million of Yankee assets, including the huge copper mining properties of Anaconda, Kennecott and Cerro Corp. At first a facade of legality was main- tained, as when Bethlehem Steel was "per- suaded" to sell its iron mines for \$20 million. However, when Ralston Purina's plant and that of Nibco Inc., a small valve manufac- turer, were seized (Barron's, April 19, 1971), there was scant pretense that compensation would be forthcoming. In quick succession, properties of ITT, First National City Bank, Bank of America, Ford Motor and duPont were swallowed up.

Last May, the Chilean Congress adopted a Constitutional Reform giving Sr. Allende the right to take over the copper mines. Cerro lost its 70% interest in the Andina mine, worth \$18.3 million, but was promised com- pensation. However, nothing is to be paid Kennecott for its 49% equity in El Teniente, valued at \$150 million, or to Anaconda for its various properties. Dr. Allende insists that their investments have been cancelled out of \$774 million in "excess profits" earned by the companies in Chile over the years. The \$92.9 million debt to Kennecott, on which it filed suits in Federal Court, was acknowledged, but Dr. Allende says Ana- conda's claim for \$171.4 million in loans to a previous administration has been denied under terms of the Reform Act. In its 1971 annual report, Anaconda took a \$302.5 mil- lion write-off on its Chilean holdings.

Like its words, Chile's bonds—or other

obligations—scarcely inspire confidence. On the contrary, as Kennecott's example suggests, the Allende regime respects nothing but legal force. The bankers should crack down, seize the Chilean government's assets abroad, and attach every pound of copper landed within their national jurisdiction. To be sure, after Anaconda got a court order freezing the bank accounts of two Chilean government-owned corporations, Santiago halted a shipment scheduled for Anaconda's refinery in Perth Amboy, N.J. Nevertheless, Chile has little choice other than to sell its copper on Free World markets. The Soviet Union has been buying Cuban sugar through barter deals; it isn't likely to pay cash for over half-billion dollars worth of unneeded copper each year in order to subsidize Dr. Allende's experiment in democratic Communism.

In any case, the state of affairs in Chile is bound to go from bad to worse. In the classic Marxist pattern, Dr. Allende's government long since has ceased to publish economic data, as called for by its obligations to the IMF. What statistics are furnished are rigged, as when Santiago claims the rate of inflation has been cut to 18%; the figure is based on government-fixed prices for goods which can only be had on the black market.

However, before the curtain of censorship descended last August, the Central Bank's reserve assets had dropped to less than \$280 million from nearly \$500 million a year earlier. Authoritative sources say that recent losses have run at nearly twice last summer's pace, which would put current reserves in the neighborhood of \$60 million—barely enough for two months. Foreign debts contrariwise, exceed \$3 billion; the \$1.3 billion which Chile seeks to reschedule are only the most pressing. Chile, in short, is bankrupt.

Not merely in dollars-and-cents, but also in political and social terms. On this score, the effects of Dr. Allende's policies have been graphically described by British reporters for *The Financial Times* and *The Economist*. Travelers arriving at the Santiago airport are besieged by black market operators seeking to buy dollars at 70 or 80 escudos each (vs the official rate of 28 to \$1). The crowded night train from Santiago to Rancagua has only five or six light bulbs burning; most passengers sit in darkness. In industry, labor discipline has collapsed; many workers put in only a three-day week.

Yugoslav technicians are being imported to replace Chileans who have quit job and country. In the provinces of Cautin and Linares, small landholders have formed vigilante bands, called the *Guardia Blanca*, to fight *Mirista* (revolutionary left) guerrillas who have been taking over farms at gunpoint. Recently about 60 *Guardia Blanca* men, wielding tommy guns, recaptured a farm in Cautin after a brief skirmish. *The Economist* calls it the opening battle in the Chilean civil war and predicts that, if it spreads, the army will be forced to take a hand. In any case, Chileans already have indicated at the polls their growing disenchantment with the Allende regime. In two recent Congressional by-elections, opposition candidates won handily. The vote was a major setback for the regime, although the Interior Ministry called it only "a strong tremor, Grade 4, but short of an earthquake."

As things are going in Chile, the tremor may soon turn into a full-scale political upheaval. Already, Dr. Allende is sweeping "democratic Communism" under the rug and resorting to more traditional and repressive methods; the leader of the opposition National Party has been indicted for "subversion and sedition." A year ago, Barron's said, "Chile is plunging hell-bent down the road to poverty and serfdom." The poverty is here and now.

## SHIFTING ECONOMIC AND POLITICAL PATTERNS IN THE UNITED STATES

### HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. LENT. Mr. Speaker, on March 15, 1972, Herbert P. Patterson, president of the Chase Manhattan Bank, addressed the International Financial Forum in Tokyo on the shifting economic and political patterns in the United States. So that my colleagues may have the benefit of Mr. Patterson's remarks, I am enclosing them in the RECORD at this point:

#### THE SHIFTING ECONOMIC AND POLITICAL PATTERNS IN THE UNITED STATES

(By Herbert P. Patterson)

Good morning and welcome to Chase Manhattan's International Financial Forum.

Although this is the first time we have presented our Forum in Tokyo, Chase Manhattan is certainly no stranger to Japan. Our Chase branch bank in Tokyo is celebrating its twenty-fifth anniversary this year, and we maintain another branch in Osaka. Additionally, we share with your Mitsubishi Bank the sponsorship of the first joint-venture leasing firm to be established in Japan, Diamond Lease Co.

One of your distinguished Japanese business leaders—Chujiro Fujino—serves on our International Advisory Committee. His predecessor on the Committee was the respected Tazuo Ishizaka. In fact, two years ago, the full Committee met here in Japan and it was a memorable occasion—both from the standpoint of the stimulating business discussions and of the sightseeing attractions of your lively "Expo 70."

Understandably, our bank has been following with keen interest Japan's role in recent developments on the international monetary front. Revaluation of the yen represented a substantial sacrifice for your country in the interests of worldwide cooperation.

In the recently concluded bilateral negotiations, Japan made concessions that our Treasury Secretary, John Connally, indicates may help our trade situation to the extent of \$600 million a year. Both actions by your country set an outstanding example of the kind of maturity and collaborative spirit which I think is essential to the future expansion of international trade and investment that all of us seek.

We shall be talking about some of these developments today under the Forum's broad theme of "The Emerging Shape of the Seventies." Our theme was chosen deliberately because the first two years of the decade have differed sharply in some respects from the advance forecasts, and a "second look" seems appropriate. In the course of today's discussion, we plan to cover such topics as the world financial structure, the new technology, the outlook for U.S. equity markets, and the prospects for the U.S. economy generally.

I must tell you that my colleagues and I have had some concern about our presentations since reading that one of your Japanese banks has compiled a "Happiness Index," based on several factors including income, crime, paved roads and parks. This Index purports to show that the United States is a 2.53 times happier place than Japan. If our Forum presentations are to be completely candid, I'm not altogether sure we can live up to our "Happiness Index" reputation.

Some of our observations may strike you as singularly unhappy commentaries on the past or doleful forecasts of the future. This

is particularly true in my own case because my assignment is to try to set the stage for subsequent presentations by assessing the shifting economic and political patterns in the United States. A difficult assignment at any time, it is especially so at the start of a presidential election year. The political oratory often tends to obscure issues rather than clarify them, and this process is already underway. So let me try, at the outset, to suggest some factors that seem to me basic to any realistic assessment of the American scene.

1. Even allowing for the exaggerations of political oratory, the fact is that the public mood in the U.S. is undergoing profound changes.

2. One of these changes has been a turning inward in the U.S., as elsewhere, toward domestic problems that daily assume more and more awesome proportions.

3. Another change has been a growing recognition that even the United States, with its vast resources, cannot do everything it might like to do, all around the world, at the same time.

4. There is reason to believe that, in the 1970's, the Western industrial nations and Japan must develop a new community of interests, based on urgent domestic concerns, to replace the foreign policy concerns that bound them together in the 1950's and 1960's.

Now let me back up a bit and elaborate on each of these points.

I would suggest that there are several developments which have tended to make your country as well as my own more inward-looking. One of these is that, over the past twenty years, all our societies, in varying degree, have become more responsive to the popular will. The fact is that the man in the street is rarely interested in international affairs in the traditional sense.

Rather, he is interested in his own economic and social well-being—and he is all the more interested in these things as he gets a greater taste of them. Someone has perceptively remarked that the revolution of rising expectations might equally well be called the revolution of rising frustrations. In nearly all countries today, the decibel level of dissatisfaction with prevailing conditions is steadily mounting. The precise causes of this dissatisfaction vary, but to me the similarities of our domestic concerns are far more striking than the differences between them.

To cite the most obvious example, we in the United States have in recent years become increasingly concerned with the pollution of our air and water. More and more Americans, in fact, have come to hold that the preservation and restoration of the environment should be a primary national objective. Now the same theme is being sounded in Japan. And without extraordinarily farsighted management, I suspect that it is only a matter of time before pollution becomes a key topic in other swiftly industrializing areas of Asia.

Another complex of problems, which many of us already have in common, involves the unhappy by-products of rapid urbanization. The challenge of providing adequate housing for low-income families bedevils Singapore and Hong Kong as well as New York. The proliferation of automobiles puzzles the city fathers of Tokyo and Bangkok as well as those of Los Angeles.

Beyond all this there is the youth explosion. How do we physically accommodate these millions of youngsters who feel entitled to more education than their parents had? Having educated them, how do we find them a role in society which makes them feel like something more than interchangeable parts?

I will not prolong this list of common problems though I could easily do so. The



point is that they all spur us to devote less attention to affairs outside our national boundaries.

This, as I see it, raises a crucial question. In the 1950's and 1960's, our various nations developed a strong community of interests founded on common international problems. Can we, in the 1970's, find the basis for a similar community of interests in our mutual preoccupation with domestic problems?

I don't suppose that anyone can answer that question with absolute assurance. But, clearly, the answer that ultimately emerges will do much to shape the nature of relations between your country and mine in the decade ahead. Equally clearly, it seems to me, those relations will be different from what they were in the decade behind us.

It is currently fashionable to debate whether America is lapsing into isolationism—or rather slipping into a strange new state of mind known as neo isolationism. The significant point is that almost everyone agrees that the public mood in the U.S. has altered radically—and in clearly definable ways—in recent years.

Perhaps the single most important thing to bear in mind about the U.S. is that it is a nation which over the past twenty years has suffered a series of unsettling experiences. To begin with, we have had the drive for equality for blacks—the civil rights revolution—which some say has gone too far and others not far enough. Along with this we have experienced our nation's entry into the post-industrial age, and for the first time, more Americans are now engaged in providing services than in producing goods. This fact, together with technologies that grow more complex by the day, has changed the conditions of employment in America to the point where unskilled labor may soon become obsolete. Partly because of the new demands of the labor market, more and more young Americans are staying in school longer than they used to—a factor that was one of the causes of the widespread unrest that until lately rocked American campuses.

By themselves, the developments I have outlined would be enough to shake any society. But on top of all these, we have had the Vietnam War. Whatever its merits or demerits in terms of foreign policy, the war has undeniably had a heavy impact on the domestic mood in America.

Our experience in Vietnam has raised—in the minds of many Americans—grave questions about whether the U.S. should provide manpower in the future to support those who may be unwilling or unable to support themselves. It has also raised questions about the way U.S. foreign policy has been conducted. Congress is beginning to assert its claim to a major voice in the making of foreign policy. In so doing, it is not acting simply out of pique or a lust for power. Rather, it is serving as a barometer of the national mood which is one of its proper functions.

The phrase "national mood," of course, is a vague one and the concept which it embodies is hard to describe with precision. What can be defined with some accuracy, however, are the major political forces now working upon the Congress. In the matter of foreign policy, there are several strong currents running in the U.S.—currents which although essentially different in nature, have combined in a curious and potent alliance.

On one side, we have open skepticism or outright hostility of an increasing number of intellectuals toward U.S. political and economic involvement abroad. This attitude is shared, primarily as a result of the Vietnam experience, by many of our politically active young people. This year no politician, who feels he must have a progressive image, can ignore the strong sentiments which the intellectuals and the young feel about U.S.

involvement overseas. The burden of those sentiments has been summed up by Senator William Fulbright who says the U.S. must stop playing policeman to the world.

But the young and the intellectuals are not the only Americans who have become disillusioned with the U.S. role in world affairs. For considerably different reasons, many blue-collar workers and a significant segment of the business community have abandoned their onetime commitment to an activist foreign policy—or have felt encouraged to reassert their long-standing hostility to such a policy. Convinced that the rest of the world has been taking advantage of the U.S. economically, these groups have sparked both a resurgence of protectionism and a mounting outcry against the principle of foreign aid.

I do not want to overstate the case. A great many Americans are still persuaded that the U.S. should continue to play a very active role in world affairs. A great many more are capable of being so persuaded under proper conditions. But it is undeniable that the combined weight of the dissenters is already exerting a visible and powerful influence on my country's international posture.

This influence was very much in evidence during our recently concluded debate on the foreign aid appropriation. At one point, the Senate moved to kill the entire program. A Senator told me later that he might have voted in favor of the bill if he had known how badly it would be defeated. In the end, Congress agreed to an outlay of a little over \$3 billion which is a billion less than President Nixon had requested.

In the matter of trade policy, the prospects seem somewhat less clear and a little more disturbing. Barring extraordinarily bad management by all our governments, I do not foresee any general return to protectionism in the U.S. But in an election year, even those Congressmen who have in the past fought staunchly for the liberalization of trade are under particular pressure from constituents who argue that their livelihoods are threatened by foreign competition. Inevitably, some of them will surrender to such pressures and support restrictive measures on products of particular interest to them. It would be less than realistic to think that the Administration itself will not be sensitive to the protectionist mood of certain segments of U.S. society. My hope is that the damage will be confined to a few very limited areas.

Given all this, what course can those who care about U.S.-Asian relations intelligently pursue during the year ahead? What longer-range course would seem to be indicated for the decade of the Seventies as a whole?

As far as political matters are concerned, much has been made in the world press of the reduction of the U.S. military presence in Asia. It is less often noted, unfortunately, that the main U.S. objective is to help defuse Asia's potential flash points, to ease tensions, and to bring about a stability that will make U.S. troops unnecessary in the Far East. Far from abdicating its international responsibilities, the United States is trying to exercise them in new and perhaps ultimately more fruitful ways that are consistent with the emerging political realities. The recent Nixon trip to Peking was an effort in this direction to build a new pattern of accommodation and coexistence.

Clearly, however, economic rather than political issues will most dramatically affect relations between the U.S. and Asia over the next year, and here some rather more specific prescriptions suggest themselves. Those of us in the U.S. who believe in a free world trading system must do all we can to preserve and strengthen the U.S. commitment to that system. But politically, as I have indicated, we will be to some extent on the defensive. For this reason, the more the nations of Asia

open their markets to American products, the better off we will be in making the case for freer trade.

From the perspective of the entire decade, there is another vital factor to consider. Virtually every knowledgeable observer of American politics agrees that in the years ahead, the total amount of U.S. foreign aid—both military and economic—will diminish significantly.

For the developing countries, this will mean that if they hope to employ U.S. capital in the development of their economies, they will have to rely far more than they have in the past upon U.S. private investment. In my judgment, it would be wrong to regard this as an adverse development. My experience has been that, in many fields, private foreign investment is more beneficial to a developing country than government aid. That is why I have been especially distressed to see the self-defeating treatment accorded foreign investors in places such as Chile, Peru and Zambia which so urgently need outside investment.

Great possibilities for progress through private foreign investment exist in Asia. Singapore with its imaginative programs to attract foreign capital, has already demonstrated that. So has Hong Kong. And Indonesia, in my estimation, is now in the process of demonstrating it again. But as these experiences underscore, such progress cannot occur if foreign trade and investment are unduly restricted or if foreign investors have reason to be uneasy about the security of their investments.

Not long ago on the streets of New York, I was exposed to a thought-provoking sight—a Toyota Corona whose rear window bore an American flag decal. As you may know, decorating one's car with the American flag has a particular symbolism in the U.S., reflecting a belief that we should start paying more attention to our own interests and stop using our resources overseas. Yet, while he presumably held all these sentiments, the owner of that Toyota clearly felt that his personal interest was best served by buying a Japanese-made automobile.

As I watched the Toyota disappear down the street, it struck me that this was a fascinating vignette of the problem we face. Americans, by and large, subscribe to the principles of free trade—provided everybody plays by the same groundrules. But they dislike being taken advantage of. In the past, for example, they have been generally sympathetic to the argument that "infant industries" abroad need time and protection to develop their competitive strengths. However, fifteen or twenty years later, when they see the same infants still calling for a special formula, they tend to react with resentment and to feel that their self-interest is in jeopardy. Much as I would hate to see it happen, I'm afraid that unless a good many Americans sense that other nations are cooperating in the solution to economic problems, we may reach a point where the fellow I mentioned will remove his decal from the Toyota and attach it to an American compact instead.

None of us want this to happen, so we in the United States and you in Asia must search for a community of interest based on our domestic preoccupations. Virtually all of those preoccupations are in some sense economic. I am profoundly convinced that in many areas, private investment is the most effective instrument there is for meeting economic needs. Thus, in the development of a new matrix of mutual interests between the U.S. and Asia, I believe that decisions which are essentially economic and which relate directly to the nature of the international economy we hope to construct, will be of crucial importance. And those decisions rest as much in Asian hands as in American hands.

## A TRIBUTE TO A DEDICATED MAN

## HON. HASTINGS KEITH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. KEITH. Mr. Speaker, it is with a great deal of reverence that I mention the name Bruce Kempton Jerauld. Bruce Jerauld has recently retired as the treasurer for Barnstable County—Cape Cod, after serving for over 40 years in a capacity that has seen the area go from a rural community to one of the most rapidly growing counties in the country.

I cannot begin to describe Bruce Jerauld's dedication to his job; how he began with his wife serving as a part-time clerk; how he worked weekends and holidays and of his undying interest in the progress of Barnstable County. His honesty—beyond question—is such that we should all strive for.

I am proud that I can call Bruce Jerauld a good friend. We have worked together both professionally and on a personal level, and I have learned a great deal from him. He has helped his constituency faithfully and those of us in the area owe him a debt of gratitude. An indication, perhaps, of how much this man is admired, was the attendance at a recent testimonial dinner for him. Hundreds of people from southern Massachusetts attended.

Mr. Speaker, I could talk about Bruce Jerauld at some length, however, an article about him written by an old and dear friend of mine, Francis I. Broadhurst—an interloper who has become a Cape Codder—is most descriptive and would be good reading for my colleagues. The article follows:

## BRUCE KEMPTON JERAULD

Had anyone told Cap'n Ensign Curtis Jerauld at the turn of the century that his children would devote more than 100 years to service in Barnstable County Government, the skipper of the Barnstable trap fishermen might have considered the thought amusing.

But it has happened on Cape Cod in which the year 1972 brings to a close a half century the name "Jerauld" figured prominently in county affairs.

Bruce K. Jerauld has submitted his resignation as treasurer of Barnstable County to the county commissioners, effective Feb. 29. Though he has offered to stay on longer, if necessary, to break in his replacement, his resignation marks the end of a 42-year career for Mr. Jerauld who will be 82 July 7.

His sister, Myra Jerauld, retired several years ago as assistant register of probate for Barnstable County after 51 years with the county; and she was succeeded by their youngest sister, Annabel Jerauld Trayser, who retired last year after serving the county for 26 years.

Together, the three Jeraulds—Bruce, Myra, and Annabel—piled up 119 years of dedicated service to the people of Cape Cod. It is quite a record.

A story on the whole family would make fascinating reading; but this one will be limited to Bruce, the county treasurer. I have known Mr. Jerauld since I first came here and was assigned to cover the courthouse for the Cape Cod daily. When the county commissioners asked me if I would write a story on his retirement, I felt honored because Mr. Jerauld, to me, epitomizes the ideal public servant.

Where does one begin writing a story about a man like Bruce Kempton Jerauld? With his schooling? Barnstable High School, 1908; Pratt Institute, Brooklyn, N.Y. 1910. He studied to be an engineer. He came back to Cape Cod in 1917 to work at the once prosperous (now defunct) Keith Car Works in Sagamore. "Oh I had no particular title," is his modest recollection. "I worked for and with the manager of the works. I was his 'handyman' just doing whatever he wanted me to do; just one of the assistants."

He admits reluctantly that all of the paperwork for the freight car manufacturing firm had to cross his desk first, but he shrugs that off reminding one that "It didn't mean that I had any authority. I didn't." And Mr. Jerauld is so much the courtly, quiet mannered gentleman that one does not dispute him.

We could also start the story of Bruce Jerauld by telling of his marriage on Oct. 28, 1914—a wonderful marriage that spanned 51 years—to Jennie Lucile Thayer, Milwaukee born, but with familialties to Cape Cod. Her grandfather was John Otis Thayer.

Bruce's beloved Lucile died in 1965, but she left him four sons: Bruce Kempton Jr., who works for the sheriff's department; Frederick Thayer, a Manomet businessman; Gordon Otis of North Palm Beach, Fla., an engineer; and Commander Philip Eldredge Jerauld, chaplain, U.S. Navy. Cmdr. Jerauld was the Episcopal minister whose prayer, offered on the deck of the aircraft carrier Iwo Jima welcoming our astronauts back to earth from their moon landing, went around the globe on television.

It was an occasion of quiet pride for his father. "You know," he said, "Philip has had requests for that prayer from all over the world."

Another approach to the kind of man Bruce Jerauld is, would be to tell about his civic involvement—treasurer of Barnstable Unitarian Church for 25 years; two terms as temporary treasurer of Barnstable Fire District; member of Barnstable Comedy Club since 1927, president four years, treasurer for ten, still an active member in the Cape's oldest amateur theatrical club.

But this is all part of the personal, the private side of Bruce Jerauld. His most outstanding contribution has been as a public man, quietly and effectively administering to the complex fiscal affairs of Barnstable County.

He was first appointed to the county treasurer's post on April 23, 1930, to fill the unexpired term of Alexander Stewart of Hyannis. He was appointed by County Commissioners Benjamin Bourne of Bourne, Milton Leonard of Osterville and Joshua Nickerson of Chatham.

Mr. Jerauld stood for election the following November after being nominated by the Republican Party the preceding July. He had no opposition for election. That phenomena was to occur for the rest of his career. No candidate ever opposed Bruce Jerauld in either a primary or a general election. He did his job too well.

When he began his public career in the Village of Barnstable, (where he lives to this day in a modest, cedar-shingled Cape half-house) Cape Cod was a rustic, albeit historic, outpost.

"I've lived and seen this town develop from horse-and-buggy days to the space-age. I can recall when Main Street was nothing but a sand road which turned into a sea of muck when the frost came out of the ground each spring. There was no water, no electric lights. The telephone was just coming in. There was no radio, no automobile, no snow-plows, men shoveled out the street by hand in winter."

Mr. Jerauld saw the beginning of the tourist industry and the decline of farming, fishing, and manufacturing as the base of Cape Cod's economy.

His annual salary when he assumed the county treasurer's post was \$936 and his staff consisted of his wife, Lucile, as a part-time clerk. Her salary was \$95 for the first year she worked. ("She stayed on 'til 1933 when they gave me a full-time clerk.")

The total county budget was \$366,748 in 1930. There were only a handful of county employees then and the county facilities were limited. In Barnstable Village there was the one granite courthouse building housing superior, probate and first district courts, the registry of deeds and most of the county offices.

There was a small jail and house of correction on the site which also housed the State Police contingent. Barnstable County Hospital in Pocasset, today a million dollar operation with a child guidance clinic and an alcoholism clinic in addition to the regular 82-bed hospital facility, was a small TB sanatorium in those days with an operating budget of \$50,000.

Second District Court was only a part-time court when Mr. Jerauld took office, and it operated out of rented quarters.

Today, Mr. Jerauld has a staff of eight, including an assistant treasurer. The county, with 326 full and part-time employees, has become one of Cape Cod's major employers; and it had an operating budget in 1971 of just under four-and-a-half million dollars.

During his tenure of almost 42 years, Mr. Jerauld has seen the county's physical plant more than triple; its budget increase 12 times the size it was in 1930.

By virtue of being county treasurer, Mr. Jerauld is treasurer of the Barnstable County Retirement System which covers all municipal employees on Cape Cod and the Island of Nantucket. Only the town of Falmouth is not included. Mr. Jerauld regards this system with a great deal of professional pride.

"When I took office," he said, "the assets of the County Retirement System were only a few hundred dollars in a savings bank. Today they are approximately \$6 million. And this is a very important part of my job."

In his handling of the county's finances, Mr. Jerauld has exhibited an uncanny ability for ferreting out the lowest possible interest rates when it comes time to borrow money; but when he has to invest county money, he invariably gets the best return.

When you ask him about it, he shrugs it off and comments that the law spells out that he must limit his investments to government bonds, certain banks and certain cooperative stocks. But those who have watched him work over the years will tell you that Bruce Jerauld has developed the art of finding the best investments without fail.

"I will do a little boasting," he told me. "Since we started our latest building program, we have taken in approximately \$350,000 in investments. When we borrow money for building construction, we don't have to spend it all at once. We can take part of it that isn't committed and invest it. That's by statute."

And this is a refrain which you will often hear from Bruce Jerauld: "That's by statute". The law has been the Bible for this public servant for 42 years and he has made a practice of never bending it, twisting it or stretching it.

"When it comes to disbursing the public's money," he said, "you can have no friends. There is only the law, the statutes. A treasurer's duties are to collect the money due the county and to disburse it according to the statute. There is a multitude of work in that short sentence; but that's it, pure and simple."

Bruce Jerauld's successor, who will be appointed to fill out his term by vote of the county commissioners will come into office at the same salary Mr. Jerauld receives today—\$14,782 annually.

To this successor Mr. Jerauld imparts this



bit of advice: "He or she should never be afraid to work on holidays, Saturdays or Sundays. Whoever gets this job has a full-time job on his hands. It is going to require all the time a man can give."

This has been Bruce K. Jerauld's credo for 42 years and he has given his time unsparingly. It is the credo of a man for whom public service has not been a way to make a living, but a dedicated way of life.

#### URBAN REHABILITATION ACT

### HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. WALDIE. Mr. Speaker, 6 million substandard housing units are currently in use—700,000 of these in California alone—and the rate of abandonment in New York City exceeds the rate of housing production.

When we consider the present housing shortages for low- and middle-income families across our Nation, and the realistic expectations for housing production—it appears very clear that unsafe, dilapidated inner-city dwellings will remain the only homes for millions of Americans for sometime to come.

To date national housing efforts have focused primarily on the production of new housing, while neglecting thousands of soundly constructed buildings which are abandoned annually because of bad plumbing, wiring, heating, or rats.

I am introducing a bill which is designed to improve the living conditions of people now occupying substandard deteriorated buildings.

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

This bill would provide the means to make needed repairs and improvements, without increasing the monthly debt service payments—which is the major economic factor in housing deterioration in the inner city—the residents cannot afford to spend money on their property because all elements of housing costs—financing, maintenance, operation, and property taxes—have been rising at an alarming rate over the past decade.

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

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

It is essential to the future of our cities—in order to combat housing abandonment and neighborhood decay—that we provide means for stabilizing existing housing units at a modest cost while continuing present housing production efforts.

I believe this bill can enable us to accomplish our goal—providing and enhancing housing for many low- and middle-income Americans.

#### SUFFER, LITTLE CHILDREN

### HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. BRAY. Mr. Speaker, the welfare demonstration scheduled for this coming Saturday in Washington has overtones of the Pied Piper of Hamelin legend. There are some variations, however. This time, the rats will be leading the children.

It was truly shocking to read the following, which appeared in the Wednesday, March 22, Washington, D.C. Post:

A cartoon of President Nixon appearing with hungry children and captioned "Nixon Doesn't (sic) Care," is being distributed by teachers this week in all Washington elementary schools as part of organizing efforts for a demonstration here Saturday against administration welfare policies.

Newspaper stories make it quite clear this is done with full knowledge and approval of the District of Columbia school board. The District of Columbia Superintendent of Schools has instructed principals and teachers to distribute literature prepared by the organizers of the event. I must add, however that one Board member has said the literature is propaganda, and said:

It is sinful to use children, especially in the elementary schools, for political exploitation.

Around 20,000 leaflets have been distributed through the Washington school mail service. One of them begins with the declaration:

Youth and children suffer. Voiceless, unorganized, and legally subhuman, they have suffered quietly.

There has been a tremendous amount of totally irresponsible demagoguery connected with the pending welfare measure. It has turned into a cynical bidding match. The measure as it now stands provides a guaranteed income of \$2,400 for a family of four; but the marchers will be demanding an increase to \$6,500.

The beginning to the leaflet that I quoted above, and the cynical and callous attempt to utilize District of Columbia schoolchildren—down to and including kindergarten level—for this demonstration may give some the impression that the District of Columbia is a special stepchild of the American Republic. The usual story and complaint is that the District and all its inhabitants are condemned to a poverty-stricken, hand-to-mouth existence, because a greedy and stingy Congress will not provide the money needed. Nothing could be further from the truth.

The truth is that the District of Columbia is at or near the top of all U.S. cities of comparable size—500,000 to 1 million—in almost every financial category

a person could name. As pointed out last November in a report from the House Committee on the District of Columbia on the District of Columbia Revenue Act of 1971, Washington stands No. 1 in the following categories: Total city budget; general city expenditures; total expenditures for common functions; per capita common functions expenditures; police, sewage, parks, and recreation; number of police per 1,000 population; per capita costs for police; per capita tax spending; operating costs per pupil in public schools; percent of population employed by local government; total number of city government employees; personal income per capita, \$5,519.

But on taxes, for estimated tax burden for major taxes, for a family of four, in the Nation's 25 largest cities in 1970—and this means income, real estate, and sales taxes—Washington's rank is: No. 19 on \$5,000 income; No. 18 on \$7,500 income; No. 15 on \$10,000 income; No. 14 on \$15,000 income; No. 13 on \$20,000 income; No. 12 on \$25,000 income.

The report also quotes testimony from one member who, it points out, has supported the District almost 100 percent in its revenue requests:

Officials may "poor mouth" at budget times but they have obtained Federal funds for many new programs and have vastly expanded parks and pools programs, three low-tuition institutes for higher education where there was recently only one, and the cooperation of the expanded Capitol police, and the newly created executive police. City residents also enjoy the federally supported Howard University, the Federal extension service, land grant status for the Federal City College, free programs and concerts and other entertainments and direct access to museums and other attractions that others travel many miles to see. I know of no major District program that has ever been cut back from one year to the next. Nor do I know of any time when District officials have seen fit to drop an old and marginally productive program in order to have the funds for something new that it is seeking.

No—Congress has not played Scrooge with the District, in spite of attempts by demagogues to make it look that way.

#### AMOUNT OF INCOME DISCLOSED

### HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. HUNGATE. Mr. Speaker, in accord with my regular practice since coming to Congress, I again disclose my income as shown by my most recent income tax return for the year 1971, due and filed in the year 1972.

My joint personal income tax return, form 1040, line 12, shows my congressional salary of \$42,500. Lines 14 and 15 list other income of \$2,073 for a total income on line 16 of \$44,573. Less line 17, adjustment for allowed congressional living expenses attending Congress in Washington, D.C., \$3,000, adjust gross income, line 18, is \$41,573.

Itemized deductions, form 1040, part IV, line 47, are \$5,452, consisting pri-

marily of State and local taxes, real estate and personal property taxes of \$2,466.69, interest payments of \$1,587.08, and charitable contributions of \$781.50.

The total income tax and surtax, form 1040, line 21, is \$9,450, plus a self-employment tax of \$76 from line 22, form 1040. The total tax, form 1040, line 23, is \$9,616. The total Federal income tax withheld, line 24, form 1040, is \$8,885.71, plus 1971 estimated tax payments, line 25, \$502.16.

Total payments are \$9,388 as indicated on line 27, form 1040. This leaves a balance paid with the return of \$228.

The principal sources of income, aside from congressional salary, were interest on savings and loan deposits, U.S. Treasury note, executor commission, and lecturer fees in excess of expenses incurred in connection therewith.

Neither my wife nor I own any stocks or bonds.

Campaign funds raised for me are handled by committees and held in trust so that I have no direct control over such funds.

#### INNOVATIVE EDUCATIONAL PROGRAMS IN ALASKA

### HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. BEGICH. Mr. Speaker, there is a great deal of talk about the quality of education being provided our young people today. Unfortunately, however, there are many more complaints than suggestions by those outside the educational system, and more promises than action by those responsible for the level of educational opportunity available in this country.

For the benefit of all to see, I would like to include in the RECORD at this time, information on two projects ongoing in Alaska that speak well for educational administrators and communities alike, who are seeking alternatives to improve the quality of education for the students of our State.

Stanley L. Bippus, superintendent of the Craig City School District feels that schools cannot be immune from their responsibility to both students and their parents. Mr. Bippus also believes that graduating high school students are often unprepared to meet even the simplest demands of adult life. The following article which appeared in the Department of Education Alaska Newsletter tells of this innovative program.

Dan Turner, superintendent of Alaska's Dillingham City Schools, made it possible for high school students to participate in a foreign studies project to encourage students to continue their education after graduation. Forty-seven high school students from various parts of Alaska are now in Japan on such a program. A recent article in the Anchorage Daily Times gives us a closer look at this project.

The articles follow:

#### INNOVATIVE EDUCATION

Of all the currently talked about innovations in secondary education, few have been seriously attempted in Alaska, although we have one of the least restrictive administrative manuals of any state.

Conversations with principals and visits to various schools have revealed a few Alaskan high school classes, teachers and programs which vary from the old monotonous six-period, two-semester, teacher lecture approach. Among the examples we might mention are: the Phase Elective English programs; the Dimond on-the-job intern plan, Seldovia's study packages; Dillingham's aviation and Japan study programs; and Juneau's Community College Project Career's individualized program. For this article I would like to explain more about the exciting happenings which are going on at the Prince of Wales High School in Craig, under the imaginative guidance of Superintendent Stan Bippus who is, incidentally also the town mayor.

Let us look at the key programs which Craig is offering (and planning to offer). They include 3-week mini-courses for grades 9-12 and student travel and exchange programs with Texas, Colorado, California; independent study by contract; and school-wide, one-week projects. In the planning stages are graduation by approved programs and accountability contracting.

Most mini-courses meet for one hour per day for fifteen days. Some last all day, such as vocational and travel programs. One-hour mini-courses are worth 1/12 credit when completed. Additional credit is given for the more intensive courses.

Extensive use is made of community resource persons and interested staff members, as well as students, to teach these courses. Example of successful courses taught in this manner this year include water skiing and scuba diving, halibut hook carving, macrame, welding, archery, piano, sex education and a host of other subjects. A course will be offered on any topic which four or more students request. To facilitate using community teachers, courses may be offered at night or on Saturdays.

There are four 18-week courses: algebra, geometry, bookkeeping and aviation ground school; hopefully the math programs can eventually be broken down into smaller "bites."

Grades are not given, but pass, fail and honors are used. This is similar to the method at Marion High in Everett, Washington, to which Craig has sent a teacher-observer to study their system of continuous progress. Scheduling is still on a trial basis and some criteria are being developed for the future. For example, a social studies mini-course will be mandatory every other session, and for junior high students, one language arts course each session. The Craig plan borrows some of the NASSP Model Schools ideas, modifies them to be mini-courses and the local situation.

Teachers and staff are not overly concerned about students having free and independent study time, but there is some community feeling that the time should be fully controlled by the school. Students may not enroll in or drop courses without parental approval. Students who drop classes must sign an acknowledgment that their graduation may be delayed.

The travel programs can be related to work-experience and job study, or can encompass enrollment in another, more traditional, school district program. Travel can be planned with parental travel and vacation, with or without credit. By timing these with mini-sessions, no one has anything to "make up" when they return in 3 to 6 weeks.

The one-week schoolwide projects which

have been carried out so far include an environmental study with course work, house painting, clean-up projects, etc., and a landscaping project for the school grounds. Extensive support from the U.S. Forest Service and the community was used.

One of the factors to be kept in mind concerning the Craig program, with its upgraded elementary basic programs approach, its mini-sessions, its community involvement and its other innovations, is that it is done within the normal school financial support program. Craig administrators are not saying, "If we just had the money to . . ." They have gone ahead, planned and implemented their program. The Craig City School District is to be highly congratulated for its progress, initiative and leadership.

#### ALASKAN STUDENTS PREPARE FOR DEPARTURE TO JAPAN

Forty-seven high school students from various parts of the state are in Anchorage today preparing to leave Friday for a semester of study in Japan.

The students, including 11 from the state boarding home program, 13 from state-operated schools and 23 from the Dillingham city schools, have spent the last two months in Dillingham taking basic University of Alaska subjects—and a Japanese language course—in preparation for the trip.

They arrived in Anchorage yesterday, and will depart for Tokyo Friday via Fairbanks.

While in Japan they will spend about a week in Tokyo and Nagoya in orientation sessions.

The group will then divide into three parts, with each group rotating between Nagoya, Kyoto and Hiroshima for two weeks at a time.

On May 1, the entire delegation will congregate in Tokyo for a week before returning to Fairbanks May 5.

The students participating in the trip were chosen by fellow students and teachers on the basis of scholarship and citizenship.

All of them were eligible for graduation at the end of the first semester. They will emerge from the foreign studies project with from nine to 12 hours of college credit from the University of Alaska.

Eight boarding home students who attended Anchorage schools last semester are among the travelers.

They are Ruthie Ramoth of Selawick and Lena Oksotaruk of White Mountain, both East students; Joe Stats of Chevak and Edith Oktollik of Point Hope, both Dimond students; Percy Douglas of Shungnak and Bessie Phillips of Kongiganak, Service Students, and Lou Williams of Mekoryuk and Anna Hanson of Alakanuk, West students.

The foreign studies project was begun last year by Dan Turner, superintendent of Dillingham city schools, as an experiment to encourage students to continue studying following high school graduation.

Last year 27 Dillingham students made the trip, and all of them are continuing their studies, two in foreign schools and 17 at the University of Alaska.

Robert Hall of Anchorage and Dillingham is directing the tour.

Hall said the Dillingham School District, the State Operated School System, the Boarding Home program, and the Bureau of Indian Affairs are all helping to pay for the venture.

The state already pays room, board and tuition for a number of the students, and gives grants to the school district to pay for others.

The cost is "not a great deal different than if we all stayed home," Hall said.

Six University of Alaska students, four of whom made the trip last year, are joining the tour as counselors and group leaders. Seven other adults will also make the trip, Hall said.



WHAT IS AN AMERICAN—AN  
EDITORIAL

HON. GEORGE A. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. GOODLING. Mr. Speaker, just recently I had the privilege of attending a ceremony at the Pentagon at which Col. John E. Bex, USAFR, a constituent of mine from Mechanicsburg, Pa., was named a winner of a Valley Forge Patriots Award.

The award was presented on the basis of an editorial entitled "What Is an American," and Bex was selected for the award by the 1971 national awards jury of Freedom Foundation.

Colonel Bex currently is serving as Federal civil defense director for region II, operating out of the Office of Civil Defense in Olney, Md. Gov. John E. Davis, of North Dakota, National Director of Civil Defense, Department of the Army, made the award to Bex in his office at the Pentagon on behalf of the Freedom Foundation.

I am, indeed, proud that a constituent of mine was honored with such an award. Because Colonel Bex's editorial was extremely well written and pointed out that there are many unique qualities associated with an American, I insert his editorial into the CONGRESSIONAL RECORD and commend it to the attention of my colleagues:

WHAT IS AN AMERICAN

(By Col. John E. Bex, USAFR)

When America was just beginning, the people of the entire civilized world already began to ask, What is an American? The resounding answer soon came in the form of men like Benjamin Franklin and George Washington. An American was bold, inventive, pioneering, resolute, freedom-loving. It was he who raised the banner of freedom for the whole world to follow. His form of government, founded on a constitution combining the maximum amount of freedom with responsibility, justice with restraint, human dignity with human obligations, set the world standard for creative and enterprising democracy.

In the 19th century, the answer was further enriched when America began to produce artists and scientists of world stature; men like Whitman and Mark Twain, Edison and Wolcott Gibbs. An American was, at the same time, a true humanitarian, a man moved above all by a high moral purpose, who could give his life for a sacred cause. He was a man like Abraham Lincoln.

The answer has grown richer and more complex down through the years.

Yes, an American is materialistic, in the very best sense of the word, in wanting and being willing to work hard for the best and most beautiful things for himself and his family and to lend a helping hand to people in the rest of the world who are willing to help themselves to get these things too. Yet no one has been more steadily devoted to spiritual values, since he sees material goods as a sound foundation for things of the spirit.

He is the sort of man who built the greatest, most creative industrial power on earth, and, at the same time, has so loved the beauties of nature that he created the largest system of national and state parks in the world.

He has the pioneering spirit in his blood.

He believes it is possible to combine the best of the old fashioned virtues of honesty, diligence, earnestness, and enthusiasm with the best modern ideas and skills.

He is a person who won for himself some of the finest and most beautiful land anywhere on the surface of the globe and then welcomed millions of newcomers to share this heritage with him.

No one is fundamentally more peace-loving than he and yet more willing to fight the good fight to defend his highest ideas. People everywhere know that, depending on whether they are for or against the cause of freedom, the American will be a loyal friend or a determined enemy.

But in the last analysis, "what is an American?" cannot be fully defined, since he hasn't yet found any inherent limitations. As Anne Morrow Lindbergh put it: "America, which has the most glorious present still existing in the world today, hardly stops to enjoy it, in her insatiable appetite for the future."

Americans are perhaps the first people in human history to have real faith in progress without limitation and to live and work in that faith. What's past is prologue.

DECREASE IN CRIME IN MOBILE,  
ALA.

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. EDWARDS of Alabama. Mr. Speaker, I have learned that the Mobile, Ala., Police Department has experienced a sharp decline in overall crime categories for the past 3 consecutive months, December, January, and February. The Mobile Police Department and Mayor-Police Commissioner Robert B. Doyle, Jr., deserve the commendation of this body for the fine work which has brought about this result.

Figures compiled by the planning division of the Mobile Police Department show that for the first 2 months of the year, as compared with figures for the first 2 months of 1971, major crime categories were down 20.8 percent, minor crime categories were down 23.1 percent and overall crime in the city was down 21.3 percent.

For January of this year compared to January of last year, major crime was down 26.9 percent, minor crime was down 18.5 percent and overall crime was down 25.1 percent.

For the entire 12-month period of 1971 compared to that same period for 1970, major crime was down 3.6 percent, minor crime was down 8.1 percent, and overall crime was down 4.6 percent.

The figures were compiled by the planning division of the Mobile Police Department.

I should also note the fine work of Mobile District Attorney Charles R. "Randy" Butler and his staff, whose aggressive prosecution of criminals is no doubt related to these figures. And I also recognize the innovative Turn In a Pusher—TIP—program, which I understand is producing good results in the area of drug abuse prevention.

I am proud of all this effort against crime in my hometown, Mobile, Ala.

FALSE SECURITY—PENSION  
REFORM

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. HILLIS. Mr. Speaker, pension reform is an area of prime legislative concern to me and the residents of Indiana's Fifth Congressional District. Every week I learn of another constituent who will not be able to collect his pension for one reason or another, and this has prompted me to become active in this area.

Recently the Wall Street Journal ran a very informative article on pension funds, citing reasons for enacting protective legislation in this area. I am submitting this article for the study of my colleagues, in the hopes this Congress will be able to enact pension reform legislation before adjourning this year.

The article follows:

FALSE SECURITY: UNION MEN, WORKERS WORRY ABOUT SAFETY OF THEIR PENSION FUNDS—CRITICS ASSERT SOME FIRMS RISK EMPLOYEE'S BENEFITS FOR THEIR CORPORATE USE—PROPOSALS FROM SENATOR JAVITS

(By Michael K. Drafkin)

Item: A financially ailing company tries to borrow \$1.25 million from a subsidiary's pension pool for use as operating capital.

Item: Another company has a policy of investing more than half its pension fund's assets in the company's own common stock and in the real estate of a company subsidiary.

Item: Yet another firm routinely dips into its pension funds for cash to make acquisitions.

Item: A retailer uses its profit-sharing fund as a "bank" to make mortgage loans to companies in which the retailer's top officers hold interests.

Does your company put its own interests ahead of the interests of its pension-fund beneficiaries, sometimes at considerable risk to these beneficiaries? Probably not. Observers say many, if not most, corporate pension funds are carefully managed and conservatively invested. Nevertheless, the question of pension safety is currently nagging numerous union officials, congressional investigators and government experts.

"It's not a question of illegal acts," says Gilbert Feldman, an attorney for the United Steelworkers in Chicago, Mr. Feldman, who has recently been involved in one tangled pension case, adds: "It's a question of the sly manipulation of trust money by those who have the investment authority."

Such alleged manipulations, critics contend, points up the lack of real controls over the investment of pension-fund money. Certainly, a sizable amount of money is involved: The nation's private pension plans currently control an estimated \$130 billion of assets, and it's estimated that this total will swell to \$214 billion by 1980.

MINIMUM STANDARDS

In order to institute further controls over the investment of pension-fund money, Sen. Jacob Javits (R., N.Y.) has introduced a bill to set certain minimum standards for the funding of pensions and the vesting of benefits. The Javits bill, which would require that a sufficient amount of money be set aside to cover promised benefits, would also set up a federal program to insure pensions; it would further establish machinery to provide workers with "portable" pensions that couldn't be negated in the case of a job switch.

The portability of pensions under the Javits bill would depend on whether enough

employers voluntarily agreed to such a program. On a nonvoluntary basis, however, the bill would set rules of conduct pertaining to "fiduciary responsibility" for those officials who administer the funds. Such rules would sharply restrict pension trustees' freedom to involve fund money in transactions related to the parent company.

Sen. Javits' proposed legislation is pending in the Senate Labor Subcommittee, and its fate is uncertain. The Senator, meanwhile, argues that the absence of pension controls permits money meant for retirement benefits to find its way into sometimes-risky situations or into uses that primarily further corporate aims.

#### PROBLEM OF UNDERFUNDING

Besides risky investments, a major problem of pension-fund administration is underfunding. Many companies have huge unfunded pension liabilities—millions of dollars worth of pension credits accrued by employees for which little or no money has been set aside.

Among such concerns is Western Union Telegraph Co. (principal subsidiary of Western Union Corp.), which has \$365 million in unfunded liabilities covered by only \$50 million in fund assets. The company however, says this disparity would present a problem only in the event of termination of the pension plan, such as might occur if Western Union went out of business.

According to Gerald P. Kent, Western Union Telegraph's vice president-employee relations, the gradual covering of the company's unfunded liabilities over a 40-year period (as has been suggested to Sen. Javits by the accounting profession) would cost Western Union \$3.8 million a year. Mr. Kent adds that the company's current practice is to set aside a sufficient amount of money to cover annual pension costs and to pay into the fund an amount of interest equal to the amount the unfunded liabilities would have earned. Western Union management, Mr. Kent says, can better use \$3.8 million annually to "strengthen the company"—and thereby to prevent its termination—rather than to lighten its liability load.

#### TEMPTING POOLS OF MONEY

Fully funded or not, pension funds can be strapped for cash. A recent case in point involved the \$15-million pension fund of Kokomo, Ind.'s Continental Steel Corp., which came under the control of Penn-Dixie Cement Corp. in early 1969.

About a year after it acquired control of Continental Steel, Penn-Dixie came under severe financial pressure. Earnings in 1970 had plunged 89% from a year earlier, and a half-million-dollar loss loomed in the 1971 first quarter. Cash dividends had been suspended for nearly a year. More than \$7 million in short-term bank debt was coming due in September.

In January 1971, Continental Steel asked Continental Illinois National Bank & Trust Co., the trustee of Continental Steel's pension fund, to consider a short-term working capital loan, amounting to \$1.25 million, to Penn-Dixie from the fund. The request was denied. Less than a month later, the Continental Steel Investment Council, whose members were Jerome Castle, chairman and president of Penn-Dixie, and two associates, directed the bank to make the loan. The bank refused.

But Penn-Dixie was persistent. It then proposed to amend the trust agreement between the steel company and the bank to provide that three individuals could be named fund trustees—thereby abrogating the requirement that only a bank or trust-company employee could be appointed. The proposed amendment, which required Continental Bank approval, further stated that trustees "are authorized from time to time to invest and reinvest the fund in any property of any

kind without regard for any law prescribing or limiting the investment powers of fiduciaries."

Continental Bank balked. And two months later, the bank was notified by Continental Steel of its removal as trustee. Meanwhile, the United Steelworkers union got wind of the steel company's proposals and filed suit in a Cook County's circuit court to block the switch and the loan.

Officials of both Penn-Dixie and Continental refuse to discuss their various negotiations. However, testimony last year at a court hearing on the union's suit showed that Penn-Dixie needed the fund's money. At the time of the loan request, Penn-Dixie was in technical default on some of its loans, and bank officials doubted that the company could internally generate sufficient cash to meet its debt-service requirements. John L. Finnerty, the bank's trust officer, said he sought a guarantee from Penn-Dixie's Mr. Castle (who is also chairman of Continental Steel) that Penn-Dixie would seek outside financing before the bank would consider a loan to the fund. According to Mr. Finnerty's testimony, Mr. Castle couldn't give such a guarantee.

"He (Mr. Castle) said that certainly, or worse to that effect, that if he could not obtain the money from outside sources, that he could use various pension funds as a source for that money," Mr. Finnerty testified.

Matters still aren't completely settled. On Sept. 1, the Steelworkers union at Continental Steel began a strike that was largely the result of the pension dispute. The walk-out, which lasted 44 days, ended with an agreement that the trustee of the pension had to be a bank or savings institution with assets of more than \$300 million and that no investment transactions involving the fund could be made with any company in which Mr. Castle or Penn-Dixie held an interest. Amalgamated Savings & Trust Co. of Chicago currently holds the funds. (Penn-Dixie paid off its bank debts by extensively mortgaging much of its property and by selling one of its plants; the working capital loan that had been requested from the Continental Fund was obtained from Allis-Chalmers Corp., and Penn-Dixie said this loan has been repaid in full.)

#### AN SEC SUIT

In another suit involving the use of pension funds, the Securities and Exchange Commission has charged three related companies and certain of their officials with violations of the Securities Exchange Act of 1934. The defendants are Sharon Steel Corp.; NVF Corp., which took over Sharon in 1969; Victor Posner, chairman of both companies; Bernard Krakow, an associate of Mr. Posner; and Wilbur T. Blair, a former Sharon official.

According to the SEC suit, the exchange act was violated in that the defendants used money from two Sharon pension funds to buy securities in other ventures in which Mr. Posner had an interest and that the fund money was used to meet corporate obligations of companies in which Mr. Posner held an interest (specifically the takeover of Sharon Steel by NVF). The SEC further said that its regulations were violated in that the defendants failed to report in a proper manner their use of the funds.

The defendants deny any impropriety. Mr. Krakow, for example, says every move was aboveboard. Although the SEC has charged that Mr. Posner in April 1969 removed the Sharon Steel pension funds from the trusteeship of Union National Bank of Pittsburgh because that bank declined to take investment directions to buy NVF and DWG securities, Mr. Krakow says the bank was dropped because Sharon was dissatisfied with its performance as trustee. Furthermore, he adds, that investments from Sharon's funds in the "affiliated companies" amounted to "probably

under 10% of all fund transactions" and earned about 9.6% on an annual basis.

The SEC suit involving the Sharon fund is still pending, but discussions are currently under way toward a settlement in which Mr. Posner and his associates would relinquish control of the Sharon pension money. No criminal charges are involved.

The vulnerability of fund money is, of course, a major concern of Sen. Javits and those backing his bill. Of particular concern is the fact that pension funds are often invested by a company in the company itself or in its subsidiaries—thereby directly tying the fund to the fortunes of the corporation.

A case in point involves Genesco Inc., the Nashville-based shoe and clothing concern. Of Genesco's \$80 million in retirement-fund assets, \$15 million is invested in Genesco common stock, and another \$32 million is invested in the real estate of a Genesco subsidiary.

As far as retirement benefits are concerned, Sen. Javits says, pension-fund investments such as those of Genesco "put the employe at the hazard of the solvency or insolvency of the employer." Genesco, however, defends its investments—particularly a 1964 investment in the real estate of H. R. Kress & Co., then a Genesco subsidiary. The Kress investment was "as fine an asset as anyone could get his hands on," says J. G. De Lacey, vice president and secretary of Genesco. Genesco's pension fund, Mr. De Lacey adds, profited handsomely on the transaction.

#### SUBSTANTIAL PROFITS

Even critics of current pension systems don't argue that funds can't earn substantial profits from intracorporate investments. They do contend, however, that the principal efforts of fund trustees should be directed entirely toward protecting the future welfare of intended beneficiaries—rather than the current enrichment of a corporation or its officers.

Such critics are particularly concerned by a recent situation involving an employees' profit-sharing fund administered by Winn-Dixie Inc., a Jacksonville, Fla., retail food chain. Winn-Dixie operates the fund in lieu of a fixed-benefit retirement system; under its system, the amount of employer contributions is determined by company profits. But Senate investigators say the company was involved in a conflict of interests when it allowed the fund to provide mortgage financing to real estate companies that were owned wholly or in part by four of Winn-Dixie's top executives.

"All of it was quite legal and quite proper," says a staff lawyer for the Labor Subcommittee. "But the fund can be said to have benefited others than for whom it was primarily intended."

The Winn-Dixie situation began in the early 1960s and involved the leasing to the company of retail stores bearing the Winn-Dixie name but owned by separate real estate companies. At the time the mortgage loans were made, a half-dozen Winn-Dixie executives or directors were the sole owners or part owners of the real estate concerns. The real estate companies built stores; they then obtained mortgage financing from the profit-sharing fund, which earns interest on the money it lent.

The mortgages will be paid off by rentals from Winn-Dixie to the real estate companies. However, the committee maintains that the major beneficiaries are the real estate companies, since, at the end of the mortgage period, these companies—rather than the profit-sharing funds—will own the stores and can sell them for a capital gain.

Winn-Dixie defends its actions. James Cameron, fund vice chairman, says such financing is a valid means of obtaining "a balanced portfolio" of its total investments. (About \$960,000, or 1.4% of the fund's assets, are in the real estate mortgages.) "We can't



see any conflict of interest," Mr. Cameron says, adding that the mortgages were "commercially acceptable" and would have been taken on by any lending institution.

Senate staffers don't dispute the fact that the fund profited by the investments, but an attorney on the Labor Subcommittee staff argues that such use of fund money "violates the general concept of trust" and points up the "weakness of legislation" regulating fund investments. He adds: "Just because corporate people know about (the availability) of pension funds doesn't mean they should be able to use them to their advantage—even though the fund benefits—when a suitable investment opportunity arises."

#### HON. JAMES A. BURKE SPEAKS AT THE ANNUAL CHIEF MARSHAL'S BANQUET

#### HON. LOUISE DAY HICKS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mrs. HICKS of Massachusetts. Mr. Speaker, Congressman JAMES A. BURKE, my Massachusetts colleague, was principal guest speaker at the annual Allied War Veterans banquet in South Boston, at which I had the honor to be present. As my colleagues know, Mr. BURKE is an inspiring speaker and this occasion was no exception. I would like to share his remarks with my colleagues:

REMARKS OF CONGRESSMAN JAMES A. BURKE

Members of the Allied War Veterans Council and friends: It is a great honor to participate in this hallowed tradition of your organization which each year sponsors a March 17th banquet.

We in Boston have always, it seems, had the best of at least two worlds, being able to celebrate two great occasions on March 17, Evacuation Day and St. Patrick's Day. The day, as a result, has always been for Boston children and Boston families a day rich in American and Irish history and I have never noticed any great conflict as a result. Quite the contrary, there is, it seems a great deal of pride which can be had from both observances. They are both joyous celebrations. This is something worth noting, insofar as what is being commemorated are two departures: Evacuation Day commemorating Washington's driving the British Fleet from Boston from a hill not too far from here, Dorchester Heights; and St. Patrick's Day commemorating as it does the death of St. Patrick. With one, of course, the departure of the British forces, we have one of the turning points in the American War of Independence. Ultimately the British were to flee the whole country and leave behind a nation dedicated to liberty, justice and equality for all men. St. Patrick was to leave behind a nation of saints and scholars which later on would send missionaries of its own to spread the same faith and message to other lands in every corner of the globe. Both events, in other words, are symbols of a new beginning and a source of tremendous national pride.

I could not speak tonight without mentioning to my fellow Bostonians that I am struck by the irony of the occasion this year. For tonight, nearly 200 years after an earlier generation of Bostonians gave the order to the British to depart from our shores, our friends and brothers, in spirit if not in blood, in Ireland are still struggling to get that same message to the British troops. I refer, of course, to the situation which continues

to trouble the citizens of Northern Ireland. That land is still torn apart by the legacy of its history of uninterrupted domination and interference by British authority. Today, the fiction that is Northern Ireland, the cruel hoax that is the Stormont, the bitter reality that are the internment camps, the continuous reminder of subjugation that are the British troops are all combining to produce an intolerable situation. Problems that should have been solved years ago by Irishmen of different faiths living and working together, as they are to the south in Ireland, are still alive. It is not surprising, when you stop to think that they have been deliberately encouraged as a matter of Government policy for the past 50 years. The myth of Northern Ireland as a viable independent autonomous region of Ireland or the equally absurd myth of six Irish counties being a part of metropolitan England are just that and nothing more, myths. These myths deny reality, deny national feelings and the national identity which is Ireland.

The outrage over the intolerable situation affecting hundreds and thousands of human beings in civilized Europe, where even the most fundamental civil liberties and rights are being denied, is something which cannot be a matter of concern only to Irishmen or those living in Ireland. It must, of necessity, be a cause of concern to men of good will the world over. Just as the conscience of the world had to be revulsed by what was perpetrated in the name of power and brute force in Nazi Germany in the mid-thirties, in the middle east in the forties and fifties, in Bangla Desh as recently as a few months ago, that same troubled conscience must if need be, be given vent for its genuine concern with what is taking place in Ireland.

The trouble is, too many men who should know better, too many establishment publications, too many agencies of our own Government have grown so accustomed to the injustice in Ireland over the years that they have become resigned and calloused and indifferent to the suffering of that land and even now, when the situation threatens to explode, they refrain from using what moral influence and suasion this country has with the British Government to bring pressure to bear for reconciliation and the beginning of genuine negotiations. However, there are just too many in this cradle of liberty that is Boston who have the closest of ties with Ireland to accept this as a just or satisfactory state of affairs. I know I speak for hundreds and thousands of people in this State and in this country when I say that it is time the authorities in Westminster and Belfast listen to world opinion, abandon the pretense, that is, the present government in Ireland. Tonight, therefore, close-by Dorchester Heights let the word go forth that Bostonians once again demand the end of colonial rule and domination by outside powers in Ireland and that a serious beginning be made toward a truly democratic government which will respect the views of all its citizens. I am not so foolish as to think that it can be done overnight or tomorrow. Just as the American War of Independence was not won in one battle, at Dorchester Heights or even with the surrender at Yorktown. It took years before our Nation was truly born and we were a government of law and justice, not just men. But a beginning must be made and tonight is as good an historic occasion as any to face reality and to join forces in urging, not more violence and bloodshed in that troubled land, across the sea, but a genuine revolution in understanding and learning to live together. Otherwise, March 17 will become increasingly a day of sadness and unhappiness instead of the day of celebration and joy that it should be in Boston and Dublin and, yes, Belfast, too.

#### U.S. PARTICIPATION IN THE INTERNATIONAL LABOR ORGANIZATION

#### HON. WILLIAM E. MINSHALL

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. MINSHALL. Mr. Speaker, an extremely important address was recently given to the New York Chapter of the Industrial Relations Research Association by my very distinguished friend Charles H. Smith, Jr., chairman of the board of SIFCO Industries, Cleveland, as well as chairman of the ILO Council and chairman of the Labor Relations Committee of the U.S. Chamber of Commerce.

In his remarks he traces the evolution of the International Labor Organization, its often stormy and controversial history, and concludes with 10 reasoned and reasonable recommendations regarding U.S. participation in the International Labor Organization.

This is a major statement by Charles Smith and one that I hope will receive the most serious reading and consideration by all Members of Congress.

The statement follows:

ADDRESS: UNITED STATES PARTICIPATION IN THE ILO, BY CHARLES H. SMITH, JR., CHAIRMAN OF THE BOARD, SIFCO INDUSTRIES, INC., CLEVELAND, OHIO; CHAIRMAN, ILO COUNCIL; CHAIRMAN, LABOR RELATIONS COMMITTEE, CHAMBER OF COMMERCE OF THE UNITED STATES, BEFORE NEW YORK CHAPTER, INDUSTRIAL RELATIONS RESEARCH ASSOCIATION, COLUMBIA UNIVERSITY CLUB, MARCH 16, 1972

The United States and, more particularly, the people of the United States, are involved today in great international economic policy debate—a substantial rethinking of long established and rather commonly accepted concepts that have been the foundation of our international trade and commerce for many decades.

The International Labor Organization, a specialized agency of the United Nations, may seem distant and remote from the controversy in the committee rooms of our Senate and House of Representatives; and yet participation in the ILO has been one element of our foreign policy since 1934, and the scope of ILO activities clearly makes it a factor, recognized or not, in many of the equations which govern our commerce with the rest of the world.

I would like to set the stage for our discussion of the International Labor Organization by briefly touching on the major elements of this international economic policy debate, because our long range future participation in the ILO should be closely related to the decisions we reach on overall international economic policy.

I think we have to begin this analysis by going back in our minds to the conditions that faced the world at the end of World War II. The industrial nations of the world with only two exceptions lay in virtual ruin. The two exceptions were of course the two North American countries of Canada and the United States, and the industrial strength of Canada was a tiny sliver of capacity compared to the United States. The farms and factories of North America were deluged with demands for their products from all over the world to meet the urgent requirements of a war-torn populace. It soon became evident that the then existing facilities of international commerce were inadequate to meet the requirements of such a tremendous

program. The vast array of exports flowing out of the United States could not be matched by anything like an equivalent amount of imports. The resulting imbalance of trade created huge trade surpluses for the United States with almost every country. Our foreign exchange reserves grew by leaps and bounds; and it did not seem possible to enlarge the vast vaults of Fort Knox fast enough to keep up with the flow of gold that was moving to the United States to offset the negative balance of trade that most countries had with the United States.

As a natural outcome of the conditions that prevailed in the late 1940's and most of the decade of the 1950's, our nation's policy was directed toward a determined effort to assist the rest of the world to regain a self-supporting economy. International monetary agreements were designed to protect non-dollar currencies. A vast system of credits and outright grants were offered by the United States. Productivity teams from Europe and Japan roamed back and forth across our country to study our industrial techniques and take home the most constructive ideas. Our great universities sent nuclei of professors abroad to assist in transmitting American teaching methods and to help start new universities and colleges in many parts of the world. We encouraged the establishment of regional marketing agreements in order to, among other things, make possible the same advantages of mass consumption and production that had long been a benefit to the United States.

All in all, we dreamed of a peaceful world where international cooperation would move all of the nations steadily toward a better standard of living for their people, and toward the elimination of war as a device to settle international controversies.

The result of these efforts bore fruit well beyond our wildest expectations. Today Western Europe is united economically, if not politically and the expanded Common Market represents a potential of production and consumption that is greater than that in the United States. Japan has built its economy to where it now ranks third in the world trailing only our own country and the USSR. The economies of many of the less industrialized nations have also shown marked improvements to the point that manufactured products from Brazil, Mexico, Portugal, Spain, Italy and a number of other countries are finding ready markets in significant proportions in the United States.

The economic world has changed dramatically in the last decade. Our staggering balance of trade surpluses of the late 40's and early 50's have disappeared, and 1971 brought us the first balance of trade deficit since 1893. Our balance of payments situation has steadily deteriorated capped by an almost catastrophic deficit of about 30 billion dollars in 1971. As it became apparent that many manufacturing costs were lower outside our borders, foreign manufactured goods of high quality have come pouring into the United States. Our gold supply has dropped from its peak in the late 1950's of \$25 billion to less than \$10 billion. Meanwhile, our short-term liabilities to foreigners have increased to well over 50 billion dollars. In the simplest terms, if the United States was a corporation or an individual, it would be bankrupt. As in the case of some financially embarrassed corporations, disaster is avoided because our creditors cannot afford to foreclose.

As the realities of our international economic situation gradually began to become apparent to responsible officials in our government and to many segments of our population, two different forms of reaction began to develop.

One form of reaction is to propose a new resurgence of isolationism. These proposals

call for import quotas and high tariffs on goods manufactured abroad, restrictions on American investments overseas, double taxation on earnings of existing overseas subsidiaries of United States Corporations, restrictions on the use or licensing of American patents and know-how outside our borders. In short, the proponents of this position seek to cure our international economic problems by withdrawing behind our own borders and building a formidable wall around our country—a wall high enough to eliminate the competition in our markets from products manufactured in other countries. I guess you could say these proposals represent a return to the "Fortress America" concept of earlier years, even though the concept envisions an economic fortress rather than a military bastion. Perhaps the most comprehensive piece of legislation originating from this school of thought is the Hartke-Burke Bill which is receiving the enthusiastic support of organized labor.

The other form of reaction revolves around proposals aimed at restoring our economic health by taking the necessary steps to regain our competitive position in the world market place. These proposals include dampening of our high rate of inflation as a necessary first step, the realignment of currency exchange rates to reflect the realities of the current situation, the more equitable sharing of the burdens for free world defense and aid to the developing areas of the world, increased efforts to modernize our production facilities so as to be more efficient, and increased effort in the area of research and development to speed the entry of new U.S. products into the world market.

What has all of this to do with the International Labor Organization? Very simply, our nation has reached a fork in the road. If we go one way (let us say to the left since it is the course being widely advocated by many liberals) we will move toward isolationism, toward lesser reliance on international cooperation and international organizations, towards lesser willingness to share our knowledge and resources with the less fortunate. Such a path will lead us away from the basic objectives of the International Labor Organization, certainly reducing our influence in that organization and in all probability reducing our interest in the ILO as well.

The alternate path (let us call it the right path; not because it is conservative, but because I believe it to be the correct direction) leads to continued deep involvement in international trade and commerce, continued vigorous competition with the other industrial nations of the world for our rightful share of world markets, continued efforts to work together with other nations to find the right solutions to the economic problems that bedevil us, continued opportunities to focus our own particular expertise and ability on the vital effort of raising living standards in the developing countries. Should United States policy take us down this path our interest in and concern for the matters that fall within the responsibilities of the ILO will heighten.

So far, I've been talking about some very broad but significant policy questions that involve not just the ILO but our nation's entire international economic posture. I'd now like to turn my attention to specific ILO matters that occasionally have attracted public attention over the past two years and some that I predict will be of real concern to us all in the future.

First, the matter of the United States contribution to the ILO. As of now, our nation is \$11.6 million in arrears for our 1970 and 1971 contributions to the ILO, and our 1972 dues come to \$8.7 million. In short, we currently owe the ILO a total of \$20.3 million.

Appropriations for U.S. contributions to support these activities have been virtually automatic—that is, until July 31, 1970.

At that time a Subcommittee of the House Appropriations Committee took action which resulted in withholding the U.S. contribution.

Both the National Chamber and the AFL-CIO participated in this action. Ed Neilan, the U.S. Employer Delegate to the ILO, and George Meany, President of the AFL-CIO, testified before the Appropriations Subcommittee headed by Congressman John Rooney of New York.

At that hearing, neither Mr. Neilan nor Mr. Meany made specific recommendations for the amount of funds that might be withheld. And they did not recommend a period of time during which contributions might be delayed. But, they agreed they "would ask our Congress to put some strings on the money that would go to ILO and get some attention (for) the principles of private enterprise and free trade unions . . ."

The circumstances which brought about this view—that the U.S. should register a protest—involved an accumulation of grievances. For example, Mr. Meany said that his office had counted 167 attacks on the U.S. over a period of eight years by Communist delegates.

Another example: A monthly ILO publication, which is given world-wide distribution, contained an article depicting Lenin as a great friend of the working man. However, the article failed to give information on the historic record of Lenin's oppression of the people of the Soviet Union and his actions to destroy the Russian trade union movement.

The chief concern was with the constant polemics of the Soviet bloc—references to the Vietnam War, a political subject in a forum intended to discuss social policy; references to the U.S. as an "aggressor nation;" U.S. business labeled as "evil capitalists," "exploiters of labor," "economic royalists," "promoters of dollar imperialism," and others.

Another concern was the double standard, favoring the Communist member states, which was practiced in the ILO. While ILO procedures for publicizing the violation of treaty obligations assumed by states under the ILO Constitution were vigorously applied to non-Communist state members of the ILO, the Communist states enjoyed an immunity from those procedures, and their known and documented violations were not even discussed.

A further major concern was the erosion, under Communist pressure in the ILO, of the autonomous authority of the two non-government groups (the employers and workers) to determine the representation of their interests on tripartite bodies of the ILO.

Finally, to this aggregation of grievances the newly elected Director-General added one more—the appointment of a Soviet national as one of the five assistant directors-general without prior consultation with the U.S.

Mr. Neilan and Mr. Meany pointed out that the U.S. was paying 25 percent (about \$8 million) of the ILO budget, plus 34 percent of the United Nations Development Program funds of which \$23.4 million was contracted to ILO; and then was being insulted in ILO forums by some of the nations which benefit from U.S. funds.

By comparison, the entire Soviet bloc pays about 13 percent of the ILO budget, and only three percent of the UNDP budget.

Messrs. Neilan and Meany expressed the view that the Director-General, as executive head of the ILO, could effect some improvements.

The action to withhold funds was both to protest and to provide an incentive to accomplish some favorable changes.

And we asked Mr. Jenks for some very sim-



ple commitments: that ILO publications not be used for Communist propaganda; that the ILO staff exercise maximum guidance in ILO forums to minimize the introduction of political statements.

About the appointment of Mr. Pavel Astapenko, the Soviet national named as one of the assistant directors-general, we made no request.

The action recommended by both the National Chamber and the AFL-CIO was a protest—intended as a short-term action to draw attention to inequitable treatment.

It was not intended to initiate U.S. withdrawal from the ILO.

It was not a refusal to pay.

We still owe the money; we are committed to pay this obligation no matter how long the contributions are withheld.

But, now our protest action has, in effect, become punitive action.

Moreover, after being in arrears two years, the U.S. will lose its voting rights in the ILO. This will occur in January, 1973, which would actually involve withholding contributions for two and a half years because of the time frame used by ILO to calculate the loss of voting rights.

But a more immediate test will be faced at the June, 1972 Conference. At that time, both the U.S. worker delegate and the U.S. employer delegate will stand for re-election, by their separate groups, to the Governing Body for another three-year term.

If the employers' group or the workers' group strongly feel that future U.S. participation is in doubt, one or both representatives may not be re-elected.

So, a protest, which now seems to have been carried far too long and which was originally intended to improve the climate for U.S. participation in the ILO, may result in the deterioration of the climate for U.S. participation and eventually complete elimination of further U.S. participation in the ILO.

The National Chamber testified in support of payment of the obligation—nearly a year ago.

Although the AFL-CIO did not submit testimony in the 1971 hearings, on May 11, 1971, Mr. Meany, in a press conference, said we owe the money and we ought to pay it.

But the man with the decisive power is House Appropriations Subcommittee Chairman John Rooney.

While he has stated that he doesn't want the U.S. to withdraw from the ILO, he appears to have provided all the circumstances needed to force the Administration to initiate withdrawal procedures.

Now, just one last thought about this matter: A valid cause for proposing withdrawal from ILO would be a determination by the majority of the tripartite participants, or by the Congress, that ILO was not a sufficiently effective mechanism for accomplishing its mission.

This issue—the net effectiveness of ILO—has not been debated in the Congress. We should not back into a decision by defaulting on our contractual obligations.

Now, let me swing over to an examination of the effectiveness of ILO as a mechanism to accomplish its original purpose: which was to promote improved conditions of life and work for workers.

First, although it is called the International Labor Organization, it is not an organization in the sense that it has a common purpose supported by the membership.

It has become a congress—a parliament, a general assembly, a legislature—in which representatives of various constituencies are divided along partisan lines and engaged in political skirmishes and ideological battles.

This is not an organization like the Chamber of Commerce of the United States, a local chamber of commerce, or a trade or professional association, in which there is benefit from establishing problem-solving programs

and then pulling together to get things done. In such an organization, attacks by one segment of the membership on another segment would be considered as signs of immaturity or weak argument.

But, in a congress or parliament, although certain rules of restraint are followed, the partisan differences are clearly visible.

In terms of its mechanism for getting things done—its meetings—ILO has some of the characteristics of an organizational dinosaur.

One measure of organizational obsolescence is the length of some of the meetings. For example, the Conference is in session for three weeks. Most American participants agree that the subjects could be adequately discussed in half that time. But some of the procedures are derived from customs and practices of the 19th Century. They are highly formalized—like the tails and striped pants diplomacy of the old League of Nations which was contemporary with the origin of the ILO. And they apparently have changed very little in the succeeding period of more than 50 years.

The Conference practice provides for unrestricted debate. And the incentives to demonstrate active participation in the committees and plenary sessions prompt dozens and dozens of representatives to rehash the same ideas many times. The objective, which is very obvious in many instances, is to put statements in the record which make good copy for newspapers in about 120 home countries.

But it slows decisions and excessively consumes time.

The Director-General publishes and distributes, before each annual Conference convenes, a report which analyzes one or more of the problems of the world relating to social policy and outlines ILO-proposed solutions.

The Conference plenary sessions are used for about two weeks to discuss the D-G's Report. The delegates agree with it, disagree with it, and use the occasion to excessively report on conditions in their own countries. Again, the statements are designed more to serve as reports to home country superiors and news media than to enlighten the conferees. This makes for dull listening and dull reading and it contributes little, in proportion to the time used, to getting on with the main job of the ILO which is to do something constructive to improve the standard of living of workers. More important, however, this "debate" has been used as the platform for irrelevant political polemics by Communist speakers attacking the U.S. in particular, and free institutions in general.

Now, how about the ILO's programs—all those activities intended to implement the policies which have taken the form of "conventions" or the less formalized "recommendations" for legislative or other action by member nations.

The ILO's programs being with a sizable budget of about \$28 million, plus the U.N.D.P. funds which are spent by ILO—over \$23 million. Then they trickle down to specific projects around the world guided by about 1,100 field staff members.

The effectiveness of these programs is difficult to measure. There are reports on the field activities such as manpower training, vocational training, youth training, maritime training, and management development programs, but most of the measuring efforts are conducted with the participation of the ILO staff. So, of course, the persons who judge ILO programs may be expected to find satisfactory results.

This leaves us with no adequate present measure of impact . . . no good reading of the extent to which ILO field programs may help solve the worker-related problems of developing countries.

Up to this time, the ILO has passed at its Annual Conference a series of 136 Conventions and 144 Recommendations. These are frequently vague in content and limited to broad general principles. After all, they are meant to give guidance to nations with economies as vastly different as that of the U.S.A. at one extreme and Chad or Mauritius on the other—with countries occupying land masses as great as the U.S.S.R. or as small as Cypress or Singapore—with populations as large as India or as small as Southern Yeman or Nepal.

Not infrequently, however, ILO Conventions became enmeshed in a mass of details that make it impossible to really apply them in practice in the majority of member nations. This fact is often obscured by the vastly different meaning of the ratification process from country to country. As you know, the ratification of a treaty is a serious business in this country. A ratified treaty or Convention becomes law and can be enforced in our courts. It even takes precedent over all existing laws in our country.

In some other countries, however, the ratification of a Convention has no significance beyond expressing general accord with the concepts of the Convention and a hope that someday the country will be able to implement those concepts. For example, in the proceedings of the 1971 Committee on Application of Conventions (a Conference Committee which annually reviews the reports from Member States giving details as to the manner in which ratified Conventions have been implemented) there is reference to one South American nation that had not yet found it possible to implement even one of six Conventions that had been ratified by that nation in 1933, 38 years earlier. Examples such as this one make a mockery of the Convention process, and prompt the suggestion that a thorough study of the effectiveness of this cumbersome procedure is long overdue in order to devise a more effective manner to use the limited resources of the ILO to really raise living standards in practice rather than to be complacently satisfied by the adoption of scores of well intentioned but often impractical documents.

For years, American employers, and for that matter American labor and government, have complained about the actions and even the presence of Communist delegations to the ILO. The ILO Constitution calls for tripartite delegations; and when the U.S.S.R. and its satellites applied for membership in the ILO, they pledged to accept the provisions of the Constitution.

Of course, we believe they are not quite "tripartite."

We are reasonably sure that they do not have private enterprise employers in their delegations . . . the equivalents of U.S. employers. They have managers of government-owned businesses, of course, but not businesses operated independently from their government.

And the union leaders of most Western countries seem convinced that the Soviets don't have free trade unions. Soviet bloc countries have organizations of workers, but they are under the control of their government.

But if we are to be realists we must recognize that Communists are there, and they have given every indication that they intend to stay. Beyond that, they have demonstrated their persistent determination to change both the program and the structure of this organization to accommodate their form of government and their type of economic system. As long as the Communist countries continue their memberships in the United Nations, and so long as the ILO maintains its status as a specialized agency of the U.N., the Communist countries have a legal basis for retaining their membership in the ILO. This, however, is no reason why the ILO

should change its structure or its program in order to accommodate the Communist system. It is no reason why the ILO should set up a dual set of standards for measuring the implementation of ILO Conventions and Recommendations—one standard to be applied where there are free market conditions, and a second set of standards for countries that establish their market conditions for both labor and products by government fiat. And yet that is exactly what the ILO has been doing for many years.

The Soviet bloc has long recognized the importance of using the ILO as a mechanism to encourage the so-called "third world," the developing nations of Asia, Africa, the Middle East, and to some extent Central and South America, to move toward the Communist political and economic system.

More recently, they have recognized the advantages that become possible by using the "third world" to move the ILO in directions that are favorable toward the Communist system. By assiduously courting many of these nations both in and out of the ILO, the U.S.S.R. has put together a voting bloc that far exceeds the dozen Communist countries in the ILO.

In the ILO, and even more important in the U.N., the developing countries can put together a voting bloc that is substantially larger than all the votes that can be marshaled by the so-called "Western Bloc." Since I attended my first ILO meeting in 1953 the meeting has just about doubled—from about 60 member states to over 120. Most of this increased membership comes from newly independent countries in Africa and, to a lesser degree, Asia. These new or relatively new members have completely changed the voting balance in both the ILO and U.N. far beyond the degree that is generally recognized by the American public.

As an example, the six countries making the largest contributions are assessed for 59 percent of the budget, and they have less than five percent of the voting strength. Over 51 percent of the voting strength is available to the 62 countries that provide just about five percent of the financial resources that keep the ILO programs in existence.

I know of no organization that has successfully coped with a concept of divorcing the responsibility for funding its programs from the authority to determine how the funds shall be applied; and the ILO is no exception. Fortunately it is not quite as irresponsible as it sounds, inasmuch as the Governing Body of the ILO has the initial authority for the organization's budget. The 10 states of chief industrial importance are automatically allotted 10 of the 24 government seats on the Governing Body by the Constitution, but the Communist bloc has been trying desperately to change this provision since only the U.S.S.R. ranks among the top 10 nations in industrial importance.

I began this discussion by referring to the international economic policy debate that is already underway in the United States the outcome of which will determine whether we as a nation move toward protectionism and gradual isolation from the rest of the world, or continue to espouse the cause of fair but free trade between nations. The ILO has entered the debate in a meaningful manner by appointing (as a result of a resolution passed at the 1971 Conference) a Committee of Experts to explore possible fields of action that the ILO might wish to take regarding the relationship between multinational corporations and social policy.

It is too early to form any opinion as to the eventual outcome of the ILO's scheduled study of Multinational Corporations, but when we examine the list of supporters and sponsors of this proposal and the resolution that brought it to life, it is easy to reach the conclusion that the intent of the sponsors is certainly not to be helpful to the so-called "multinational corporations." The principal

advocates of this study are the American labor unions which have been vigorously attacking multinationals for the last several years. Joining with them are a collection of ultra-nationalists from some of the developing countries which have been attacking the concept of foreign investment in their own countries; and, of course, the Communists, who delight in supporting any attack on capitalism and free enterprise whether their support is desired or not. I personally can think of no way in which the ILO could more quickly sabotage its own efforts to improve the conditions of life and work for workers, particularly in the developing countries, than by supporting an attack on "multinational corporations."

I cannot conclude this discussion without trying to summarize some definite recommendations that have been referred to or hinted at earlier. They are as follows:

1. That each of us make every effort to alert our fellow Americans, and more particularly our representatives in the Congress, to the dangerous consequences of a return to protectionism and isolationism. "Fortress America" could quickly become a lonesome outpost under siege by the rest of the world.

2. That each of us vigorously support the vital effort to restore our nation's competitive ability and makes our position known to the Congress.

3. That the Congress promptly arrange to provide the funds that our nation owes under treaty obligations to the ILO.

4. That the United States Government initiate vigorous and determined efforts to bring about a substantial reduction in the percentage of the total ILO budget paid by the United States with the ultimate objective of reducing our commitment to no more than 15 percent within 10 years.

5. That the Congress of the United States institute a comprehensive investigation to determine the effectiveness of ILO in making a real contribution toward improved conditions of life and work.

6. That the Governing Body of the ILO initiate an intensive study of ways to modernize, streamline and make more effective the programs and procedures of the ILO.

7. That the Director-General of the ILO initiate an effort to find a more effective and less biased judgment of the effectiveness of ILO programs.

8. That the Governing Body of the ILO initiate a study to identify procedures to make the Convention and Recommendation machinery more meaningful, including perhaps some form of automatic de-ratification process after failure of a country to implement a ratified Convention within a given time span, say seven years.

9. That the United States delegation to the ILO continue to encourage the other "free world" delegations to seek ways of working with the Communist bloc within the framework of the existing ILO structure with vigorous opposition toward the modification of the structure and program to accommodate the monolithic system that is inherent in Communist countries.

10. That the United States increase its efforts to understand and work with the developing countries of the world.

Our nation has been a member of the ILO since 1934. Throughout the intervening years this organization has been treated in the United States with varying degrees of benign neglect, casual disregard, outright hostility, and on rather rare occasions, warm affection.

Never before has the need for fulfilling the Constitutional objectives of the ILO been more essential.

Never before has the attainment of these objectives seemed more difficult.

Never again are we apt to have such a good opportunity to bring about the real reforms that can give the ILO a valid chance to attain its Constitutional objectives.

NUTLEY, N.J., CITED AS ONE OF THE NATION'S SAFEST COMMUNITIES

## HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. RODINO. Mr. Speaker, it is with much pride that I am inserting the enclosed article into today's RECORD. As the representative of the citizens of the Nutley community, the findings of David and Holly Franke in their recently published book, "Safe Places," hold special meaning for me. Phil White of the Nutley Sun writes with warmth and enthusiasm on his community's newly recognized status:

NUTLEY IS NAMED ONE OF AMERICA'S 47 SAFEST PLACES IN WHICH TO LIVE

Tomorrow, Nutley will become famous all over again! This time, not because of Annie Oakley's sharp-shooting or a new "clever" advertising campaign to poke fun at our town's name.

Tomorrow, Nutley officially becomes "a peaceful paradise . . . where the living is easy . . . and safe!" And if you're somewhat skeptical about how Nutley's rating ended up among the nicest 47 communities (paradises if you will) in America, you're not alone. There have been those who were unbelievers to such an extent they had to come here themselves to be convinced—people like James G. Driscoll of Dow-Jones "National Observer" who flew into town about a month ago "stubbornly resisting the idea that any northeastern New Jersey area is liveable, let alone safe."

But by the time Jim Driscoll had ended his one-day visit to Nutley, he too was suggesting this community just might be an exception to his preconceived notion that New Jersey is "the most dismal living area in the nation. You might even want to consider moving to Nutley" was Jim Driscoll's departing thought in his February 5 National Observer article.

He had come to Nutley as a skeptic, seemingly out to overturn the cards on David and Holly Franke who four years ago began what ended up being a detailed project analysis of thousands of American communities. They finally narrowed down their list by applying FBI crime statistics, then armed with a road map, set out on a 20,000 cross-country jaunt to visit those "Safe Places where the American dream hasn't turned into a nightmare."

"Safe Places" is the name of the 932-page book in which Mr. and Mrs. Franke report their findings. "Safe Places" official publication date is tomorrow—the day presumably when all of America will learn to their great disbelief that there is, in fact, "a town only 15 minutes from Broadway with a lower crime rate than most rural areas. . . ."

Much of the advance publicity given "Safe Places" so far—and that which is to follow on national media during the coming few weeks—shares the same skepticism which Jim Driscoll brought with him a month ago and which was also evident this past Tuesday when WNEW-TV's Bob O'Brien stopped by to film a channel 5 report.

"Safe Places," however, documents its selection of the 47 communities by heavily relying upon crime statistics. But the book is more than a mathematical survey. "Safe Places" is interesting reading for anyone interested in Americana; moreover, the commentary reflects research which amazingly is able to capture the flavor and community personality of each of the 47 towns singled out as the cream on the top.

To be selected a "Safe Place," communities had to pass the Franke's first prerequisite



of having an unusually low crime rate. From there on, the considerations were many and varied. Emphasis was given to the quality of cultural life, the school systems and the availability of jobs. To be one of the 47 "American paradises," towns also had to reflect good transportation, stable municipal government, and a low tax rate. (Nutley's tax rate, homeowners, is second lowest in Essex.)

The Franks open the chapter on Nutley by admitting that "Considering the theme of this book, it is with some degree of fear and trepidation that we recommend community in the New York-New Jersey metropolitan area." But then they go on to say that after visiting our community several times, "we are actually very enthusiastic" about Nutley.

"Nutley is indeed unique, and in more than nomenclature," the Franks say as they justify the community's selection for their more conservative readers by comparing crime statistics—"New York's rate of robberies is 80 times as great as Nutley's and Newark's is 109 times as great; New York has 60 times as much aggravated assault as Nutley, and Newark's rate is 93 times as high. And while the rest of the metropolitan area seems to be constantly on the move, Nutley's population is amazingly stable, so much so that nearly half of its high school graduates first entered the Nutley school system in kindergarten. Once you move to Nutley, you apparently don't want to leave."

The chapter on Nutley is illustrated with several maps and photographs, and there are scores of local personalities who not only are mentioned, but extensively quoted. Judge Edwin J. C. Joerg talks about his reputation as a "tough" judge, about his attitudes toward youth with long hair; NHS Principal David H. Broffman discusses "the drug problem"; and Assemblyman Carl Orechio, in his capacity as a real estate agent, talks about the town's willingness (or lack of it) in welcoming newcomers.

Here in Nutley—and keeping in mind that special pride that all Nutleyites have, according to the book—"Safe Places" undoubtedly will be a source of renewed community pride for many years to come. Scores of places, events and personalities associated with Nutley past and present are reported by the authors.

Particularly rewarding is the book's ability to capture in a relatively few pages the spirit of Nutley.

"What makes Nutley tick—what makes it so different from the rest of the metropolitan area?" the authors ask. The answer David and Holly Franke found was "pride" and their efforts are then channeled to illustrate how that pride is, in fact, the common denominator which holds this community together—whether it be manifested in the dozens of clubs and organizations, the support townspeople give the Maroon Raiders on the football field each fall, the competitive nature of the men's service clubs, or the "volunteer spirit" which characterizes so many groups like the First Aid Squad, the fire companies, and FISH, the group of dedicated citizens dedicated to helping others in times of emergency.

#### NATIONAL WEEK OF CONCERN

### HON. CHARLES H. GRIFFIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. GRIFFIN, Mr. Speaker, on March 26, 1972, a U.S. serviceman will begin his ninth year of captivity in Southeast Asia. And, during the week of March 26, we begin a week of concern for our prisoners of war and those missing in action in Southeast Asia.

As our troops return home, American involvement decreases, and public attention of the war fades, we must not allow ourselves to forget the dedicated Americans who remain, forced to waste away the productive years of their life in a prison camp.

Our prayers go out that our servicemen will soon have a speedy and safe return to us and that their families will soon be reunited with their loved ones. We would pray that a breakthrough will soon be realized on the diplomatic front that will seek relief and release of our prisoners and that as long as they are forced to remain, the government of North Vietnam will afford these men the proper care and rights due them under the Geneva Convention.

A program of events has been established by the National League of Families of Prisoners of War and Those Missing in Action in Southeast Asia, that calls on all Americans to observe this week, beginning with a National Day of Prayer on Sunday, March 26, 1972, and that everyone fly their flags and drive with their car headlights on as a symbolic vigil to these gallant servicemen. I join with them in this call to all Americans and especially to my fellow Mississippians and the people of my district in not forgetting these men who have given so much and suffered so long serving their country.

We must continue to use our every resource of this great country to see that these men are returned to our shores and their homes as quickly as possible.

#### HYDE PARK WINS BOSTON CITY BASKETBALL CHAMPIONSHIP

### HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. BURKE of Massachusetts. Mr. Speaker, I invite my colleagues to join me in congratulating Hyde Park High School's basketball team on the winning of the Boston City Championship of the 1971-72 season. As one of the top basketball teams in Boston in the past decade Hyde Park High School continued its tradition of good sportsmanship and enthusiasm, and these exemplary young people, the team, the cheerleaders, and the students, are indeed a credit to this Nation. I also want to give special recognition to the Boston School Department's director of physical education, George Ryan, and Associate Director Tom Moran for conducting such a successful tournament. My only regret is that in order to win in the finals, Hyde Park had to beat Dorchester High, which is another great team which just happens to be in my district. I know the whole 11th Congressional District can be very proud of these teams.

ROSTER—HYDE PARK HIGH SCHOOL BASKETBALL TEAM—CITY CHAMPIONS 1971-72

#### Team

Edward Creed, Michael Fernandes, Ernie Hartfield, John Hollis, Albert Jackson, Larry James, Quentin Miles, Mike Mitchell, Mitchell Morris, Donald Ward, Tom Weaver, Bradley Winbush, Mike Thompson, Manager.

#### Cheerleaders

Mary Lee Bosak, Nadine Range, Pat Sloane, Zandra Jackson, Sharon Butler, Terry Savory, Mary Denehy.

Coach: Charles Gallavin.

Assistant Coach: James Walsh.

Headmaster: John F. Best.

#### EXIT LEFT—GEORGE MEANY AND COMPANY

### HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. ROBISON of New York. Mr. Speaker, there is always the national interest—and there is the self-interest. One has to seriously wonder which one George Meany, of the AFL-CIO, I. W. Abel, of the Steelworkers, and Floyd Smith, of the Machinists, have served by their not totally unexpected action yesterday, in walking off the Pay Board.

Mr. Meany explained his action by saying the Pay Board offered labor "no hope for fairness, equity, or justice." In response to which, I think it deserves to be asked, what hope does this action by three of the Nation's top labor chieftains offer either their unions' members or other millions of U.S. citizens that the absolutely essential battle against inflation can be won.

The answer is probably an obvious one. The responsibilities assigned to the Pay Board will continue to be carried forward, though under what sort of rearrangement of membership or voting procedures is yet far from clear. However, the cooperation of organized labor in this connection has been an essential element of the Pay Board's eventual success—and the road ahead will, accordingly, be even more difficult than it has been in the past several months.

The Pay Board's record to date has, admittedly, been a spotty one, as well as one which has not pleased everyone concerned in its decisions. And, yet, there have been signs of late that the Pay Board was, finally, getting its feet under it, so to speak, and was showing promise of becoming a truly effective tool in the fight against inflation.

Insofar as labor's interests have been concerned, it is hard for any objective observer to see where the Pay Board, to date, has been unfair to the labor movement—if anything, in its decisions it has bent over backward to accommodate labor and Mr. Meany and his cohorts. Perhaps the straw that broke the facade of labor's cooperation was the Pay Board's recent decision in the west coast longshore settlement, as it is referred to I have studied that decision, complex as the issues involved were, and I cannot find real fault with the Board's rationale—though the labor members on the Board called the day of that decision—

A tragic day for collective bargaining, a tragic day for longshoremen and a tragic day for freedom in America.

Mr. Speaker, the action, now, on the part of three of the Pay Board's members may, likewise, turn out to be a tragic day

for all the rest of we Americans—as, unhappily, it appears that the national interest may have had to give way, in the minds of those three members, to self-interest.

In support of that possibility—which I nevertheless hope will still be averted—I now include three clippings from recent newspapers, the first today's lead editorial in the New York Times entitled "Pull Out on Controls," the second, a similar lead editorial in today's Washington Post entitled "Mr. Meany Walks Out," and the last, liberal columnist Milton Viorst's recent comment on the west coast dock strike and settlement problem entitled "Right To Strike Has Its Limits":

#### PULL-OUT ON CONTROLS

The decision of the A.F.L.-C.I.O. to withdraw its three members from the Pay Board is a destructive act—as harmful to labor as it is all other citizens. It cannot be allowed to wreck the joint effort of the Administration and Congress to check the ruinous wage-price spiral.

The specific ruling that sparked the walk-out—the scaling down by the board's public and industry members last week of the fat West Coast dock strike settlement—was open to criticism only on possible ground of overgenerosity. Approval of the full increases, running to four times the basis anti-inflation guidepost, would have made a mockery of the entire stabilization effort.

The giant International Brotherhood of Teamsters, a union rarely distinguished for responsibility, has wisely refused to join the federation in its strike against controls. If the United Auto Workers, second only to the truck union in size, decides to line up alongside it inside the Pay Board, a way may yet be found to continue the tripartite structure on which labor was originally so insistent.

But if the obstructionism of George Meany and his associates in the A.F.L.-C.I.O. executive council makes it impossible for President Nixon to maintain balanced representation of labor, industry and the public in the Pay Board, he will have to reconstitute it as an all public panel on the same model as the Price Commission.

There can be no question that the vast majority of Americans, including most members of organized labor, are determined to see inflation stopped. Neither a boycott decreed by a handful of top unionists nor a coercive strike by longshoremen—even one paralyzing all coasts—will frustrate that effort.

Labor has every right to complain about shortcomings in holding the price line, but there have been welcome signs in recent weeks of heightened Administration resolve to crack down on violators of price ceilings and even to plug the gaping holes that now put much of the consumer's budget outside any protection.

Unions make no contribution to more effective controls by smashing the machinery for keeping a lid on either prices or wages. The present showdown could work out constructively if it results in tighter enforcement on both sides of the anti-inflation net.

#### MR. MEANY WALKS OUT

After months of threats and fulmination, George Meany and the A.F.L.-C.I.O. have now stamped out of the Pay Board. The immediate issue is the Board's insistence on cutting the West Coast longshoremen's new wage increase from 21 per cent to 15 per cent. But behind it lie a broad range of grievances over the administration's whole price stabilization program. The basic weakness in the A.F.L.-C.I.O.'s position is that nobody, least of all the unions, has any real alternative to the stabilization program. Enforce-

ment can doubtless be improved, and there are a lot of suggestions for improvements in its structure. But it is generally agreed that if inflation is unhealthy, that the government has a responsibility to control prices, and that controlling prices requires controlling wages as well. The only real question is whether the unions are going to take a direct part in the controls.

President Nixon has, of course, done his level best over the past six months to create an atmosphere of hostility and suspicion between the White House and labor. The A.F.L.-C.I.O. withdrawal now is essentially a defensive reaction, in preparation for an election campaign that the big unions think is going to be aimed heavily at them. But by walking out now, the unions are likely to help Mr. Nixon more than themselves. The price-stabilization effort has not been hugely successful so far. Prices are still on their way up, more steadily and rapidly than anyone had expected. Mr. Nixon needs an explanation. Now it becomes easier for him to blame the Unions.

The case of the longshoremen's wages shows exactly how the trouble is being generated. On the wharves, labor and management have had a general agreement for years that very high wage increases would be the price of modernization and increased productivity. There has been a great deal of tension in working out the precise scale of the increases, as the long strike demonstrated this fall and winter, but it has been traditionally an argument within a small group of labor leaders and company negotiators.

Now, suddenly, a third interest, the general public's, is being forcefully asserted by the Pay Board. Labor unions are very set in their ways, and they do not like having long standing traditions disrupted. But what is the standard of fairness in determining longshoremen's wage increases? Solely the effects of containerization on the demand for manpower on the docks? Or should the controllers also weigh the effects on the national economy in general, and the comparison with the raises allowed to other working people who are being held to the general rule of 5.5 per cent?

The big labor unions have, unfortunately, failed to give any real representation to most of the 85 million working Americans. The five labor seats on the Pay Board were created to protect all working people. But those five seats are held by the A.F.L.-C.I.O., the United Auto Workers and the Teamsters. Those unions' leaders have devoted themselves almost entirely to the narrowest interests of their own immediate constituencies, the members of their unions, who constitute fewer than one-fourth of the national labor force.

Judge Bolt, the chairman of the Pay Board, said yesterday that he intends to continue to operate without the departed union men unless the White House orders otherwise. For the time being, that is precisely what he ought to do. If, in time, it becomes clear that the unions will not change their minds, then the Pay Board ought to drop the whole concept of labor and management representation. The Price Commission works well with only public members. The Pay Board was established on the tripartite pattern only because Mr. Meany insisted on it. If the labor and management seats were abolished, that would leave the five public members to do a job that, walkout or not, remains essential.

#### RIGHT TO STRIKE HAS ITS LIMITS

The prospect of resumption of the West Coast dock strike—the consequence of the Pay Board's compromise finding on a labor-management wage settlement—raises important questions about the future of union power in American society.

First, it poses the problem of whether the labor movement is to be allowed to destroy the effectiveness of the administration's pro-

gram of wage-price restraints, which on the whole has been working rather well.

Harry Bridges, president of the West Coast International Longshoremen's and Warehousemen's Union, had threatened to strike if "as much as one cent" was lopped off the settlement which the union negotiated independently with the shippers. George Meany, president of the AFL-CIO, has said he would support Bridges right down the picket line.

In fact, the Pay Board reduced the original settlement from 21 percent to 15 percent, which is a far cry from the 5.5 percent target it had established for wage raises. Obviously, the Pay Board was not indifferent to the longshoremen's threats, even if it did not capitulate completely.

Yet it is clear that if the longshoremen, by going on strike, force a larger settlement, then none of the Pay Board's decisions will be worth the press releases they're written on—and President Nixon's wage-price program will be shattered.

Because of the impact on overall economic policy at a critical time, then, the prospect of a walkout raises a second, even more fundamental question: Whether unions have an inherent right to strike whenever it might suit their fancy.

There certainly was a time when I would have answered with an unequivocal "yes." Those were the days when unions were fighting for their existence—against the hostility not only of employers, but usually of government and the courts. The left never doubted that the union was always right.

But the great labor struggles of the past—the Homestead strike, the United Auto Workers against Ford, John L. Lewis and the coal miners—represent a purer day of the union movement. As often as not these days, labor disputes are waged not so much against employers, but against the public, and, often, against nonunion labor.

The current dock dispute is a good example. Both sides are going through a charade of who should benefit most from a reduction of some 30 percent—thanks to new technology—in the handling costs of cargo.

Obviously, it occurs to neither side to reduce prices.

Instead, the two sides make angry faces at each other and wind up with a sweetheart contract in which labor gets the wages it wants and management sets the prices it chooses. In such circumstances, it's hard to get emotional over labor's cause.

Yet Meany insists that labor has a constitutional right to go out on strike, notwithstanding economic policy and the Pay Board. It is curious how the Constitution becomes the last refuge the economic royalists, no less so because the barons today are from labor as much as from management.

For myself, I have looked in vain through the Constitution for the right to strike. It seems clear that workers have the right to seek to coerce employers by a common refusal to work.

But I find nothing which says unions have the right to create economic paralysis or to deprive others of their living. In short, my own freedom reaches its limit when I hurt someone else. I have the right to free speech, but not to cry "fire" in a crowded theater.

And so the third question: Should the administration and Congress enact legislation requiring compulsory arbitration, for instance, when the well-being of society is involved?

Meany says such legislation would mean the destruction of free enterprise and would be the "antithesis of freedom." That's what the drugmakers said when told they had to make safe drugs, and what the steelmakers said when told they couldn't fix prices.

I say the right to strike has limits, like the right to threaten panic in a theater. Labor and management can fight their battles out to their hearts' content, but only so long as much or all of society isn't made to suffer for them.



THE QUEST TO REGULATE  
CHARTER FLIGHTS

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. MILLER of California. Mr. Speaker, the Washington Post of March 12, 1972, included a story by Staff Writer Robert Samuelson entitled "The Quest To Regulate Charter Flights."

This provocative article deals with the controversy that exists between the supplemental and regulated air carriers and I commend its reading to my colleagues:

THE QUEST TO REGULATE CHARTER FLIGHTS  
(By Robert Samuelson)

The date is Aug. 10, 1970. The place is a House hearing room, where Secor D. Browne, chairman of the Civil Aeronautics Board, is delivering a public confessional about his agency's frustrations in regulating charter flights. His message is full of gloom.

"The existing regulations are unclear, cumbersome and restrictive," Browne tells the Congressmen. "The overall situation is chaotic."

But, he adds on a more hopeful note, the CAB is considering new regulations that will be both fairer and clearer. "We must act promptly because the 1971 charter seasons will be upon us."

More than 13 months later, there are no new regulations. The CAB's staff is still trying to enforce the rules that Browne decried as "unclear, cumbersome, and restrictive." And even if the agency issues new guidelines within the next few months, they may be only slight improvements on the old.

Seldom has the CAB spent so much time doing so much wrong as it has in its quest to regulate charter flights. And seldom has an issue it faced been more important: Charter flights represent the only clearly identifiable way to lower air fares in the foreseeable future.

There is no magic to charter economics. The planes fly full, and, therefore, they can afford to carry passengers at substantial discounts from the fares of regularly scheduled airlines, which last year had an average of 51 per cent of their seats empty. On a round-trip New York-to-London flight, the typical charter price remains below \$200—a fare which scheduled airlines match only with special promotional rates available only during dull traveling periods.

CHARTER TRAFFIC TRIPLES

Blessed with this staggering price advantage, charter traffic between the United States and Europe has exploded. Between 1966 and 1970, it more than tripled, increasing from 600,000 passengers to 2 million. In Europe, the growth rate has been an equally spectacular 25 to 30 per cent.

Yet, there are disquieting and disturbing aspects to the charter boom.

More than most airline activities, charter flights have proved an increasingly fertile source of consumer suspicions and complaints. In fiscal 1970, 36 per cent of the complaints received by the CAB concerned charter flights. Thousands of students were stranded abroad last year by aborted charters; in 1972, Theodore Harris, a specialist in student travel, estimates that the number of stranded passengers could rise to 25,000.

Against this background, the government's role in charter regulation would seem clear. Encourage the availability of the low-cost flights, but eliminate the fraud.

It hasn't worked that way. Perversely, the government has done just about the opposite. It has tried to restrict charter flights by its

inscrutable rules. And, in the process, it has shrouded charter travel in a cloud of legal uncertainty that has encouraged the deceit, evasion and fraud that everyone at the CAB condemns.

The breakdown of regulation demonstrates what happens when an agency allows itself to become immobilized by a bitterly divided industry.

For nearly a decade, the scheduled airlines and the charter carriers have been waging a financial, legal and lobbying war of growing ferocity. The scheduled airlines seem to regard the charter's low fares as a form of airborne sulphuric acid, that will slowly, but surely inevitably destroy the TWAs, Pan Ams, and BOAC's of the world. The charter airlines are nearly schizophrenic, thinking that they have been marked for extinction by the much bigger scheduled carriers.

Behind the viciousness lies a struggle to control the fastest-growing segment of air travel: vacation—as opposed to business—flying. On the trans-Atlantic, scheduled airlines already estimate that 70 to 80 per cent of their traffic are vacationers. Within the United States, pleasure travel is now reckoned to be more than 50 per cent of the total, though much of this is short-range and short-term travel that wouldn't be susceptible to charter flying.

AGE OF MASS TRAVEL

Like it or not, this is an age of mass travel, jammed airports, and carbon-copy vacation plans. It is axiomatic that most vacation travelers are "price sensitive"—they go where they can find the lowest fares, and the lower the fares, the more people are likely to fly.

Not that the arrival of charter airlines (which must meet the same safety standards as scheduled carriers) means the end of scheduled service entirely. More than three-quarters of the trans-Atlantic traffic still is on scheduled flights, and charter carriers could probably never make any serious inroads on shorter domestic routes, where regularity and frequency of service is the overpowering need. But when low-charter fares exist, scheduled airlines have been forced to lower their own prices and they don't like it.

Anyone who follows airline propaganda knows that the scheduled airlines like to boast that air fares have generally declined over the last 15 years, so that, even with recent price increases, average fares are really no higher today than they were in 1960.

True. But, unfortunately, the credit for this good fortune belongs less to the acumen of airline management than to the arrival of bigger, faster planes, whose much lower operating costs permitted—in fact, virtually demanded, lower fares.

That pleasant era now appears to have run its course. The jumbo jets offer some additional economies, but these are fast being consumed by rising labor costs. U.S. domestic fares may be about the same today as they were in 1960, but they are higher than they were in 1965. If there is any other possible way of achieving spectacular fare reductions besides filling planes to their full capacity, the scheduled airlines have yet to find it.

The CAB has chosen to see this issue primarily as a game to keep both charter and scheduled airlines happy. "Let us get to the heart of the problem before us—the dichotomy of interest that exists between the various classes of carriers, both foreign and domestic, and their competitive search for the business of air travelers," Browne told that House committee in August, 1970.

"That is, in my opinion, the real subject: How can the delicate balance between the scheduled services and the charter services be maintained to the benefit of both," and only then did he add, "While at the same time protecting the interest of the traveling public and providing the maximum benefit to the passengers?"

"AFFINITY" STIPULATION

Generally, the CAB's charter rules make charter flights available only to bona fide "affinity groups"—those with a legitimate purpose aside from gaining travel discounts, such as a union, fraternal organization, alumni group, or church.

Sadly for the CAB, experience here and abroad has proved that the "affinity" requirement is a cinch to circumvent; tour organizers simply invent fictitious groups—the names, such as "Friends for Instant Environmental Growth Action," attest to their ingenuity—and enroll prospective passengers.

The CAB (and most foreign government agencies) haven't been able to police these regulations. The expense is too high, and, even if it weren't, a massive crackdown would present the embarrassing spectacle of a federal agency preventing people from trying to beat inflation by flying more cheaply. And sometimes, no one wants to enforce the rules anyway, even when the flights are known to be technically illegal.

"Anything (a charter flight) coming from Europe we just wink at three times," says one government official, "because we're so anxious for the tourism." Presumably, many of the European enforcement officials often feel the same way.

The violations are likely to increase. "As people get more and more educated about getting cheaper charters to Europe, they're going to abuse the regulations," says Juan O'Callahan, an economic consultant for many charter carriers. "After all, is there anything immoral about someone wanting to fly cheaply?"

Most of the charter irregularities are basically harmless—passengers get the tickets and the flights that they otherwise would have been denied—but the massive violations has also screened truly dishonest travel organizers from detection. Confronted with dozens of technically illegal operators, the CAB has been unable to separate the fraudulent schemes—which may simply run away with prospective clients' money—from the rest of the field.

For proof that this state of anarchy is hardly preordained, one need take only a casual look at the European experience with charter flights between the Continent's chilly northern countries—primarily Britain, Scandinavia, and Germany—and its sunny Mediterranean resorts. In 1972, an estimated 8.5 million Europeans will fly on inexpensive charters to the Mediterranean, about four times as many as 1965.

This astonishing growth is built on a highly competitive travel industry, which, using charter flights, has been able to achieve large savings for vacationers. In Britain, major tour operators offer two weeks in Ibiza (the Spanish home of Clifford Irving) for less than \$100, including air fares and hotel. Two weeks in Majorca come for less than \$90 in the low season, again air fare and hotel.

These prices reflect more than Europe's lower cost-of-living, and there is no secret how the reductions are accomplished. The tour organizers often have their own planes, sometimes have helped build hotels in resort spots (making them comfortable, but skimping on the luxuries), and organize their tour schedules and pricing to minimize the single greatest problem of both airlines and hotel operators—empty seats or beds in a nominal "off" season.

It would be wrong to blame the Civil Aeronautics Board entirely for the absence of these inexpensive holiday "packages" in the United States. The scheduled domestic airlines here have more assiduously cultivated the vacation traveler than the scheduled European carriers; scheduled air fares are about half the level in Europe, and U.S. airlines offer more frequent service to more places than scheduled European airlines.

Even so, given freedom by the CAB, charter airlines could probably develop a flourish-

ing traffic between the North and many existing resort spots—and possibly many, in Mexico or along the Gulf of Mexico, that haven't been developed yet. Fares might be cut by as much as 50 percent, a fact that even the scheduled airlines concede.

By government fiat, however, the European-type holiday packages simply can't be offered in the United States. In Europe, the charter operators can offer so-called "inclusive tour charters" (known as ITCs), including both air fare and hotel accommodations, between any two points.

In the United States, the Civil Aeronautics Board says that any ITC package must include at least three stops, 50-miles from each other. As a practical matter, this requirement squanders the potential savings of charters and makes it all but impossible to organize simple, short, ITC charters in the United States.

#### AN UNCHARITABLE IMAGE

Anyone who has survived the journey through this labyrinth of twisting charter rules has probably formed an uncharitable image of the five members of the Civil Aeronautics Board as a bunch of mean, unlikable characters, who conspire day in and day out to prop up airline profits while depriving the public of low fares.

The reality is much less sinister. Time and time again, the CAB has stood up to the airlines—which, despite all the cant about "consumerism," are really the only consistently interested observers in what happens at the CAB—and forced changes that the industry has found distasteful, including occasional fare reductions. Moreover, the agency is slowing readjusting its thinking about charters. It now admits, for example, that the "affinity" rules make little sense by themselves.

The CAB has proposed new rules, but through the scheduled airlines see ruin in the tentative regulations, many charter experts don't think that they will work at all. Basically, the new rules would allow any group of 50 or more to charter a plane six months in advance, as long as their names are filed with the CAB, and the prospective passengers advance a 25 percent nonrefundable deposit.

In practice, groups do not form spontaneously; they have to be solicited by tour organizers, who, say the charter experts, will have to begin their selling campaigns seven or eight months before the planned departure date to meet the CAB's six month deadline. Who, they ask, will commit themselves for a vacation seven months ahead of time, with the possibility of losing the 25 per cent deposit?

The CAB's tortoise-like pace illustrates vividly how government agencies yield ground only grudgingly to anything that disrupts the well-conceived pattern of regulation they think they have constructed.

The scheduled airlines are outraged at any suggestion that charter rules might be liberalized. Only last month, Trans World Airlines predicted that any relaxation of the rules would spell financial ruin for the scheduled airlines, requiring \$100 to \$200 million in government subsidies on trans-Atlantic routes or the end of many flights. Aligned with the scheduled carriers are many foreign governments which own their airlines and frequently try to restrict inward bound charter flights.

#### SPECTER OF DISASTER

It is the specter of financial disaster that has consistently intimidated the CAB, for almost everything the CAB has done since its creation in 1938 has involved scheduled airline service.

At stake, say the scheduled carriers, is one of the CAB's guiding principles—the idea that the airlines can make enough

profits on lucrative, long-distance routes to support an elaborate network of regularly scheduled service linking many secondary cities. Relatively high fares during peak travel seasons along popular routes are needed, by this theory, to support continued service during slack periods and along more lightly traveled routes.

Says TWA's chairman, Charles W. Tillinghast, "Skimming the cream by (charters)—that is, the ability to fly where and when it is convenient and to set prices without regulation—destroys this balance and will prevent economic survival of dependable, regular air services on a subsidy-free basis."

And that prospect must chill members of the CAB, who are thoroughly familiar with two immutable laws of regulatory politics—first, agencies whose regulated industries get into serious financial trouble are subjected to a public flogging (the Interstate Commerce Commission learned this lesson when the Penn Central Railroad went bankrupt); and second, Congressmen, Senators, mayors, and chambers of commerce never believe their own cities have enough scheduled air service—and they scream ceaselessly at any suggestion that service should be curtailed or eliminated.

Confronted with these conflicting pressures, almost every level of government has waffled about charter flights. From the Department of Transportation come ambiguous, contradictory policy statements; Congress carefully shies away from revising a Federal Aviation Act that does not have very much to say about charter flights. And the CAB is left to take the heat.

Just how real a prospect is Tillinghast's vision of the future? No one can really tell, but—even if events vindicate him—it is now clear that many government officials have tired of the scheduled airlines' forecasts of doom. Among the reasons:

Air travel, for both scheduled and charter airlines, has grown at a rapid rate. Although trans-Atlantic charter traffic more than tripled between 1966 and 1970, scheduled traffic nearly doubled—and the absolute growth was bigger (2.8 million passengers against 1.3 million), because scheduled traffic started from a larger base. In the United States, air travel grew at nearly a 15 per cent rate in the sixties.

Despite the airlines complaints, charter competition contributed only slightly to the airlines' financial problems of the last three years. For domestic U.S. carriers, charters couldn't be blamed at all—because charter competition was virtually non-existent. And for overseas carriers, many analysts believe the airlines simply ordered to many 747s too soon. Even so, TWA, for one, has consistently made a marginal operating profit on the Atlantic; for the 12 months ending in September, it was \$29 million.

A growing number of officials think that the scheduled airlines are simply trying to protect themselves from their own excesses. For example, in January, there were 86 roundtrip flights between New York and London; it is a month when carriers typically fly with more than 60 per cent of their seats empty. Using 1968 as a base year, the Department of Transportation believes that Pan Am and TWA were flying nearly twice as many flights to Europe as could be legitimately defended in the "public interest."

While scheduled airlines harp on the idea that profits on long-distance routes are needed to maintain service on shorter routes, they neglect to state the converse—that the higher fares discourage people from flying on the longer routes. And if some fares need to be raised sharply on the shorter routes, why shouldn't they be? It is these routes, after all, that are most heavily used by business travelers, and just why they should be spared from paying full costs is unclear. Moreover, scheduled airlines aren't prohib-

ited from competing for charter business, and, many airline experts believe that the large scheduled carriers will have no trouble at all winning a large and profitable part of charter business.

"In the United States," says one government official, "we normally start with the idea that if someone wants to buy something and someone wants to sell it, you've got to have a pretty good reason to stop them."

The CAB has yet to settle upon that simple notion, but it is learning one lesson slowly and painfully: The trend toward charter flights can be resisted, but it cannot be reversed.

## A THREE-PRONGED ATTACK ON DRUG ABUSE IN THE UNITED STATES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. BIAGGI. Mr. Speaker, by this time all of us recognize that drug abuse in the United States has reached epidemic proportions. Recently, Congress established the Special Action Office for Drug Abuse to act as a central coordinating body in our fight against illegal sale and use of narcotics and dangerous drugs. At the same time, the President announced an all-out effort to cut off the flow of illegal drugs and narcotics into this country and to educate people against the use of such products.

Our national efforts must take a three-pronged approach to drug abuse. The first is cutting off the supply. After heavy pressure from Congress, the President negotiated an arrangement with Turkey to stop all growth of the opium poppy after the current crop year. That country has been the chief source of opium that flows into this country. However, additional steps must be taken with other countries in the world, particularly those in Southeast Asia, which undoubtedly will soon become prime sources of heroin.

Just recently, I and several other Members of the House introduced a resolution calling for a cutoff of all aid to Thailand. This country already acts as a funnel to the United States for the opium grown in Burma, Laos, and Cambodia. While they allege that little opium is grown in their lands there is considerable trafficking in the product. This must be stopped.

Just after this congressional initiative was announced, the Thai Government denied it was doing nothing and said they had just confiscated and burned 26 tons of opium worth \$47 million on U.S. streets. The fact is, if this is what they get in only one haul, the extent of the trafficking is far greater than anyone imagines.

Similarly, greater diplomatic as well as congressional pressure must be placed on countries such as France and Mexico that are staging areas for the shipment of heroin into the United States. It is no secret that Marseilles is the leading narcotics processing city in the world. Yet the French officials have taken little action against these influential and well-



placed purveyors of the poison of our youth. Only the economic threat of a cut off of U.S. foreign economic and military aid will move the officialdom of these nations to action. I have proposed such a program for the last 2 years now and have introduced several floor amendments to do just that. Our efforts have caused the administration to move on the diplomatic front much more forcefully than before.

In the United States, a second aspect of the supply problem is the overproduction of amphetamines and barbituates. It has been shown that only about 25 percent of all such production is needed for legitimate medical purposes. Weak controls over transportation and sale of these drugs has diverted most of the output into illegal channels. The drug manufacturers know this, but are reluctant to cut off the return flow of dollars into the corporate treasuries. New Federal drug laws passed by Congress in 1970 provide for more stringent controls; and now, at last, the administration is moving to restrict production substantially and more closely regulate the supply and distribution of dangerous drugs.

A further step in eliminating the supply of illegal drugs in this country is to attack the distribution system. This must be accomplished on several levels. First the pusher must be put out of business. This can be done with strict punishment of the illegal seller of narcotics, particularly on the second and third offenses. Such authority was granted by Congress in a recently enacted law, but the courts have not moved to invoke the full range of penalties available.

Second, efforts must be made to lock up the directors of the big drug distribution operations. These are the men who may never handle the product themselves, but are responsible for the movement and sale of millions of dollars of illegal narcotics and dangerous drugs. The Justice Department and the Internal Revenue Service have been cooperating on this effort to obtain tax evasion convictions against these criminals. This is the same sort of successful tactic used against the gangsters of the thirties.

Third, those addicts who come into the criminal justice system must be treated for their abuse and rehabilitated before being returned to society. Rather than being treated as criminals, they should be treated as sick or diseased persons who must be cured before they can resume a normal life in a society.

The second prong of our national effort against drug abuse must be directed at educating those who are not presently using drugs and narcotics about the dangers involved and at providing alternatives to such use. Our drug education programs have been largely ineffective because they lack credibility. False scare tactics have led our children and youths to ignore the cry of "wolf."

School officials and parents must first educate themselves in the causes and prevention of drug abuse and then be prepared to educate young children in the dangers of using narcotics or dangerous drugs. Doctors, too, must gain the

confidence of their young patients and show them the effects of illegal drug use on their physical well-being.

Another aspect of drug abuse prevention is the need to provide alternatives to the use of drugs. In many cases drug abuse arises as an escape from emotional or psychological problems. In the last 20 years we have seen a decline in the availability of various categories of adult professionals who would counsel the young on their psychological problems, the family doctor, or some other adult at one time would provide a stabilizing psychological influence in the life of a child or adolescent. However, today these institutions are fighting for their own survival and have little time to worry about the emotional and psychological problems of the young.

Churches and schools are faced with growing financial problems and a feeling by the young that these institutions are no longer relevant. Whatever the causes for the decline in influence over youths from these sources, the fact is the basis for trust and guidance is seriously eroded and our young have no place to turn to.

There is a growing need to place greater emphasis on the education and training of psychologists and psychiatrists to treat problems and illnesses of the mind. Twentieth-century man is vastly more dependent on his mind than his body. No longer is his body the primary source of his livelihood. We have entered the paper society and scientists predict that the future will see man earning his income by mentally manipulating a computer in his home. Our care and treatment of the individual, then, must be adapted to this new order and the resultant new series of problems it presents.

A third aspect of drug abuse prevention is the possible use of narcotics antagonists to inoculate a person against drug abuse. This family of drugs has been the subject of only minimal research by a handful of doctors in the country. Two years ago, I revealed the research of Drs. Friedman and Fink of New York's Medical College to an unbelieving congressional committee.

Following my comments the House Select Committee on Crime took up an extensive investigation of drug antagonists and the potential role they could play in preventing and treating drug abuse. The result of those investigations is a national research program to combat the heroin addiction crisis.

The committee report, published last fall, is the first comprehensive treatment of narcotics antagonists by the U.S. Congress. Legislation was introduced in January by myself and others to put this program into effect. It would provide \$50 million to cover up to 90 percent of the research costs for the development and use of narcotics antagonists. This bill is now pending before the House Interstate and Foreign Commerce Committee.

The most promising aspect of the antagonists which include such futuristic drugs as M-5050, cyclazocine and naloxone, is that they are not narcotics. The problem with methadone treatment is

that a synthetic narcotic is being used to fight narcotics abuse. The antagonists block the effects of narcotics in much the same way polio vaccine prevents polio. Thus with sufficient research, it may be possible to use these drugs to inoculate individuals or groups who have a high susceptibility to narcotics abuse.

The third prong in our fight against drug abuse is the treatment and rehabilitation of present addicts. Methadone is currently our No. 1 tool in the treatment of drug addicts. It permits an addict to live with his narcotics dependency and to maintain a more normalized existence. They can hold jobs and move in society as normal individuals. Gradually, over time, it is possible to reduce the use of methadone and permanently cure the addict.

Other treatment programs involve the Synanon-type method where an addict lives with other addicts and through group therapy methods, he learns to live without drugs. Narcotics antagonists, in addition to being a preventive tool, also offer the possibility of a methadone-like treatment with the added benefit that you are not treating narcotics dependency with a synthetic narcotic.

Nevertheless, methadone today is our primary treatment tool. It offers the hope of greatly reducing the number of addicts on our streets and involved in crime. Methadone has been administered largely through clinics, which are expensive to staff properly.

In most cases, sufficient staff is not available to provide the full range of testing and counseling services to aid the addict in adjusting to his new life style. Many clinics have only minimal testing and control programs and act as little more than methadone dispensing stations. Long waiting lists to get into our clinic programs demonstrate the need for a more extensive program to treat addicts and one that does not require expensive facilities.

Early last year, I proposed a comprehensive program for the treatment with methadone of drug addicts by doctors in private, office-based practices. There are 16,000 such doctors in New York City and if each doctor treated up to 10 patients, 160,000 addicts could be brought under the program—the total estimated addict population in the city.

Subsequently, after conversations with many doctors in the area, I have modified my program to remove the actual administering of methadone from the doctors' offices. Many of the doctors expressed a fear of having a large amount of methadone in their offices. The fear is based on the fact that a large supply of methadone could invite a possible robbery attempt by criminal elements or the addicts themselves.

Therefore, I am now proposing that doctors work in conjunction with a local clinic to provide the comprehensive treatment of addicts with methadone. The program can be coordinated through the county medical societies.

What would happen is this. An addict would be referred to a local doctor or his own doctor, who would have primary re-

sponsibility for the addict's treatment program. The doctor would conduct the testing, keep the records on the addict's progress, and determine the dosage of methadone.

The doctor would then write a prescription or fill in a coupon booklet that entitled the addict to receive so much methadone for so many days from the local clinic. It would be a simple matter for the addict to go to the clinic, receive his methadone, which would be dispensed orally, and leave. This would remove the distasteful aspect in many addicts' minds of the lengthy time spent to obtain clinical treatment. It would also provide a greater degree of control over the addict's program since the individual doctor would only be concerned with a maximum of 10 addicts. It would be a simple matter for the clinics to provide the dispensing services.

In terms of prevention of abuse of methadone the program lends itself to a series of safeguards. To obtain methadone, the addict must have a doctor's prescription redeemable only at a particular clinic. The prescription could be for a week's or 2 week's supply. He could turn the prescription in for a coupon book that would have safeguards similar to those used for travelers checks.

The costs of the program would be born partly by the State, partly by the doctors, and partly by the individual. The cost of the methadone and coupon booklets would be paid for out of State funds and provided free. The doctors' services would be provided to the patient on a cost or less-than-cost basis.

I am convinced that this program is a viable solution to the drug addiction problem. It provides the control and comprehensive treatment necessary to bring a large number of addicts under a rehabilitation program. Once operational, the next step would be to tie in psychiatrists and psychologists operating through clinics or through their private offices to treat the root causes of the individual's drug abuse problem and help return him to a normal way of life. It would emphasize the primarily medical nature of the drug abuse problem by putting primary responsibility for patient care in the hands of a medical doctor.

Eliminating drug abuse is not just a problem for the Government or for the doctors. It is everyone's problem. Whether an individual is touched by drug abuse himself or in his family or not at all, he should be concerned about ending this curse on our society. It drains millions every year in treatment programs. It is responsible for billions of dollars in theft and property damage and loss of life. But most devastatingly, it is infecting large segments of the youth of the country, those to whom we must turn to carry out the reins of government in later years.

All Americans have a stake in ridding this country of the problem of drug abuse. The sooner each of us recognizes that obligation and makes our own commitment to the battle, the sooner an end to addiction will be in sight.

WEST VIRGINIA UNIVERSITY  
SCHOOL OF MINES ATTRACTS  
STUDENTS TO CONTEMPORARY  
STUDIES

**HON. JENNINGS RANDOLPH**

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, March 24, 1972

Mr. RANDOLPH. Mr. President, questions relating to the environment and to our Nation's fuel and energy requirements have concerned me greatly in recent years. The two are obviously interrelated. We are committed to protecting the environment from unwarranted abuse but at the same time, we must find clean and efficient ways to meet the increasing demands for energy.

Coal, which is a major industry in my State, now produces a substantial amount of the energy used in our country. Consequently, coal mining activities of all types has expanded greatly in recent years. With this expansion has come the need for more highly trained personnel to produce coal and to produce it in the manner compatible with our environmental aims.

Mr. President, I am gratified that the School of Mines at West Virginia University is securing important results with its new approach to the training of mining engineers. Under the leadership of Dean J. H. Kelley, there has been developed a vigorous recruiting program for students by relating the profession of mining engineering to contemporary issues. At the same time, the school has strengthened its instructional program to keep it responsive to these issues.

Five years ago, this school had between 50 and 60 students; this year the enrollment has grown to approximately 150, including graduate students. Dean Kelley anticipates that more than 200 students will be enrolled in the school of mines next year.

Typical of Dean Kelly's new approach to mining engineering, is an attractive, full-color brochure which is widely distributed. In straightforward language, this publication sets forth both the challenges and the opportunities offered to mining engineers. Entitled "What Are You Doing With the Rest of Your Life?" the brochure lays out this question and offers some possible answers. In part, the text reads:

*What kind of engineering?*—Mining and petroleum engineering. The men and women—yes, women, too—in these fields are responsible for the extraction of minerals from the earth. Things like coal, gas, copper, gold and diamonds.

They work almost anywhere in the United States and some pretty exotic places overseas, too. Mining and petroleum engineers are in great demand. Because of the demand, financial rewards rank among the highest for all industries.

*Are you serious about ecology?*—We're serious, too. All pollution comes from the earth in either the form of fuel or crops. Today's mining and petroleum engineers can feel highly relevant to the ecology revolution. Their challenge is with nature. They're highly concerned with the way the earth is used. And, in the future, their recommendations will be law. It's a great way to get involved and actually see your work do some good.

*Why the West Virginia University School of Mines?*—For one thing the West Virginia School of Mines is located in the center of one of the United States' great mineral producing areas. Nearby are some of the largest and most modern coal mines. Close, too, are natural gas and petroleum-producing areas. You'll get a first-hand look at a broad range of mineral industries.

The School of Mines houses the Coal Research Bureau where daily experiments probe new uses for coal and better ways to end pollution.

Our School is housed in the Mineral Industries Building which was especially built and designed to accommodate teaching and research in the mineral areas.

We've got modern equipment, too. Like our own computer to help students with their studies.

Our faculty is one of the most distinguished in the country. That's another advantage of being located in a great mineral area. They come here because they're able to participate in research, industrial consultation, and professional mineral engineering societies. That's a benefit for you. Because they're here, you'll receive instruction in the most modern techniques used in the mineral fields today.

BYELORUSSIAN INDEPENDENCE  
DAY

**HON. CORNELIUS E. GALLAGHER**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. GALLAGHER. Mr. Speaker, on March 25, we commemorate that one brief moment in 1918 when the Byelorussian National Council declared independence. The Byelorussian people were at long last to determine their own and separate destiny. For the few remaining months of 1918 these brave people were able to live under the sovereignty of their own choice.

Then, as fate decreed for many of her sister nations, Byelorussia was ruthlessly crushed by the first of the Red army. Sporadic rebellion continued for years, showing an immense bravery in the face of overwhelming armed might. The Soviet Government met this opposition with increased force and the attempt to wipe the memory of freedom from the minds of the people of Byelorussia was intensified.

We may take justifiable pride in the fact that American Presidents have always vigorously advocated the cause of self-determination. I am particularly proud that President Wilson, a fellow New Jerseyite, is remembered as a leading expounder of the freedom of choice.

I think today we should reaffirm our basic commitment to the protection of any nation threatened with an abrogation of right to self-determination. Today in Byelorussia we can see the result of this denial. Self-determination is a right which all civilized nations should recognize. Yet, some still refuse.

I join my colleagues today in reminding the Soviet leaders of this fact, and in expressing the hope that the time when the Byelorussian people shall be able to express and exercise this right will and must be assured to them.



I, along with my colleagues, look forward to the day when Byelorussia and all nations once again become independent and able to exercise the sovereignty which all American Presidents have so ably defended.

REPRESENTATIVE VANDER JAGT  
OFFERS ANTIWATER POLLUTION  
AMENDMENTS TO H.R. 11896.

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. REUSS. Mr. Speaker, my colleague, Congressman GUY VANDER JAGT, of Michigan, the able and distinguished ranking minority member on the Subcommittee on Conservation and Natural Resources of the House Committee on Government Operations will next week offer amendments to title II of H.R. 11896, as reported—the Federal Water Pollution Control Act Amendments of 1972. His amendments are intended to strengthen that bill.

At this point in the RECORD I insert Mr. VANDER JAGT's comments on the proposed amendments, and the amendments he will offer:

THE RESOURCE MANAGEMENT AMENDMENTS  
TO BE OFFERED BY HON. GUY VANDER  
JAGT

Mr. Speaker, on November 30, 1971, I placed in the *Record* a comprehensive statement discussing the water pollution legislation passed by the Senate, S2770. Today I would like to add to that statement the benefits of accumulated knowledge and events which have taken place since that date, relating directly to H.R. 11896, the legislation which will be taken up by the House next week.

Members of the House Public Works Committee under the chairmanship of Con. John Blatnik and significant leadership of Con. Robert Jones and Cong. William Harsha have created a truly creditable piece of legislation for House consideration. Time and efforts have been spent in prodigious amounts to produce this excellent vehicle for returning America's lakes and streams to conditions of purity. The Committee deserves great thanks from the Nation for its work.

Inasmuch as I have had an opportunity to assist in the evolution of this legislation, particularly in the area related to the spray-irrigation land treatment method of sewage management, I would like to provide at this time certain new research information potentially valuable to the House in its final deliberations on the bill.

As discussed in my statement last year, the U.S. Army Corps of Engineers under the guidance of Dr. John R. Sheaffer had last summer completed the initial phase of alternative sewage treatment studies for the Merrimac River Basin in New England, Cleveland-Akron, Detroit-Southeast Michigan, Chicago-south end of Lake Michigan and San Francisco. Because these initial studies indicated higher costs for land treatment systems compared with "advanced" waste treatment (AWT) or "physical-chemical" systems, Environmental Protection Agency Administrator William Ruckelshaus last fall called for the termination of these studies.

My own experience with initial cost estimates in the development of the Muskegon land treatment system in my District led me to carefully consider these estimates. I became deeply disturbed that the figures easily

could be misinterpreted, creating an erroneous impression of the economics and benefits of land treatment systems. For example, the land treatment costs for Chicago included both municipal and industrial wastes, while the estimates for AWT included only municipal wastes. In addition, the alternatives' results were not comparable; AWT at Detroit would not improve Lake Erie, but only slow its eutrophication, while land treatment would return Lake Erie to a desirable character. Recognition of these factors led me and other Members of Congress to call for a continuation of these studies. An Administration decision then allowed them to continue.

During January of this year it became apparent, however, that unless greatly accelerated efforts were put forth to bring about initial review of the initial Corps studies, any basic direction suggested by the studies would be lost in terms of affecting Congressional deliberations on water pollution legislation this year. The Administration could not change its position in this regard without further evidence and the House could not be expected to give greater emphasis to the land treatment approach than already described in good but perhaps inadequate language in the Senate legislation. Substantial language was added to the R&D section of H.R. 11896 providing for the possible development of a major land treatment system to demonstrate the potential for such a system in the clean-up of Lake Erie, but otherwise the House bill was somewhat weaker than S. 2770 in this regard.

During this same period additional information came to my attention, further supporting an already substantial but growing conviction that land treatment was the basic direction the Nation must take in the management of its sewage.

Progress continued in the construction of the Muskegon System. Considerations of a nuclear power plant sited to utilize water in the storage lagoons of the system for cooling purposes progressed to intensive review by Consumers Power Company. Other power companies both private and public expressed interest in the possibilities. A system of charges at quite substantial levels for such use of the water began to appear feasible in view of much higher cost construction and operating costs for alternative evaporation tower cooling systems. Private interest appeared for the development of a regional industrial waste treatment center discharging its treated wastes into the system. Plans evolved further for the establishment of a solid waste disposal facility which would have the capacity to manage such wastes for all of Western Michigan for a period of 100 years through sanitary land fill and recycling of recoverable materials using acreage available between spray-irrigation circles on the agriculture land. All of the aforementioned are potential revenue producing activities in addition to agricultural output of the basic system.

Detailed reports of the Melbourne, Australia, sewage management system in operation since 1893 became available. The irrigation farm at that location currently manages 114 million gallons per day of sewage. Beef cattle and sheep are raised on the farm with 3,500 head of cattle and 35,000 sheep sold from agriculture operations in 1971 alone. Twenty-seven thousand acres of land with more than 10,000 acres irrigated for pasture are included in the system.

The efficacy of the land treatment concept was further confirmed by a University of Washington study just completed indicating basic components of sewage are reduced by the following amounts in the lagoon-spray irrigation approach: BOD—99%, suspended solids—99%, nitrogen—80-90%, phosphorous—99%, heavy metals—99%, organic compounds—99%, viruses—99%, bacteria—99%. All of these reductions are substantially greater than produced

by "advanced" waste treatment techniques and "physical-chemical" systems currently advocated by EPA and state water pollution control agencies.

The question of costs of lagoon-spray irrigation systems is being answered by experience beyond Muskegon contract evidence where capital costs including land amount to about 80¢ per gallon of treatment capacity. No AWT or "physical-chemical" system recently bid or constructed to my knowledge can approach this low cost, and operating costs for land treatment are estimated at half the costs of alternatives.

A question of availability of land continues for the very substantial acreage required in land treatment. But the Corps' studies found sufficient land within reasonable distance of five major urban areas presently under consideration. There will be substantial dislocations of firm families if we do not develop lease arrangements or other means to insure the use of land for spray-irrigation by other than outright government ownership. However, there is also evidence that substantial dislocations will occur with the siting of alternative systems since such systems tend to be located at urban shorelines which are generally occupied and prime lands.

Evidence of the intense interest in the Congress in Corps review of waste management alternatives appears in the Administration's 1973 budget, where additional studies have been requested including Duluth, Seattle, Spokane, Boise, the Colorado River and tributaries in Texas, Omaha, St. Louis, Kansas City and Denver. In addition, resolutions have just been filed for New Orleans, Atlanta and the Washington, D.C., metropolitan area.

A substantial discussion of the entire subject is included in an article prepared for the National Association of Counties by Dr. John R. Sheaffer, currently Scientific Advisor to the Secretary of the Army, on leave from the Center For Urban Studies at the University of Chicago. Dr. Sheaffer's article dated February, 1972, is titled "The Ecological Revolution Is There a Role For County Government?" and is quoted as follows:

The desire to improve the environmental quality has emerged as a common cause which has helped to unify our pluralistic society. Historic differences between rural and urban areas and city and county governments are melded into a unified environmental effort. In part, this effort has addressed the question of water quality deterioration and actions necessary to restore and enhance the quality of our lakes and streams. In particular, there has been disenchantment with the in-stream water quality standards approach which dominates current Federal efforts. Since 1956, more than \$7 billion has been spent for the construction of sewage treatment facilities, but very few water bodies have been rehabilitated and restored to a desired quality.

The apparent ineffectiveness of the current standards approach has stimulated environmentalists to search for other means to cope with the water quality problem. What is emerging from this effort is a new resource management approach that emphasizes the recycling and reclaiming of pollutants.

A RESOURCE MANAGEMENT APPROACH

The resource management approach which is emerging today may be referred to as an ecological revolution. The term "revolution" is particularly appropriate because of the basic changes encompassed in the new approach.

Foremost, there is a change from a "disposal strategy" involving partial treatment and discharge to a "management strategy" that focuses on the recycling and containment of pollutants and the reclamation of water. The disposal strategy is typified by a

secondary treatment program. The management strategy is illustrated by the land treatment system contained in the Muskegon County, Michigan, Wastewater Management Plan.

Implicit in the shift from a disposal to a management strategy is a shift from single purpose wastewater planning that seeks to develop sewage treatment facilities to multi-purpose planning which formulates plans for total waste management centers. Such centers will provide tertiary treatment of effluents, disposal of removed solids or sludges and municipal and industrial solid wastes, dissipation and beneficial use of waste heat, production of agricultural crops, and provision of open space. These several purposes must, in turn, be integrated in a total waste management plan which is a subsystem of a larger and more complex urban system. Thus, the total waste management plan must be consistent with overall development goals and objectives of the region it serves.

Several of the purposes that will be incorporated into a management strategy are potential revenue producers, e.g., dumping fees for solid waste disposal, cooling charges, and the sale of crops. Thus, there is an opportunity to shift from a program of Federal subsidy to stimulate the construction of treatment facilities to a program of Federal investments which not only provide for the management of wastewater but also have the potential to stimulate a flow of revenue to the local units of government—a dynamic illustration of revenue sharing.

PLANNING FOR MANAGEMENT

The ability to implement the ecological revolution is related directly to the ability to formulate and analyze alternative plans for managing wastewater. The Corps of Engineers has launched such a planning effort for five major metropolitan areas—Merrimack Basin-Boston, Cleveland-Akron, Detroit-Southeast Michigan, Chicago-Northwest Indiana, and San Francisco Bay-Delta—which constitute 12 to 15 percent of the urbanized population in the United States. This planning effort is guided by the three basic environmental principles that undergird all ecologically sound planning. First, the environment is an interrelated system with air, land and water interacting and affecting and being affected by urban development. Second, the environmental system for planning purposes is closed, nothing can be thrown away. Third, pollutants are potential resources out of place and if relocated in the environmental system can take on renewal value. For example, the nutrients in wastewater which accelerate eutrophication when discharged to a waterbody would be beneficial fertilizer if applied to cropland.

The Muskegon County land treatment system involving spray irrigation is illustrative of one alternative that is being prepared in the Corps of Engineering planning effort. Because from a National perspective land treatment has not been fully developed as a viable alternative for metropolitan areas and urbanized counties, much interest has focused on this "new approach" to wastewater management.

In simple terms, the Muskegon County system involves the following steps:

- (1) collection of the wastewater and its transport away from the urban area,
- (2) "secondary" treatment of the wastes to avoid odors,
- (3) storage and disinfection of the wastewater,
- (4) irrigation of the treated wastewater on agricultural or silvicultural land,
- (5) "tertiary" treatment through the aerobic soil zone (the "living filter"), and
- (6) retrieval of the reclaimed water (now pure enough to meet Public Health Service drinking water standards) through a drainage system; this water is then available for reuse in a manner best suited to regional needs.

As the Muskegon plan is being implemented, it has become quite clear to its sponsors that other facilities might be usefully integrated into its 10,000-acre waste treatment center. To date, the planning involves the following:

- (1) the tertiary treatment of the wastewater by recycling the nutrients and confining and containing those pollutants including industrial wastes which cannot be recycled or reclaimed;
- (2) the ultimate disposal of sludge or solids removed in the treatment process through the application of the solids to the land as a soil conditioner and fertilizer;
- (3) the disposal of municipal and industrial solid wastes through the creation of hills (sculptured landscape) and the recycling of paper, glass and metals;
- (4) the exploration of the location of power generation facilities and the beneficial dissipation of the heat in the wastewater; and
- (5) the creation of functional greenbelts which help control urban sprawl and which can also serve as a recreational open space during the winter non-irrigation season—small game hunting and snowmobiling areas.

The implementation of such a plan offers the potential to convert a waste management facility into a revenue producing enterprise. In Muskegon County, the following annual returns are expected:

- \$360,000 agricultural profits (1 acre inch of treated effluent has the fertilizer equivalent of 25 lbs. of 10-10-12 commercial fertilizer).
- \$300,000 solid waste disposal fees (based on a disposal charge of \$2.00 per ton).
- \$2,500,000 cooling charges and location fees from industry.

This amounts to an annual revenue in excess of \$3,000,000 from the related or synergistic effects of the system, more than enough to cover the local share of the debt retirement (\$16,000,000 bond issue) and the total operation and maintenance costs which are estimated to be about \$2,650,000 annually. In addition, the County achieves clean water with all of its attendant benefits and will realize the standard charges for providing that service.

A perusal of the Muskegon County system shows that it serves as an example of the ecological revolution. The system focuses on management rather than disposal and treats pollutants as resources out of place. The land involved in the system provides a number of services in an integrated and coordinated manner—a multipurpose total waste management approach. By expanding the system beyond sewage treatment and sludge disposal—traditionally viewed as costs which must be borne by the general public and users—to include revenue producing activities such as commercial agriculture, solid waste disposal, and heat dissipation, the system become a public investment analogous to a multiple-purpose water resources project. As a public investment, the system has the potential to yield average annual benefits. When one views this range of opportunities provided by investments in water quality management systems, it becomes quite evident that such systems are not ends in themselves but means to an end and that they offer great opportunities for stimulating economic growth and development.

REACTIONS TO WASTEWATER MANAGEMENT

The Muskegon County wastewater management plan has prompted a number of reactions. The environmentalists strongly supported the land treatment-spray irrigation approach. On 13 September, 1971, David R. Zwick, Project Director, Nader Task Force on Water Pollution, appeared before the House Public Works Committee and stated:

The most promising provision in the Senate draft (of the water pollution bill) is its strong endorsement of the concept of total waste recycling—purifying sewage by spray-

ing it on the land as fertilizer as exemplified by the Muskegon County, Michigan sewage treatment project. This Committee has, I recognize, been interested for some time in diverting the Federal water pollution bureaucracy from its myopic preoccupation with secondary treatment, which is inadequate for many of our Nation's waters. This Committee has shown interest in the progress of the Muskegon Project and the planning activities of the Corps of Engineers over whom you exercise major responsibilities involving similar projects. You have a chance this year in the water pollution bill you write to turn this interest into a practical reality.

It would be well to note that the pollution control profession, including Government officials at every level, has a stake in perpetuating the old technology which the Muskegon Project is designed to replace. This is the only technology many of these officials and private engineering consultants know. For a builder of sewage treatment plants, the spectre of a massive spread of Muskegon type projects produces great discomfort because it promises a permanent solution. It could put an end to our spiralling need to build more and bigger sewage treatment plants. Whatever eventually happens in the Senate, I would urge this Committee to hold the line for truly clean water by stressing the natural waste recycling alternative as the first priority choice when municipal grant funds are handed out.

Obviously, there were opposite reactions. In essence, opponents of the land treatment-spray irrigation system have questioned the workability of the approach, its costs, and the land use implications. Before land treatment can be viewed as a viable alternative for metropolitan areas and urban counties these issues must be resolved.

The questioning of the effectiveness and the effects of land treatment methodologies has prompted a number of research efforts. Such efforts have been undertaken at Pennsylvania State University, Michigan State University, University of California, University of Washington (Seattle) and at several Federal facilities—Flushing Meadows, Arizona, Kerr Water Research Center, Ada, Oklahoma, and the Cold Regions Research and Engineering Laboratory, Hanover, New Hampshire.

EFFECTIVENESS OF LAND TREATMENT

Based on the systematic consideration of treatment mechanisms and their projected significance and following an evaluation of available experience, the estimated effectiveness of a properly designed land treatment system to reclaim secondary effluent is as follows:

ESTIMATED EFFECTIVENESS OF LAND TREATMENT TECHNIQUES

	Spray irrigation	Overland runoff	Rapid infiltration
BOD	99	80	99
SS	99+	80	99
N	80-90	80	80
P	99	80	90
Heavy metals	99	10-30	95
Organic composition	99	50	90
Viruses	99+	90	99+
Bacteria	99	90	99+
Total dissolved solids <sup>1</sup>			
Cations	0-75	0-50	0-75
Anions	0-50	0-10	0-50

<sup>1</sup> While most cations and anions will be retained/treated at the higher indicated values, a few (e.g. Na and Cl) will be relatively unresponsive to treatment.

Source: Summary assessment of University of Washington consultants, February 1972.

This strong endorsement of on-the-land waste treatment is consistent with views presented by the Environmental Protection Agency in Volume II of its 1971 report on



the Cost of Clean Water. The Agency observed:

The (land treatment procedures) have the great virtue of recycling the materials so disposed, both by replenishing water tables and by converting and utilizing organic and inorganic waste matter in natural life processes of decay and growth. Their secondary merit is more germane to this discussion. Water reaching watercourses after passage through the filtering and decomposition processes afforded by soil is far purer—provided that soil loading rates are not exceeded—than any waste treatment process short of distillation could make them.

This emerging consensus regarding the effectiveness of land treatment establishes confidence in the workability of such a system. The experience at the Board of Works Farm, Melbourne, Australia, which has been growing grasses with waste water and feeding cattle and sheep on the same site since the turn of the century attests to the relative permanence of land treatment systems. With respect to the steers marketed from the Farm, the Board reported in July, 1969:

There is a good demand for them and many of Melbourne's top butchers, who appreciate the succulence and quality of the Farm-raised beef, are regular buyers.

#### COSTS WILL BE EXCESSIVE

The controversy over the cost of constructing alternative systems can only be resolved through the bidding process. Further insight can be derived by comparing bids for alternative systems on a capital cost per gallon basis. The Muskegon system can treat a design flow of 43.4 million gallons a day and a peak flow of 90 million gallons a day at a direct construction cost of \$34,000,000 (includes \$3,000,000 for land). The capital investment amounts to \$0.78 per gallon of installed capacity. This compares very favorably with more conventional advanced waste treatment systems. For example, the Salt Creek water reclamation plant in Cook County, Illinois, is designed to treat 30 million gallons a day and peak flows of 50 million gallons a day at a direct construction cost of \$43,259,000 (land site not included) or a capital investment of \$1.44 per gallon—nearly twice that of the Muskegon system. In addition, the Muskegon system has lower operating costs because it uses fewer chemicals and less power per million gallons of wastewater. The high-yield crop production from the irrigated and fertilized land as well as the other revenue producing features are further benefits.

A further comparison with a recently bid secondary treatment plan with provisions for 80 per cent phosphate removal produces interesting results. At Grand Haven, Michigan, a 5 million gallon a day plant received a low bid of \$6,000,000 or \$1.20 per gallon of installed capacity. This bid was rejected and the plant will be readvertised.

Based on the above comparisons, it appears that land treatment alternatives are competitive with other technologies, even in terms of capital costs. This does not imply that land treatment will always be less costly, but it does suggest that it is an alternative that should be formulated and analyzed for all metropolitan areas and urban counties to be certain that the cost effective alternative is implemented.

For projection of financing needs for the nation, the capital costs per gallon capacity bid at Muskegon can be used. The 1990 national wastewater flow is estimated to range from 30 to 70 billion gallons per day. At a cost of 80 cents per gallon, a capital investment of from \$24 billion to \$56 billion to treat 1990 waste flows would be required for the nation, certainly consistent with current estimates of Federal funding.

#### LAND USE IMPLICATIONS

The land use implications of land treatment systems have recently been called into question. In essence, this last remaining un-

resolved issue has two dimensions. The first dimension relates to the availability of suitable land for the waste flows from large metropolitan areas. The second dimension is concerned with the dislocation of rural residents from the land treatment centers.

With respect to the availability of land, the identification of suitable land ought not be a problem. (Sufficient land was identified for each of the metropolitan areas in the Corps of Engineers Pilot Wastewater Management Program). In Muskegon County, for example, the land requirements are 230 acres per million gallons per day of wastewater while at Penn State University only 130 acres per million gallons of wastewater per day were used. The difference reflects the length of the irrigation season and the amount of storage contained in the system. The Muskegon system is designed for a 7 month irrigation season and 5 months of storage. The Penn State system calls for year round irrigation with no storage. In the light of these two extremes, an average of the two systems can be used for planning purposes—180 acres per million gallons of wastewater per day. Applying this figure nationally, land requirements would range from 5,400,000 acres (30 billion gallons per day) up to 12,600,000 (70 billion gallons per day) with a figure of 7,700,000 commonly cited as the need. This estimate is of manageable proportions when it is compared to the estimated 7,000,000 acres of land needed for power transmission by 1990. Also, it is approximately one per cent of the cropland harvested in the United States.

With respect to relocation and disruption, land treatment in sparsely settled rural areas will affect fewer people than urban renewal and highway construction in the urban areas. In fact, an interesting comparison can be made between a land treatment and a secondary treatment system. The Muskegon land treatment system will dislocate 166 occupancy units or 3.82 units per million gallons of capacity (166 units/43.4 mgd). The site selected for the Grand Haven, Michigan, secondary treatment plant with 80 per cent phosphate removal required that 23 occupancy units be relocated for a 5 million gallon a day plant or 4.60 units per million gallon capacity. This finding is opposite of what is commonly believed and illustrates the complexity of the issue. But it is not unreasonable when one realizes that the shoreline or land-water interface is prime land and generally occupied in urban areas. Therefore, the traditional urban sewage treatment plant must compete with and dislocate other urban land uses. On the other hand, land treatment facilities, if located beyond the commuting zone, will compete with low cost agriculture, forest, or waste lands.

Another factor to be considered is that the other facilities that might be integrated into a waste treatment center would require significant amounts of land if they were undertaken singularly. For example, Illinois Power Company announced in the February 14, 1972, *Wall Street Journal* that the development of the Clinton, Illinois, nuclear power plant site (eventual capacity of 4,000 megawatts) will require a 17,000 acre site that includes a cooling lake with a 5,000 acre surface area. If this site area is to be considered typical and one is to accept the estimated need for 300 new nuclear power plants by 1990, 5,100,000 acres would be required for this single purpose activity or 66 per cent of the estimated 7,700,000 acres required for total waste management centers which could incidentally include the nuclear power plants and which would make beneficial use of the waste heat.

The Uniform Relocation Act provisions assure that persons moved are relocated into sound housing with the cost of upgrading and moving being borne by the public. This Act will assure that persons dislocated by any treatment system will be treated fairly

and will be relocated in sound housing without incurring additional financial burdens.

#### PROSPECTS FOR A RESEARCH MANAGEMENT APPROACH

The resource management approach to wastewater treatment is analogous to the issue of non-returnable bottles. As ecologist Barry Commoner stated before the Illinois Pollution Control Board:

I'm just proposing a very simple thing: lend the nitrogen to the city folks—but get it back. I think that's clear.

Simply stated, the beneficial use and recycling of wastewater pollutants are the wave of the future. Many such as Commoner have advocated it but felt that "we would have to clear economic hurdles to do this." Muskegon County has shown that the economic hurdles can be cleared. The Corps of Engineers pilot wastewater management program is seeking to determine if there are any dramatic diseconomies of scale which would preclude the use of the resource management approach for major metropolitan areas. The completion of the Corps of Engineers' survey scope reports will answer that question.

#### THE ROLE FOR COUNTY GOVERNMENT

In Muskegon County, after efforts to use political consolidation (one city) and a special district government (a water and sewer authority) as the means to achieve regional resource management had failed, the general purpose County government became the vehicle to achieve functional consolidation. One reason for the County's success was its offer of a total waste management approach which was viewed by local governments and industries as a solution.

In essence, the County provided the vision around which the local governments and industrial interests organized. In so doing, the County injected new dimensions—regionalism and resource management—into the decision making process rather than competing with the local governments by attempting to do the same thing each of them could do by themselves—construct conventional sewage treatment plants. Urbanized counties have the opportunity to play such a leadership role and fill the planning vacuum that exists in many areas.

Rural counties must also play a role in a total waste management program. The farm products or nutrients shipped to the urban areas for consumption and use must be considered as returnable nutrients. Thus, it is necessary for rural counties to plan systematically for the recycling and reclamation of urban pollutants which are, in essence, resources out of place.

These roles of both urban and rural counties relate to providing opportunities for developing resource management approaches to waste-water problems. County governments can assure that our nation can follow the admonition of Daniel Burnham to "make no little plans, for they have no power to stir men's souls." Total waste management requires planning on a scale larger than generally undertaken. Through the involvement of urban and rural counties, it can be made to succeed.

Because of a recent article in the *Washington Post* reporting on virus perils discovered in drinking water at two Massachusetts cities, it is worthwhile to give special attention to the fact that these cities draw this water from the badly polluted Merrimack and Concord Rivers. Those viruses come from sewage plant discharges into the rivers. Muskegon will no longer be threatened with such a potential problem. Land treatment of sewage removes and destroys virtually 100% of viruses. Those viruses are held by soil particles and then attacked by bacteria which break them down to harmless protein in the land treatment process.

The first amendment encourages the development of revenue-producing waste management centers capable of handling

sewage, solid wastes and managing thermal pollution problems. The second amendment provides additional Federal funds for such systems. The third amendment leads industry to encourage the development of such systems and in turn assists industry during this period of transition. I strongly urge Members to give careful consideration to these amendments.

Mr. Speaker, relative to H.R. 11896, I plan to offer three amendments to Title II of the legislation. These amendments are based on the preceding information only recently available in detail. The amendments follow:

AMENDMENTS TO H.R. 11896, AS REPORTED

(Proposed by HON. GUY VANDER JAGT)

Page 241, between lines 23 and 24 insert the following:

"(d) The Administrator shall encourage waste treatment management which results in the construction of revenue producing facilities providing for—

"(1) the recycling of potential sewage pollutants through the production of agriculture, silviculture or aquaculture products, or any combination thereof;

"(2) the confined and contained disposal of pollutants not recycled;

"(3) the reclamation of wastewater; and

"(4) the ultimate disposal of sludge in a manner that will not result in environmental hazards.

"(e) The Administrator shall encourage waste treatment management which results in integrating facilities for sewage treatment and recycling with facilities to treat, dispose of or utilize other industrial and municipal wastes, including but not limited to solid waste and waste heat and thermal discharges. Such integrated facilities shall be designed and operated to produce revenues in excess of capital and operation and maintenance costs and such revenues shall be used by the designated regional management agency to aid in financing other environmental improvement programs.

"(f) The Administrator shall encourage waste treatment management which combines 'open space' and recreational considerations with such management.

Page 241, line 24, strike "(d)" and insert "(g)".

Page 243, line 17, after the word "increased" insert "(1)" and on line 20 change the period to a comma, and add the following:

(2) to 65 per centum of such costs, if the system of waste treatment management is developed in accordance with the provisions of section 201(d) of this Act, except that such 65 per centum grant shall be increased to 85 per centum of such costs, if the State agrees to pay 10 per centum of the cost of all such systems for which Federal grants are to be made from funds allocated to such State for such fiscal year.

Page 248, line 11, change the semi-colon to a comma and add the following:

except in any case of a waste treatment management system developed pursuant to section 201(d) of this title, for which a grant is made under this title within five years after the date of enactment of this title, such payment shall not be required;

GREEK INDEPENDENCE DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. DERWINSKI. Mr. Speaker, next Saturday the people of Greece and their friends in other parts of the world will

observe Independence Day. March 25, 1821, was the day the Greeks began their revolt against the Ottoman Empire. Eight years were to elapse before their connection to Turkey was finally ended and independence became a reality.

The Greeks were aided during their war of liberation by Great Britain, France, and Russia, while the Turks received substantial assistance from Egypt. The war was long and bitter, the climax being reached when the British, French, and Russian ships destroyed the Turkish-Egyptian fleet at the Battle of Navarino.

It has not always been easy for Greece to maintain its freedom. During World War II it was invaded by the Fascists and National Socialists. These enemies had hardly been driven out when Greece became involved in a civil war with the Communists. The Greeks eventually triumphed over their later foes.

Mr. Speaker, the friendship of the people of the United States and the people of Greece has endured through the years. Many Greeks have come to America and become valued citizens of their adopted country. Saturday will indeed be a happy occasion, when Americans, especially those of Hellenic descent, join the people of Greece in celebrating the independence of that great nation.

WHAT DID THE PRESIDENT SAY ON BUSING?

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. RARICK. Mr. Speaker, the President's public statement on forced busing, which is quite different from his message on busing to Congress, is exceeded in its political expediency only by the partisan analysis and interpretation of what he said and what he intended.

Almost everyone has seen the TV address or read the news accounts and the country seems to be fully informed as to the public face of the Nixon plan on busing.

Few have seen, let alone read or studied the President's 17-page report to Congress, yet everyone seems to have concluded that the President is going to stop busing, thus removing it as a political issue.

The President's busing statement is reminiscent of the politician who finds he has to move to keep from being run over by the people. Control politics must never be equated to leadership. When the people get out of hand and challenge the politicians, the political plan is never to meet the stampede head on, but to act like meeting the issue, diverting the thrust to take the steam out of the popular uprising. How can it be said we live in a democracy when the leaders refuse to listen to the majority?

President Nixon's main concern was in hiding his power to stop the whole busing mess, which is already against the law of the land. He did this by again

refusing to accept his role of leadership and by throwing the public attention back on Congress, which has repeatedly outlawed busing and which has over 150 signatures on an antibusing amendment—which could have been adopted and ratified had the President done anything but played politics with it. The President's message to Congress—never read to the people—is so long, ambiguous, and without direction that few Members can decide what the President proposed, let alone enact his vacillation as legislation. Perhaps this is the President's goal—to confuse and delay until after the November elections, when he can forget busing, by blaming Congress for doing nothing.

Contrary to reports that President Nixon proposes stopping busing, his statement says, "further new busing orders," which does not change old busing orders. So the old dual systems of laws—one for the North and a separate one for the South—is to be retained. Nor is all new busing to be stopped, for the President said:

Specifically, I propose that the Congress enact two measures which together would shift the focus from more transportation to better education, and would curb busing while expanding educational opportunity.

While seeking to criticize some Federal judges—not his hand-picked strict constructionist Chief Justice who was the author of the Swann decision—the President said:

At the same time, these measures would not roll back the Constitution, or undo the great advances that have been made in ending school segregation, or undermine the continuing drive for equal rights.

Most importantly, however, these proposals undertake to address the problem that really lies at the heart of the issue at this time: the inherent inability of the courts, acting alone, to deal effectively and acceptably with the new magnitude of educational and social problems generated by the desegregation process.

Somehow overlooked was that portion of Swann where Chief Justice Burger admitted that the Court was on illegal grounds but acted nevertheless in equity—the Court's conscience. It is as if Thurgood Marshall, counsel in the Brown against Topeka, Kansas Board of Education case had gone into court with clean hands.

The President calls the first part of his proposed legislation the Equal Education Opportunities Act of 1972.

The EEOA provides for desegregation with busing to be required only as a last resort and then only under limitations.

The second presidential proposal is the Student Transportation Moratorium Act which would stop all new busing until July 1, 1973, or—8 months following the November presidential election—until Congress passes appropriate legislation—whatever that means—whichever occurs first. In the meantime, Congress is to come up with new methods to accomplish the same goals so that busing to achieve racial balance is unnecessary.

As to busing by court order, the President said:

Busing for the purpose of desegregation was begun—mostly on a modest scale—as one of a mix of remedies to meet the require-



ments laid down by various lower Federal courts for achieving the difficult transition from the old dual school system to a new, unitary system.

If some of the Federal courts have lately tended toward extreme remedies in school desegregation cases—and some have—this has been in considerable part because the work has largely gone forward in the courts, case-by-case, and because the courts have carried a heavy share of the burden while having to operate within a limited framework of reference and remedies. The efforts have therefore frequently been disconnected, and the result has been not only great progress but also the creation of problems severe enough to threaten the immense achievement of these 18 difficult years.

The President, admitting the courts acted without law, would now ask Congress to give them a legal footing for achieving the same de facto goals.

As to discharge petition No. 9, now needing only 72 additional signatures to bring an antibusing constitutional amendment for a vote, the President said:

It would have no impact this year—a constitutional amendment fails to meet this immediate need.

Surely the President is aware that the 18-year-old vote amendment passed Congress on March 23, 1971, and was ratified 90 days later. The President must understand that public opinion is as strong for antibusing as it was for the 18-year-old vote. Had he given Presidential prestige and support to discharge petition No. 9, the people would have the Constitution amended before the November election and busing would be removed as a political issue once and for all.

The President examined some of the reasons various people want busing stopped. Some meet his test of morality; others do not. But at least this was more consideration than the people got from Earl Warren before his ruling on the Brown case which originated in Kansas.

What do the following statements from the President's report to Congress on busing have to do with busing or education?

This administration means what it says about dismantling racial barriers, about opening up jobs and housing and schools and opportunity to all Americans.

It is not merely rhetoric, but our record, that demonstrated our determination.

We have achieved more school desegregation in the last 3 years than was achieved in the previous 15.

We have taken the lead in opening up high-paying jobs to minority workers.

We have taken unprecedented measures to spur business ownership by members of minorities.

We have brought more members of minorities into the middle and upper levels of the Federal service than ever before.

We have provided more support to black colleges than ever before.

We have put more money and muscle into enforcement of the equal opportunity laws than ever before.

These efforts will all go forward—with vigor and with conviction. Making up for the years of past discrimination is not simply something that white Americans owe to black Americans—it is something the entire Nation owes to itself.

Most Americans may have thought freedom was what the Nation owed itself,

but the President's reference to freedom only shows the political intent and direction which he has taken on the busing issue.

The voluminous barrage of words which can be used by either the busers or antibusers confirms that public education to preserve and perpetuate individual culture and institutions is dead.

The President's message to Congress calls for a course of deliberation, to avoid confrontation, for all but the assimilated majority.

It is evident that the President's message was based on fear—fear of busing, and he has only dealt with it fleetingly, as a subterfuge to calm the American people until after the election—while the majority of Americans continue to flee the inner cities, rebuilding in the suburbs.

It remains to be seen if the American people will be taken in by this political maneuver on the part of the President to divert the people's attention from the paramount domestic issue of the day—forced busing to achieve racial balance.

#### CLEAR EVIDENCE OF THE ACCELERATING BUSINESS RECOVERY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. CONABLE. Mr. Speaker, there is a strong tendency by the news media to concentrate on bad news whatever the issue. This is particularly difficult to understand in economic matters at this time in view of the vigorous economic expansion we are currently experiencing. The press seems to emphasize the few economic statistics that may appear weak at a given moment. Of course, only a broader view can tell us how well the economy is actually doing.

A recent issue of the U.S. News & World Report puts the economy in its proper perspective. In an article, "Business Recovery Speeds Up," the magazine reports that many business analysts both in and out of government believe the economy is picking up speed. Early 1972 statistics back them up. Data on new auto sales, business investment, steel production, home building, profits and stock prices all evidence a strong, healthy economic advance this year.

I am sure my colleagues will be interested in this survey of our economic prospects. Therefore, I ask unanimous consent to include the article from the March 20 edition of U.S. News & World Report at this point.

The article follows:

#### BUSINESS RECOVERY SPEEDS UP

Unemployment is down. Factories are humming. The housing boom continues. Profits are perking up. Good news on the economic front is coming thick and fast these days. Result: more confidence among analysts for the rest of '72.

The economic recovery is definitely picking up speed now, in the opinion of many leading business analysts.

Early 1972 statistics back them up. Nearly all figures show the economy making solid

improvements—though it's still far short of being in a boom.

Some examples—

Factory orders grew 6.2 per cent in January to 63.1 billion dollars. It was the sharpest rise in a single month since August, 1956. This, like all other monthly reports that follow, has been adjusted for seasonal variations.

The jobless rate fell in February from January's 5.9 per cent to 5.7 per cent, the lowest rate in 17 months. New claims for unemployment insurance also have been declining.

Personal income rose 7 billion dollars in January to a record yearly rate of 891 billion dollars. A further rise to about 900 billion is estimated for February.

Consumers, with all-time-high holdings of liquid assets, are starting to spend a bit more freely.

Sales of new autos in February were the highest on record for that month. Truck sales also appear headed for another top year.

Construction continues to set new marks, month after month. Housing starts are exceeding last year's record pace and should lead to more spending for durable goods to go in the new homes.

Stock prices—with some fluctuations—keep going up. Many Wall Streeters are now predicting that before midyear the Dow Jones average will crack 1,000 for the first time in history.

Already, on March 6, Standard & Poor's 50-stock price index exceeded the previous all-time high set in late 1968.

Corporations have boosted their spending plans for plant modernization to 89.8 billion dollars this year, a Commerce Department survey shows. That would be an increase of 10.5 per cent, compared with a rise of only 1.9 per cent last year. It would be the largest increase since 1969.

Almost all major categories of industry are now expected to step up capital spending, which was among the weakest links in 1971's economy.

The demand for steel continues to grow amid rosy reports on plant and equipment spending.

Users have run off their inventories; foreign competition has been limited somewhat by trade agreements; auto markets are brisk.

Sales of merchant wholesalers were estimated at 24.2 billion dollars in January. This was up 5 per cent from December and 13 per cent above the figure for January, 1971.

Lumber and other construction-material sales rocketed 50 per cent over December.

Output per man-hour is up, with unit labor costs steady. That shows more efficient use is being made of plants.

Unfilled durable-goods orders rose in January for the third consecutive month, even though shipments leaped 4 per cent above December's level.

Inventories relative to sales dipped in January to 1.64, the lowest ratio since June 1968. This suggests an even bigger pickup in manufacturing lies ahead.

The average workweek lengthened in February, possibly indicating that more jobs are about to open up. And workers' average earnings in February kept well ahead of the rise in living costs.

Corporate-profits outlook is good. A survey of the largest U.S. firms by the Federal Reserve Bank of Philadelphia shows them estimating, on average, a 16 per cent rise in profits after taxes this year. This would be the sharpest annual rise since 1965.

With so many factors looking better, it is not surprising that the Government's composite index of leading economic indicators continues to point upward.

The index jumped 2.3 per cent in January, the largest monthly improvement since

October, 1968. It has climbed for five consecutive months and is now 13.6 per cent above a year ago.

Signs thus point to a smart increase in total output during the first three months of 1972. The Economic Unit of "U.S. News & World Report" projects that real growth—allowing for price increases—will be at an annual rate of 8.5 per cent in the first quarter. That's up from a 5.8 per cent rate in the fourth quarter of 1971.

Raymond J. Saulnier, who headed President Eisenhower's Council of Economic Advisers, recently spent two days in Washington with a group of 30 economists for large industrial and financial companies. Their optimism convinced Dr. Saulnier that he will have to raise his original estimate of 1,140 trillion dollars for national output this year.

#### SIGNS OF A SWIFTER RISE IN THE ECONOMY

Business investment in plant and equipment will increase 10.5 per cent this year, companies now indicate. Their plans late in 1971 called for a rise of only 9 per cent.

New-auto sales in February were highest on record for that month. Recent sales pace is close to the industry's goal of 9 million U.S. cars this year.

Factory backlogs—work waiting to be done—are growing. Latest report showed the biggest one-month jump in new orders since 1956.

Several underlying factors are buoying the confidence of analysts that the recovery will continue to quicken through the year. Big increases are proposed for federal spending in the coming fiscal year. State and local governments, encouraged by federal programs and easier credit, are increasing their outlays, too.

The year is expected to be relatively free of labor strikes. Only big danger is the possibility of renewed dock walkouts if the Pay Board balks at the gains won recently by the longshoremen.

Corporations are now in good financial position to expand, and banks have plenty of money to lend. There also is some evidence that people are once again becoming more inflation-minded. If so, this could stimulate businessmen still more to invest or add to inventories.

Greatest optimism—as in the past—comes from Administration officials.

"I'm becoming increasingly bullish on the domestic economy," beamed Treasury Under Secretary Charles E. Walker at a Washington luncheon.

Dr. Harold C. Passer, Assistant Commerce Secretary for Economic Affairs, was jubilant over his capital-spending survey.

Dr. Passer said it means the economy will speed up even more, with employment and productivity both gaining.

From Edgar R. Fiedler, Assistant Secretary of the Treasury for Economic Policy:

"On the whole, the evidence available to us now adds up to a healthy advance—not a rampant boom, but a rise in economic activity during 1972 sufficient to put a meaningful dent in the unemployment rate."

And according to a White House statement, recent economic developments give "cause to believe that the goals the Administration has made for the economy at the end of this year will be reached."

Many business economists outside of Government agree—with only slightly less enthusiasm.

"The economy is not about to take off," says Walter Hoadley, chief economist of the Bank of America in San Francisco. "What we're experiencing is more of a relentless, steady kind of progress."

Mr. Hoadley, who has just returned from a business trip to Europe, is convinced the American economy is still the world's strongest, but he feels that there must be a "restoration of confidence in the dollar."

This confidence, Mr. Hoadley says, can best

be restored through some evidence that the Government's budget is not out of control and that the nation's monetary policy is stabilized.

Steel production is increasing. The mills forecast a big gain in March, have raised their estimate of steel shipments to a record 96 million tons this year.

Home building continues to break records. Contracts for all types of construction increased strongly in January, latest month reported.

Business profits are improving. A new survey finds large companies predicting a 16 per cent increase in 1972 over 1971.

Stocks have been moving into high ground, a sign that the investing public is also gaining confidence. Stock-market gains tend eventually to be reflected in retail sales.

Some tightening of monetary policy is expected by George R. Green, executive director of short-term forecasting for the Wharton School of Finance, University of Pennsylvania.

Dr. Green says this tightening will result partly from the continued rally of business and partly from fears of renewed inflation.

In Atlanta a leading economist attributes the quickening economic pace mainly to "pretty strong Government spending, strong housing." He sees only one serious "pocket of rigidity"—retail sales.

Since hitting a peak in November, retail sales have leveled off. In physical volume, January sales were 5 per cent above a year earlier with durables up 13 per cent, non-durables 2 per cent.

Statistical quirks, however, hide the true strength of retail sales, contends George W. Cloos, vice president and senior economist at the Federal Reserve Bank of Chicago.

"Shipments to furniture and appliance stores have been fantastic," he says. "There are big backlogs. I ordered a color TV and it took me a month to get it—just from Fort Wayne, Ind."

Mr. Cloos says the spirit of corporate analysts has improved greatly. He attributes much of the previous sluggishness in the recovery to a "shock effect" from the recession.

"There were many young people in decision-making positions who never had experienced anything but growth," Mr. Cloos explains. "The recession rattled their confidence. It made them afraid to move again."

In Texas, Douglas B. Lang, staff economist for El Paso Natural Gas Company, agrees that the economy is picking up. This is especially true, he adds, in the Southwest, where construction is booming. Mr. Lang credits much of the national improvement to the generous supply of money.

The velocity, or turnover, of money has been increasing steadily since January 19, except for one week.

Angelo J. Lombardo, economist for Roosevelt & Son, New York investment-banking firm, says inflationary expectations on Wall Street are declining and there is a "higher level of positive psychology" among consumers.

Albert H. Cox, Jr., executive vice president and chief economist for Lionel D. Edie & Co., Inc., states:

"Accomplishments have been real, and time is now strongly on the side of further advance and at a quickening pace.

"We expect the resultant reabsorption of some of the country's present idle facilities and manpower to escalate confidence and increase the orderly flow of business."

Latest business-outlook report of usually somber Townsend-Greenspan & Company, Inc., concludes:

"Over all, the quality of the economic statistics that have been coming out in recent weeks is finally beginning to have a shade better tone."

William C. Freund, vice president and chief economist of the New York Stock Exchange,

Inc., even foresees a good chance that during the second half of this year, many people will be talking again about the dangers of a booming economy and a too-rapid expansion of business activity.

Mr. Freund adds:

"In the annals of our economic history, there have been few times when the ground seemed to be quite so ripe for a broad-based and vigorous cyclical expansion as now."

## DECLARATION OF JUDICIAL INDEPENDENCE

### HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. STOKES. Mr. Speaker, on January 17, 1972, the U.S. Supreme Court heard arguments for the abolishment of capital punishment on the grounds that it constitutes "cruel and unusual punishment."

In the meantime, on February 18, while the high court was still making up its collective mind, the California State Supreme Court, one of the best courts in the land, came down with a ruling that capital punishment is not in accord with the California constitution. The court's decision was based primarily on the section of that document prohibiting "cruel or unusual punishments."

The difference between an "or" and an "and" was more than verbal; it involved the lives of 104 persons who had been sitting on California's death row, some of them for as many as 8 years. Further, in the minds of the judges, the use of the word "or" carried with it the dignity of the entire society.

The use of the word "or" permitted the California court to consider the questions of cruelty and usualness separately, which had not been done before. In considering the cruelty of the death penalty, the court dismissed as irrelevant the idea that the fear of death row is enough to deter a would-be criminal.

Indeed, statistics reveal the irrelevancy of the argument. In 1970, the State with the highest incidence of murder and non-negligent manslaughter was South Carolina. In that year, for every 100,000 persons, 14.6 murders were committed. South Carolina's maximum punishment is death by electrocution. In the same year, North Dakota was the State with the lowest incidence of these offenses. That State's maximum penalty is life imprisonment, and yet, for every 100,000 people, only 0.5 murders were committed.

The same pattern is reflected in the total number of total "Crime Index" offenses. The Crime Index is compiled by the FBI to measure the degree of lawlessness in a community. Crimes of violence and crimes against property are included.

In 1970, California had the greatest number of Crime Index offenses, 4,307 for every 100,000 persons. California, prior to the recent decision, punished maximum offenders with lethal gas. North Dakota, by comparison, had only 846.1 Crime Index offenses for every 100,000 persons. And, as noted above,



the death penalty is outlawed in that State.

The figures do not say that States which have life imprisonment as the maximum punishment have automatically fewer criminals. But they also do not bear up the contention that capital punishment is an effective deterrent against crime.

The California Supreme Court justices, in the case of *People against Anderson*, applied the traditional test of "whether the punishment affronts contemporary standards of decency" and found that it does. They noted that in 1935, 199 people were executed for crimes. In 1967, that number had dropped to two. They quoted these figures as a clear indication that the death penalty has become increasingly repugnant to those who must deal with it directly, the people who administer justice in this country.

Indeed, after the decision was handed down, the former warden of San Quentin said that, through his own experience, he knew that capital punishment is "very cruel, very unusual, and very gruesome."

In assessing the cruelty of capital punishment, the court noted that—

Were the standards of another age the constitutional measure of "cruelty" today, whipping, branding, pillorying, severing or nailing ears, and boring of the tongue, all of which were once practiced as forms of punishment in this country, might escape constitutional proscription, but none today would argue that they are not "cruel" punishments.

After assessing the matters of cruelty and usualness separately, the court concluded that capital punishment is, in fact, both cruel and unusual. Cruel by contemporary standards of decency and unusual in that it has been only rarely applied in recent years.

In the closing statement, the judges touched the heart of the question when they wrote:

Our conclusion that the death penalty may no longer be exacted in California consistently with article I, section 6 of our Constitution is not grounded in sympathy for those who would commit crimes of violence, but in concern for the society that diminishes itself whenever it takes the life of one of its members.

We live in an age of violence. It reverberates throughout our daily lives. We see violence on our television screens, in our newspapers, on the streets, in certain public officials' words. No one likes it, but it seems to get worse. However, I believe that this situation is within our power to correct. The California State Supreme Court has just taken a giant step toward the elimination of violence.

So long as officialdom condones violence, we cannot expect the populace to go in the direction of nonviolence. But when the courts take the lead, as the one did in California, a promise is offered that the age of violence may be coming to a close. That is an important development.

Also, to the credit of the California Supreme Court, the inviolability of all courts was given new credence. The judges demonstrated to us that at least

one court will resist incursions on the part of the legislative and executive branches of Government. As is well known, it has recently become popular to attempt to overturn Supreme Court decisions by use of constitutional amendments. This is a singularly dangerous development which the California court noted in its decision, when it delineated the different roles of the judiciary and the legislature. The justices wrote:

The Legislature . . . is accorded the broadest discretion possible in enacting penal statutes and in specifying punishment for a crime, but the final judgment as to whether the punishment it decrees exceeds constitutional limits is a judicial function.

The California decision was important for its reaffirmation of the value of human life and for its declaration of judicial independence.

I am hopeful that the U.S. Supreme Court, which is still deliberating the question of capital punishment, will take note of these two segments of the California judgment.

It is incumbent upon the Supreme Court to show us that it is still alive and well and that human life is still worth something in this country, by declaring capital punishment a violation of the U.S. Constitution.

## HISTORY OF A CHEESE FACTORY

### HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. MILLER of California. Mr. Speaker, the city of Pleasanton in Alameda County, Calif., is extremely proud of a unique institution called the Cheese Factory. Now celebrating its 50th anniversary, I would like to insert in the CONGRESSIONAL RECORD a history of the Cheese Factory for the edification of my colleagues.

The Cheese Factory was founded in 1920 when a Greek immigrant, Deimotrios Voultsides settled in Pleasanton. Equipped only with his trade as a master cheesemaker, Jimmy, as he became affectionately known, was determined to show the New World the delectable cheese varieties held captive by the Old World for so many years.

Pleasanton was a center for quality milk production then and the milk used for cheesemaking came to the plant in 10 gallon cans twice a day as the herds were milked. The milk was tempered in the cheese vats by burning wood beneath them and pasteurization was accomplished by heating the milk to 145° Fahrenheit and holding it in a vat for 30 minutes.

Unbelievable as it may seem to us today, cheese of superior quality was produced at the Cheese Factory and Jimmy slowly established himself as a maker of fine cheese and his business began to prosper. The turning point was the creation of American Teleme which Jimmy produced by improvising on an old European recipe. The result was a cheese of delicate flavor with a smooth, creamy

consistency ideally suited for use with any meal or occasion. The first store to sell American Teleme was Egidio Panelli's Delicatessen on Grand Avenue in San Francisco, and the man responsible for the introduction of this cheese to the trade was Nick K. Georgatos. Nick, himself a Greek immigrant, met Jimmy in 1920 and a friendship immediately developed between the two. Through this friendship grew a business association that continues today between the Cheese Factory and Demostic Cheese of San Francisco.

American Teleme was a difficult product to market because its soft, creamy consistency made it difficult to package. The cheese was so creamy that it had to be placed in wooden trays lined with paper to keep it from spreading. Realizing the unusual and distinct characteristics of this cheese, Nick embarked on an innovative marketing approach that featured "in-store" sampling by customers. Through this technique, Nick was able to create consumer acceptance and made American Teleme the success it is today.

Jimmy is gone now, having passed away in 1967, but his memory lingers on through the rich tradition and pride that he instilled in his nephew, George A. Spiliotopoulos. George runs the cheese factory now with the help of Jimmy's wife, Calliope. At the Cheese Factory they process 4,000 gallons of milk daily and in addition to American Teleme they manufacture Old Fashioned Monterey Jack, Romano Dolce, Ricotta, Dry Monterey Jack, Caraway, Greek Feta, and many other delicious varieties. The most recent addition was formulated by George who combined Old Fashioned Monterey Jack and Gallo Italian Salame to form a product appropriately named Salame-Cheese. This cheese is great for party snacks, sandwiches, and just plain eating.

THE LATE HONORABLE  
GEORGE W. ANDREWS

### HON. LOUISE DAY HICKS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mrs. HICKS of Massachusetts. Mr. Speaker, I join with the other Members of the House in mourning the passing of a great American, Congressman George Andrews.

As a freshman Member of the Congress, I shall always remember his courtesies and kindnesses to me. He was quiet and unassuming, but most effective. In his quiet way, he applied the experience of his many years of service to solving the problems of our country and representing the people of his State.

It was indeed a privilege to have known him. I shall always remember with deep affection when he told me I could sit with his delegation in the House because I came from South Boston.

My deepest sympathy to his wife and family whom he cherished and to the people of his district whom he served.

## U.S. DEFENSE POSTURE

## HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. HOGAN. Mr. Speaker, in a speech recently reprinted in *Electronic Warfare*, Gen. Mark Bradley outlines the present U.S. defense posture and compares it with the situation immediately prior to Pearl Harbor.

General Bradley's speech includes food for sober thought and I now insert it into the RECORD:

## KIMMEL, SHORT WERE NOT BAD GUYS

(By Gen. Mark E. Bradley, USAF, retired)

There are two reasons for my acceptance of this assignment. First, due to a long time abroad, I know something about our preparedness prior to Pearl Harbor, and I know quite a bit about Pearl Harbor itself. Secondly, I think I know quite a bit about the trend this country's power is taking due to the attitude of a big part of our Congress and some of our people, and I don't like it.

In 1946 I was an instructor at the Armed Forces Staff College. One of my assignments was to study the records of the hearings after Pearl Harbor and deliver several talks on the subject. I don't pretend to be a Pearl Harbor expert but I did learn enough to know that it wasn't General Short and Admiral Kimmel who erred; it was the entire United States Government, including most of its people both in and out of uniform.

Now let's look back at the situation prior to World War II. 1930 would be a good time. When I became a second lieutenant there were less than 1400 pilots in the Army Air Corps. The entire Corps was less than 30,000 men. This small and inadequate force had come from nothing after the German collapse in 1918. After that war, the big deal was peace from here on. How familiar that sounds! They called it the War to End Wars. President Wilson was instrumental in the organization of the League of Nations, an organization whose worldwide job was to keep the peace. It proved to be a dismal failure as was its successor the United Nations.

In about 1932 I was a member of a fighter squadron which was sent to Milwaukee to put on a flying demonstration at an American Legion Convention. There were about twenty of us in our flight caps and leather jackets, the uniform of the period in the Air Corps. We were soundly "booed" while walking down the street of Milwaukee. The military image was at a low ebb in 1932. A few weeks ago I heard Governor Reagan on a TV interview tell of the present downgrading of our military people. He said that he knew of an Air Force Base where the officers and their wives fear for their safety if they appear in public places with the officers in uniform. To wear the uniform is considered a hazard!! Can you imagine that?! Obviously, we have a great propensity for repeating our mistakes, and the military image has again reached a low ebb.

In 1930 our Air Corps was spread over the United States on about 12 or 15 bases: Selfridge, Langley, March, Barksdale, Wright-Patterson, Mather, Kelly, Randolph, to name a few. The tactical bases had from one to six squadrons. About this time the entire Air Force collected on a maneuver and it amounted to only about 700 airplanes. The procurement program was about 100 airplanes a year or less—average cost \$30,000 each. (I noticed the headlines the other day where in their 1973 procurement program the Air Force plans to buy less than 100 airplanes!) This is an example of the low

level of preparedness our forces had fallen to after WWI. Perhaps it is slightly unfair since the Air Force was really still a stepchild of the Army. I have a little personal experience which shows how much of a stepchild. I was a fighter pilot and lieutenant in Hawaii in 1935 and a number of us were detailed with the Army at Schofield Barracks for a week or two to learn how the Army works. The commander of the Hawaiian Division called us to his office for a welcome and a few words. He welcomed us saying he hoped we would learn how the army really was and he then gave us his appraisal of air power. He said that he felt we would be of considerable use to him during the first few days of fighting, should war come, as observation flyers for the Army, but that after the first few days and the combat began in earnest we would be either down and gone, or in any event of little or no use! How ironical! That war came a few years later to Schofield and the Air Force was the sole defender—what little defense there was. The army troops and those 16-inch coastal guns just sat there and took it, destined never to fire a shot in anger.

We hear of the SALT Talks today, how we hope to stop the arms race by agreement with the USSR. I agree that such agreements would be most desirable if they could be depended upon. These SALT Talks were announced in 1968. They began in 1969. In the four years since the announcement the Soviet ICBM strength has been increased by 266 per cent, or by a number equivalent to our entire Minute Man force then and today. They have increased their submarine launch missile force from practically zero in 1968 to an estimated 25 today capable of launching 400 SLM's. Secretary Laird now estimates they will have a total of 41, the equal of our Polaris. Poseidon force by mid-1973. Unfortunately, it is my opinion that they will agree to nothing which will limit their capability, but will agree to anything that will contribute to our vulnerability.

This, too, is not new. In the 1920's we agreed to disarm. We sank a number of our battleships. I don't think anyone else did, and as far as I know, all that accomplished was to prove to the world that airplanes could sink battleships—a lesson the Japanese demonstrated rather conclusively about 12 years later at Pearl Harbor.

Our threadbare condition continued right on through the start of the war in Europe in 1939. It continued even in the face of some of the soundest advice a country ever received. Our first rated aviator of his time, Charles Lindbergh, was not asleep. Lindbergh went to Germany. He saw their Luftwaffe and their modern Air Force. He recognized the danger and made his fears known. But what happened? It was almost as though he had made his pleas to General Short and Admiral Kimmel. The Congress and Government were just as deaf and Charles Lindbergh was soundly condemned by our peacenicks of the late 30's who refused to believe our danger. I take my hat off to Charles Lindbergh; one of the finest and farsighted and intelligent aviators this country has ever produced. I have not heard or read what Lindbergh thinks of the present situation but I'll wager that he is greatly alarmed. 1939 and the start of fighting in Europe awakened us a little. The British and the French did most, however, by the large procurement programs they started for fighters, bombers, and transports in this country. Had they not done this, our readiness in 1941 would have been even more pitiful.

Now let's talk about the Pearl Harbor attack itself. The Pearl Harbor attack literally came out of the blue. It came out of the blue for you and me. It came out of the blue for President Roosevelt and the Government. It came out of the blue for the Army, Navy and Air Force, and it certainly came out of the blue both physically and

literally for General Short, Admiral Kimmel and General Martin. Some of you may know Bob Martin. Well, his dad, General Martin, was in charge of the Air Force units in Hawaii. Not too many people know this today. The other two, however, shared the over-all responsibility. They were in charge.

When the Pearl Harbor attack came on Dec. 7, 1941, the United States was totally unprepared. It was unprepared in defensive power. It was unprepared in offensive power. It was unprepared psychologically. It was unprepared in intelligence. We had little to fight with, suspected nothing like what happened, and had little capability to find out about it. A personal experience proves this point. I was a junior member on the board in 1939 with Eaker, Spaatz, Kenny and several others. I was sent to the Army Intelligence Office to see what I could find about Japanese fighter aircraft and their capabilities. All I could find was some pictures of some biplanes which resembled the 1927 Curtiss Hawk, and a small news item which stated that the Japanese were reputed to have a plane called a Zero, which was reported to be able to climb vertically—that's all! In 1941 we learned a lot more.

General Short and Admiral Kimmel were no more guilty of dereliction of duty than every other general, admiral or member of the Government in Washington. Sure there were a few around the President who knew of some intercepted messages that sounded as though the Japs were up to something, even to the time and day, but one and all, they were so sure no attack by air would come against any U.S. land or possession that they sent the following warning to the Hawaiian commanders on Dec. 6. It has been thirty years since I saw the exact words but it was something like "Relations with Japanese have become very critical. You should alert your command at once and be especially watchful against sabotage." This message meant a great deal. When added to the fact that General Marshall was out riding in Virginia and could not be located until noon, indicating his degree of alert, and the Government in Washington, except for a few intelligence centers, was flat on its Sunday morning ass; it meant that no one expected an air attack any place. It meant they did think the Japs might break relations or even declare war, and that with the Declaration of War the native Japanese of Hawaii might sabotage our installations and destroy our aircraft on the ground. They were all wrong. They did attack by air and knocked the living hell out of our fleet and installations in Hawaii. The native Japanese of Hawaii were not disloyal, and later proved to be some of our most loyal citizens and soldiers.

General Martin received this word second-hand, "be on guard against sabotage." General Martin did what he should have done in view of it—gathered his few aircraft (P-40's and P-26's) into tight groups so his weak ground guard could protect them. Most were there ready for the Japs to destroy with one or two strafing passes the next day. This they did with great efficiency.

There are a lot of other interesting things that happened that day to show that General Short and Admiral Kimmel were not so stupid. The Air Corps had a radar station, one of our first, and the operators saw a great swarm of targets coming out of the sea from the north. It was Sunday morning, Dec. 7 about 7:00 am. They reported the fact to the duty officer at Headquarters, and what he did with the information is not known today. For my part, I can see a few people scurrying around, following the old policy—"When in trouble or in doubt, run in circles, scream and shout"—but thinking it could be anything from geese or ducks to B-17's arriving from the United States, and not knowing whom to call anyway. About this time all



hell broke loose! Incidentally, a flight of B-17's headed for the Philippines was landing during the attack. So I can conclude that the admiral and general were not so dumb. In fact, they were just as smart as everyone above them and around them. America was weak. America was over confident. America was naive. America was asleep.

Fortunately, we did have time to build up our power after the surprise attack. We built it up and our country got behind it and we licked hell out of the enemy; all of the enemy. We beat 'em so bad we later felt we had to pour billions of our dollars into their economies to save them—both friends and former enemies. This we did, again for peace and the world's future. Now, after rebuilding friends and enemies alike, and fighting two anti-communist wars—wars which we not only have not won but rather have chosen to call a stalemate, we are, I fear, headed down the 1930 road again.

We backed the United Nations. It seems to be just as effective this time as the League of Nations was in the 20's. Our military have fallen into national disrepute. Whereas the rare draft dodger of World War II used devious ways to dodge but never admitted to even being a dodger, the present draft dodger is proud of it. I saw the other day that a former U.S. Cabinet Officer announced that he has supported his son's defection to Canada to dodge the draft for years and is proud of it! We went through the McNamara Era when we spent millions on studies and plans but produced damn little hardware. The hardware we did produce, being so costly and so over supervised by the criticism of Congress, and inflation that nothing has been very successful. Today the popular cries are ecology, social uplift, civil rights—to hell with defense. Yet today we face a Soviet threat unparalleled in our history.

As you know, present day military capability is usually measured by two types of forces; strategic and general purpose. The strategic are generally the nuclear armed ones, while general forces are geared to fight conventional, or should we say old-fashioned wars. According to recent intelligence figures, the USSR now has about twice the nuclear megatonnage that the U.S. has. The estimates credit the USSR with 6,000 to 8,000 nuclear weapons, deliverable by 1500 ICBM's, 900 bombers and 1000 seaborne missiles on subs and surface ships. The U.S. has 4,200 nuclear weapons deliverable by 1050 ICBM's, 550 bombers and 656 seaborne-nuclear missiles on subs.

The only place they trail is in submarine seaborne missiles, and as I have told you, they are rapidly closing that gap. In addition, they have an operational net of ABM's around Moscow and Leningrad, and other vital points. They have been installing and perfecting this system to my firsthand knowledge since 1961—and yet today they are exerting all kinds of pressure and possibly even offering some sort of vague promises in an effort to get us to agree to stop the building of the two ABM sites now under construction to protect some of our Minutemen. Why would they want us to stop building our defensive system? There can be only one answer, "the better to eat you, my dear!"

In general purpose forces, the USSR is even further out front with 90 well-equipped first line divisions to our 13. Their divisions are smaller than ours but not enough to make up the difference by far. Their army strength is over 2,000,000; ours will be under 1,000,000 this year.

In Europe it is even worse—NATO 40 divisions; eastern satellites—170. The eastern bloc has about 10,000 general purpose aircraft—NATO 7000. Their airplanes are modern and of excellent performance. Ours grow more obsolete by the hour. Last year on May Day they flew more new fighter prototypes on the one day than we have flown in 10 years. They have four modern, new, high perform-

ance supersonic fighters flying. We have the F-14 flying—the F-15 a year away. They have been testing a new modern, variable swept-wing supersonic bomber for over a year. Our only new bomber, the B-1, is a long, long five years away from production.

In space for military purposes, they are also out front. Their FOBS (Fractional Orbital Bombing System) has been tested in 10 flights—watched from afar by us. They have tested and proven their satellite destroyer. They have completed a sizeable space station program. Our MOL was cancelled. In a couple of years, NASA will be ready for our first space station tests.

On the seas our plight is even worse. They have 350 submarines to our 10. If their launching rate continues, they will have 425 to our 170 in five years. On the surface they are rapidly moving up. They now have 270 surface ships to our 380. At the present launch rate by 1975 they will have 350 to our 380. Worse still, more than 50 per cent of their fleet is less than ten years old; 80 per cent of ours is over 20 years old. I am not going to need to remind you of the serious threat to our aerospace industry—a threat of loss of our greatest war making and defense weapons arsenal.

On top of all these disturbing figures sits the disarmament talks. While little has been agreed to as yet, it is obvious that the USSR's chief aims will be to limit or reduce our offensive strength and defenses with little or no degradation of their own. In my opinion, we will be very foolhardy to agree to any arms limits in SALT. In fact, I would love to see the talks called off prior to any agreement because an agreement can only be to our hurt and their advantage.

If we keep our present course and allow the USSR's superiority to become as bad as it could at the present rate, we'll be setting the stage for another Pearl Harbor. This time who will be the General Short and Admiral Kimmel? This time the big difference will be the degree of injury. This time there won't be two years to build up our forces. This time it could be final on the first go.

No, truthfully, General Short and Admiral Kimmel were not negligent. They were simply unprepared and asleep as was the rest of our country. Let us hope and pray that the signs we see of our rapidly decreasing military capability and national resolve do not mean we are setting the stage for some new Admiral Kimmels and General Shorts in the Seventies or Eighties!

#### FORCED BUSING

### HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. MIZELL. Mr. Speaker, at this time I would like to insert in the RECORD the testimony of two of my constituents which they recently submitted to the House Committee on the Judiciary as part of that committee's hearings on bus-ing legislation.

I believe the testimony of these gentlemen. Mr. D. W. Routh, president of the Forsyth Citizens Against Forced Busing, and Mr. John A. Redding, president of the Lewisville-Clemmons branch of that same organization, will prove to be very informative and very interesting to my colleagues, and I invite their careful consideration of the facts presented here:

STATEMENT BY MR. D. W. ROUTH

I am the president of the Forsyth Citizens Against Busing. My group was formed in Winston-Salem, Forsyth County, North Caro-

lina in 1971 to peacefully protest forced bus-ing of school students. This forced busing was brought about by a minority suit, judiciary interpretation of the constitution, and board of education implementation.

The Forsyth Citizens Against Busing has 400 active members and 16,000 participants. It is the fourth group of its kind to emerge in our city-county school system. The first group was the Silent Majority which sought legal means of halting forced teacher assign-ment in 1969. The No Busing Our Children group followed in 1970 with more public ex-hibitions protesting the cluster system of crossbusing six schools in Winston-Salem. The Committee Against Busing and the For-syth Citizens Against Busing came into be-ing when sixty-five schools were crossbused in 1971. Both of these groups took the stance of peaceful but not necessarily legal protest. For example, we held a one day countywide boycott of students with approximately eight thousand students participating. Each group has become progressively more hostile and we cannot guarantee that the next group that forms will be peaceful.

The main feeling of the people that I represent is not one of separated racism. Most have seen that there have been injus-tices and accepted the local mixing of op-posite races. We resent, however the usur-pation of majority rule and protest its ap-plication to our children. Everyone seems to be able to give advice. As long as you personally are not affected you can be very objective about what is fair and equal for the other fellow. It disturbs us that a man such as Judge Merhige of Richmond can make a decision for the masses that by nature of his own position and election will not affect his own child. Therefore, we feel that it is not democratic for members of the congress or judiciary to act upon a matter such as a constitutional amendment concerning pub-lic education unless they have children or grandchildren in public school. Only those that qualify in this way should be allowed to vote.

One of the necessities in our county to reach a 70 white-30 brown ratio of stu-dents in each school was a change from the 6-3-3 to the 4-2-2-2-2 grade structure. This eliminated two previously senior high schools altogether. One former student, T.M. feels that a grave injustice was done the alumni of the schools by destroying the institution, pride and heritage they had worked to build.

A mother of African descent, I.H. feels the frustration of wanting to do more for her children through PTA and visitation to the schools, but has children in five different schools and is thus unable to go after the ones at distant schools even if they are sick.

Even with 365 buses for 21,000 of a total of 48,000 students, we have to use multiple loading and staging which requires 2½ hours. Because of this we have had school canceled one day this year on a weather fore-cast. It did snow. Again students reached home 3½ hours after the snow began to fall and the order went out to close schools be-cause of the snow storm February 18th.

The quality of education is suffering by a reduction in the school day to allow for transportation time. Some primary schools have students changing classes in order to group learning levels for more efficient use of time. This brings about an early aware-ness of an intellectual class system which I don't think is healthy for the child emotion-ally.

Uprooted teachers and students feel the tensions of a forced situation that detracts from learning and provides fertile ground for riots. North Forsyth Senior High School had a winter season of violence last year. Drug traffic is encouraged by cross travel and dis-tribution is more convenient. B. H. of the Winston-Salem Police Department reports an overwhelming increase in drug traffic this year in the schools.

One of our protest marches pointed dramatically to the safety problem of busing children on high-speed highways. It was a mother's march behind an old school bus followed by a hearse. The wording on the bus read "Don't take my child to school in this" and on the hearse "And bring him home in this". You see we bus regularly on Interstate 40 which is the busiest highway in the state.

M. B., a senior high school teacher states that busing is more physical than actual for its desired intent of a thoroughly mixed social education. She reports that with housing patterns as they are buses are usually loaded with one race. Students in class tend to segregate themselves to one part of the room.

How can we justify the safety hazard, the air pollution with carbon monoxide, and the irreplaceable depletion of our natural resources that 73,744,646,900 passenger miles of school bus travel requires in one nine month period in one county in America? The simple fact is that it cannot be justified nor can it be financed without serious detriment to the education of our young people and the economy of the nation.

ADDENDUM STATEMENT BY MR. D. W. ROUTH

The March first report by Theodore Hesburgh, Chairman of the U.S. Commission on Civil Rights and President of Notre Dame University, is not factual, is incomplete, and is biased.

The report by Charles Oslin which appeared in the Winston-Salem Journal March 2, quotes Hesburgh as saying, "Desegregation in the Winston-Salem-Forsyth County school system has improved the quality of formerly all black schools and the education of black students without causing any major problems." This statement is unfounded from three standpoints. First, if he is speaking of teachers, teachers have been assigned on a 70-30 ratio, racially, for the past two years. Secondly, last year we saw one of the biggest disruptions our system has ever seen at North Forsyth High School where there was open rioting and the school had to be put under police control. Third, if quality education is gauged by money spent and equipment in use in schools, the previously all black schools have enjoyed a material advantage because of such Federal programs as Titles and Model Cities. Teachers who were assigned to predominately black schools from predominately white schools were amazed at:

- (1) The relative newness of the schools, and
- (2) The amount of money being spent to equip these schools.

Rev. Hesburgh's report states that classroom facilities are being better used this year and that mobile units have been reduced from 113 to 34. Our information shows that 78 mobile units are still being used this year.

Rev. Hesburgh states that while parents oppose the plan, students seem to be accepting desegregation without significant difficulties. This point is moot, because young people normally accept most changes more readily than older people do. Young people accept the use of drugs more readily than older people do.

Of the five cities on which this commission reported Winston-Salem, Charlotte, Tampa, Pasadena, and Pontiac, they state they had personal interviews in four cities but based their Winston-Salem report on statistical data and documents provided by the school board, and telephone interviews. I would like to ask your indulgence to subpoena this statistical data and documents by the school board so the public may know the source of this information or if Rev. Hesburgh's report is actually based on any statistics or documents.

I think Rev. Hesburgh's figure of 500-600 students leaving public school to go to pri-

vate school is a very conservative one. School enrollment is 48,000 as compared to a projected 52,000 for the 1971-72 school year.

In short, Mr. Celler, Rev. Hesburgh's statement is indicative of the basis of this entire problem. That is, we have someone in South Bend, Indiana, telling the Congress of the United States what is good for Winston-Salem, North Carolina.

First cross-busing is a dangerous and time consuming operation that is being used in the name of education. It is a costly operation, which if curtailed, could finance a lot of curriculum improvements. I cannot see where there is anything educational about children having to get on a cold school bus at 6:50 A.M., which is before daylight, and riding around for approximately one hour and sometimes an hour and ten minutes to get to school to start the days educational process.

I will try to enumerate some things I feel I can substantiate in regards to cross-busing.

(1) Children have ridden buses in 10 degree weather recently without a heater on the bus.

(2) One child's hair was set on fire by another child, which could be from a lack of discipline or from boredom due to the long bus rides.

(3) Another child was burned on the hand with a cigar due to the same cause.

(4) Busing has been very demoralizing to all students that I have had contact with.

(5) There has been a lot of minor accidents and eventually it could lead to fatalities in a major accident.

It is my feeling that a lot of your fellow Congressmen are unaware of our predominately rural structure here in Forsyth County and are therefore unaware of the long distances required to achieve a superficial numerical ratio of blacks and whites in our schools.

I am enclosing two recent articles from our local paper which may be of interest and value to you.

One article is about two little girls that were struck by an auto while going to catch a school bus, true the accident was unavoidable but yet so unnecessary.

The other is an enlightening article about one of North Carolina's largest transportation systems. You will note that we are transporting 32,000 of our approximately 48,000 students and a greater portion are being cross-bused, not just being transported to school.

It is my hope that this will help you and other good men like you to come to the right decision regarding cross-busing of our greatest natural resource and that is our children.

I want to thank you for all your help in regards to this and other problems of our area and if it can be arranged I would consider it a privilege to come to Washington to testify as outlined in your letter.

With kindest personal regards, I am  
Sincerely,

JOHN A. REDDING.

CAR HITS TWO GIRLS ON WAY TO BUS

Two girls who attend Bolton Elementary School were injured yesterday morning when they were struck by a car in Atwood Acres.

Robin Leipert, 9, of 2875 Mann Court was admitted to Forsyth Memorial Hospital. Her condition was listed as fair last night by a hospital spokesman.

Debra Horlick, whose age and address were not immediately available, was treated at the hospital and released.

The accident happened shortly after 7:30 a.m. on private property on Mann Court.

School officials said they were told the girls were hit by a car driven by a woman who was blinded by sunlight. The girls were going to meet a school bus, an official said.

The accident was investigated by State

Highway Patrolman R. D. Woods, but his report was not available late last night.

TRANSPORTATION FOR 32,000 PASSENGERS A DAY

(By Stephen Hoar)

What is Forsyth County's largest mass transit operation?

Safe Bus Co., Inc.? Greyhound? Or perhaps Piedmont Airlines?

The answer is none of these. It is the city-county school system, which gives about 32,000 youngsters a ride to school five mornings a week and gets them home in the afternoon.

During the last two years, students living inside city limits became eligible for bus rides and federal courts required extensive cross-county busing for racial balance in public schools. As a result, the busing operation has mushroomed—from 216 buses traveling about 7,000 miles a day in 1969-70 to 365 buses traveling 18,000 miles a day this year.

The man in charge is lanky, soft-spoken P. Morris Hastings, who has been the director of transportation ever since city and county schools consolidated in 1963. His mission control center is the school bus garage on Carver Road. There by telephone and two-way radio, he directs what is really two sets of county wide busing operations.

One of these is basically the old neighborhood system that was used until two years ago. About 150 student drivers pick up students along routes that average about 20 miles in length (one way) and take them to schools in the neighborhood. They start about 7 a.m. and are scheduled to reach their schools by 8.

The other operation is the cross-county system, which takes busloads of students from outlying areas to schools in town and brings city students back to outlying areas. These routes start at six "staging areas" around the county, where the buses are parked at night.

The route of John Withers is typical. He picks up his bus about 6:15 a.m. at a staging area on Lansing Drive northeast of town and drives to Clemmons in the southwest corner of the county. There, around 7 a.m., he begins picking up students in fifth and sixth and ninth and tenth grades.

By 8 he delivers the busload—about 55 youngsters—to Brown Intermediate and Kennedy Junior High in central Winston-Salem. He then picks up elementary students from that neighborhood and takes them to school in Clemmons, arriving by 9 o'clock. He returns his bus to the staging area, and that afternoon he makes his rounds in reverse order.

Withers, like about 150 drivers of cross-county routes, is an adult. Because these routes run as long as 130 miles (round trip) and include at least two busloads of youngsters, student drivers cannot handle them without missing part of the school day. However, about 50 student drivers are doing that this year.

It is these cross-county routes that take buses onto Interstate 40 and other four-lane highways, where speed limits range from 45 to 65 miles per hour. Under state law, school buses can go only 35.

Hastings says it is debatable whether the four-lane highways are more dangerous for the buses than two-lane roads, since divided highways have fewer intersections. So far this year there have been no major accidents, and the safety record is significantly better than last year's.

At any rate, says the transportation director, "We had no choice about using the interstates. On some routes it would have taken an additional hour to use back streets."

With present routes, the average length of a bus trip is about 40 minutes, one way. The longest trips sometimes take more than an hour.



At the school bus garage, Hastings and his assistant, Jim Wheeler, coordinate all of the following:

Substitute drivers;

Four radio-equipped buses to pick up students stranded by bus breakdowns;

Four mechanics to make on-the-spot repairs;

A wrecker; and

Service and maintenance operations.

Two-way radio links the garage on Carver Road with the six staging areas, and drivers report absences and breakdowns by telephone.

On a typical day six to eight drivers will need substitutes (although during the recent wave of flu as many as 16 were out at once). To fill their slots, Hastings and Wheeler consult a huge roster on the wall.

Every day there are several breakdowns, five or so, to which they must dispatch mechanics, spare buses and, sometimes, the wrecker. One recent afternoon, for example, Bus 134 called the garage at 1:31 from North-west Junior High School. Its gears were locked.

A mechanic was there within 10 minutes, but he couldn't get the bus going. The students shifted to a spare bus parked at North-west.

At 3:31, Bus 316 reported from Philo Junior High that its battery was dead. Ten minutes later a service truck arrived and got it started.

About the same time, Bus 363 phoned from Jefferson Junior High . . . transmission trouble. Another bus picked up those students 12 minutes later.

Minor bus repairs can often be made at the scene of a breakdown or in one of the staging areas. Big jobs, like replacing a clutch or even overhauling an engine, are done at the school garage, where as many as six buses are under repair at once. Last night the city-county school board approved construction contracts for five more repair stalls that should be finished by June 1.

Hastings has 13 full-time mechanics, nine other maintenance employes (every bus needs gas and an inspection every school day), three safety supervisors, three bookkeepers and a dispatcher. The garage on Carver Road operates from 6 a.m. to 6 p.m.

But on days when bad weather threatens Hastings and other transportation personnel all over the county are on the roads by 4 a.m. testing the driving conditions. They may travel a total of 300 miles before deciding whether to close the schools. If bad driving weather starts developing during a school day, they use Civil Defense radio to alert all schools and get bus students home early.

On rainy days several buses usually get stuck, often in the driveways of their schools. And when early morning temperatures drop as low as five degrees, the older buses are balky about starting.

Although the school system ordered 47 new buses this year (for about \$7,000 apiece), it still uses more than 80 "retired" buses borrowed from the State of North Carolina. They are 12 to 15 years old, having been taken out of service in other school systems about age 11.

"Most of the kids who ride these buses weren't even born when the buses started hauling," says Jim Wheeler.

But aged equipment is not as big a problem as the high turnover among adult drivers. Since the beginning of the school year, about 60 per cent have been replaced.

Adult drivers are paid \$1.88 per hour for 20 to 30 hours per week, plus \$4 a day for auto transportation to the areas where their buses are parked. Ideally, says Hastings, the school system should set up full-time jobs in which bus-driving was combined with school maintenance and other duties.

The Charlotte schools hire such full-time personnel. But here, because the long-term need for cross-county busing is uncertain,

bus driving must remain a part-time job, at least for the present.

Another problem is finding substitutes for the adult drivers, who are more likely to miss work than student drivers. Hastings has only 10 adult substitutes.

He adds, though, that some of the adults have good reasons for being absent. More than half the adult drivers are women, many with families.

Adult drivers seem to have more discipline problems on their buses than student drivers. Perhaps they are just quicker to complain to the transportation director, less likely to work such problems out through school principals.

Hastings admits that, but he has another theory, too. "A student driver has lived in a loud world," he says, "and noises don't bother him the way they would an adult."

Then why can't student drivers replace them? Hastings explains that adult drivers, unlike students, can pick up two busloads each morning. Without adult drivers (or student drivers with shortened class schedules), 20 more buses would be needed.

What about behavior in general on school buses this year? "I think discipline problems have been greater," says Wheeler, "but it's just because we're busing more students, and busing them farther."

Hastings agrees. "I'm not aware of any racial problems," he says.

Could cross-county busing be gradually curtailed by redesigning bus routes? Hastings and Wheeler doubt it.

True, the present routes were planned in just five weeks, after the new pupil assignment plan was ordered into effect in mid-summer. The two men worked 16 to 20 hours a day, seven days a week, to plot more than 700 routes with about 10,000 stops.

Throughout the school year, though, they have kept refining the routes. They think little further reduction in the time or distance of bus rides will be possible without a new pupil assignment plan.

The bill for busing came to \$26.32 per child last year in the city-county system. This year it will go higher. The state of North Carolina will pay about \$850,000 to operate and maintain the system's buses, and the school system will replace some of the 81 buses it owes the state.

The scope of school busing operations has more than doubled since Hastings became transportation director eight years ago. During 1963-64 about 150 buses carried some 14,000 students a total of 5,000 miles away.

But these days the sprawling transportation system still delivers its 32,000 passengers on time—or almost on time. On the average, about five buses are late to school for mechanical reasons and about 10 buses because of driver's problems.

Hastings, reflecting on a hectic year, sums it up with a wry grin. "A lot of things have to go right," he says, "for everybody to get to school on time."

#### THE FEDERAL BUDGET AND THE CITIES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. CONYERS. Mr. Speaker, our Federal Government has a compelling responsibility in the area of urban finances which it has not yet met. Our municipal governments face fiscal crises; our inner-cities are overrun with rats and filth; our people live in deteriorating housing; waste removal and disposal systems are

inefficient and ineffective; there is not enough cheap, rapid transit to meet the needs of city dwellers. The list is endless.

While most of our cities do have a capability for management and planning, they still need the resources to respond to their particular needs. A careful look at the Federal budget for 1973, such as the one prepared by the National League of Cities/U.S. Conference of Mayors, reveals how far the Federal Government has yet to go to give urban development top priority.

The budget follows:

THE FEDERAL BUDGET AND THE CITIES: A REVIEW OF THE PRESIDENT'S 1973 BUDGET IN LIGHT OF URBAN NEEDS AND NATIONAL PRIORITIES

(By National League of Cities, U.S. Conference of Mayors, Washington, D.C., February 1972)

AN OVERVIEW OF THE PRESIDENT'S BUDGET

#### National priorities

The federal budget is the President's annual statement of national priorities. As such, it gives the nation's cities an opportunity to assess how the federal government responds to their needs compared to the other claims on federal revenues and program thrusts.

The dominant elements of the Fiscal Year 1973 budget include:

A projected cash outlay of \$246.3 billion.

A projected cash deficit of \$25.5 billion.

An up-dated estimate of the actual FY '72 deficit at \$38.8 billion, more than three times the amount the Administration initially projected a year ago.

A continuing commitment to a full employment budget, which predicates revenue sufficient to balance the budget on a lowered unemployment rate.

A renewed commitment to General Revenue Sharing with state and local governments.

A renewed commitment to welfare reform, with \$350 million set aside in FY '73 for administrative planning, but actual payments to beneficiaries under a new plan not to start until FY '74.

As for urban categorical aid programs, the key features of the budget are:

A \$1.3 billion cut below FY '72 Congressional appropriations for critical programs managed by the Department of Housing and Urban Development (HUD).

Increases in proposed categorical funding for urban transportation, law enforcement assistance, manpower, and public schools—but not enough of an increase to offset the loss in funding for HUD, social services, and some other social programs.

A hold-the-line attitude toward outlays for environmental protection, health facilities, and some other urban impact aid programs.

The President's renewed initiative for \$5.3 billion in General Revenue Sharing is the most significant recognition of city needs in this year's budget. Its approval by Congress will be critical to maintaining the current level of federal commitment to urban needs.

A second initiative, welfare reform, if approved by the Congress, would also have great and beneficial impact on urban families' income. Congressional approval of a sound social welfare system is urgently needed if levels of living are to be raised and improved in our cities.

#### The cities' needs

From the perspective of the cities, the setting for evaluating this year's federal priorities list is one of continuing fiscal crisis for municipal governments. City costs have been rising in recent years at a rate in excess of \$3 billion a year. Necessarily, tax increases have mounted accordingly to keep pace with the employee pay increases, expanded sanitation and public safety services, increased

prices for supplies and equipment, and the other items that are the necessities of urban life. The bonded indebtedness of municipal governments has tripled since 1955 with almost a third of it representing obligations of our 25 largest cities.

The revenue gap has currently reached the point where an increasing number of cities have exhausted their capacity to tax real property and therefore have no choice other than to cut back services, lay off employees, increase user charges, and announce other gloomy news. Meanwhile the President's budget documents inform taxpayers that Federal taxes have been cut by \$22 billion since 1969. It does not mention the three other major tax cuts made since 1962.

Because of its size and scope, the federal budget has become an increasingly important force in shaping the quality of urban life. Though state and federal aid is not allocated evenly from city to city, or even according to actual local need, it is now almost a quarter of municipal revenues.

Having noted this and the two renewed initiatives in this year's budget, we must point out that careful scrutiny of the overall figures reveals that the federal contribution to the needs of city government and the solution of urban problems remains a lesser national priority. Indeed, as already noted, funds being requested this year for HUD's housing and community development programs are \$1.3 billion less than the Congress appropriated for FY '72. Several other major urban impact aid programs are being continued at FY '72 levels.

*The gap between real dollars and future promises*

Moreover, this year's budget continues a trend and a situation that has been of grave concern to municipal officials: Namely, the negative, drag-down effect of the disparity between appropriations and authorizations. Most urban and urban impact programs have consistently received either lower budget requests or lower appropriations (or both) than the amounts authorized by Congress. This has not been true to the same extent for the military, space, foreign aid, farm and inter-state highway programs, for example. Indeed, the interstate highway program has regularly been funded at 100 percent of Congressional authorizations, while appropriations for NASA and the Department of Defense have dropped below 91 percent of authorizations only once in the past decade. In contrast, appropriations for urban renewal have been running around 71 to 83 percent in the past few years, the Elementary and Secondary Education Act aid to schools with impoverished children (Title I) has averaged 62 percent since the program was enacted in 1964, and most other urban impact programs have fared little better in recent years.

*Priorities from another perspective*

Another way of looking at the priorities picture is to compare what the Administration is seeking in new authorizations for urban impact programs with new authorizations for other kinds of activities. This analysis takes account of the fact that 71 percent of the budget is a function of prior mandates and commitments not readily subject to change—the so-called "uncontrollable" aspect of the budget.

As Chairman Allen J. Ellender of the Senate Appropriations Committee noted in the January 27, 1972 *Congressional Record*, additional Congressional authorization is required for \$45.5 billion of the FY '73 budget. Of that sum, the Administration seeks \$13.7 billion—almost a third—for military procurement and Navy shipbuilding, and another \$8.5 billion for military research, development, testing and evaluation.

By comparison, new authorizations sought

for all agencies and programs that have any degree of urban impact come to no more than \$7.5 billion, less than a sixth of the \$45.5 billion figure. Even if we add in the \$3.5 billion of General Revenue Sharing which the President would allocate to general purpose local governments, we find that total new authorizations that could possibly benefit our hard-pressed cities are well below the budget for new military procurement alone.

We now find the cities with an improved capability for management and planning, thanks in part to federal aid for urban renewal, Model Cities, manpower, and related programs. Given the capacity, the cities now need the resources to meet the urgent needs of their citizens.

**BUDGET HIGHLIGHTS**

**Revenue sharing:** The President asks Congress for General Revenue Sharing in the amount of \$5.3 billion for FY '73 plus \$2.5 billion for FY '72 retroactive to January 1, 1972. The President's request for Special Revenue Sharing boils down to consolidating \$4.668 billion in existing grants for certain on-going programs and adding \$714 million in new funds for FY '73.

**Housing and community development:** HUD seeks \$1.3 billion less for its critical programs next year than Congress appropriated for this year. Major shortfalls are in Urban Renewal (\$465 million), Water and Sewer (\$700 million), Section 236 housing outlays (\$50 million), Rent Supplements (\$7 million), and Rehabilitation Loans (\$90 million). Model Cities, for which the President voiced explicit support, would remain at the same level as FY '72, \$620 million.

**Law enforcement assistance:** Law Enforcement Assistance Administration asks for \$850 million, up \$151 million from FY '72.

**Transportation:** For urban mass transit, DOT wants \$1 billion in reservations (up almost \$400 million from FY '72) and \$651 million in obligations (more than double the FY '72 sum). The budget calls for the same amount for airport grants as in FY '72 and a \$20 million increase in urban highway programs.

**Environmental quality:** Environmental Protection Agency seeks \$171.5 million in obligatory authority for clean air programs in FY '73, up \$28 million, although it once told Congress it would need \$320 million next year. The President asks \$2 billion in obligatory authority for water treatment plant construction, the same as last year. Requested obligatory authority for solid waste activities has been cut by \$11.3 million—almost a third below FY '72, leaving the private sector to carry much of the initiative in developing recycling and other waste management hardware. For coping with noise, the Administration hopes Congress will listen to a request for \$1.2 million, up \$34,000 from FY '72.

**Manpower:** The Administration asks that overall manpower obligations rise almost \$400 million from the FY '72 estimated level of \$5 billion. Most of the increase is reflected in the \$247 million mandated by Congress for Emergency Employment Assistance in response to high unemployment rates.

**OEO:** Though the Administration is narrowing its scope, the Office of Economic Opportunity would gain about \$55 million over FY '72, for a net of \$758 million in FY '73. Bulk of the increase would go to community action agencies and research, development and evaluation.

**Health:** Reflecting a new federal health strategy, the budget cuts \$72 million from the Hill-Burton hospital construction program, which will be phased out, and allots \$79 million more to delivery of health services than in FY '72.

**Education:** Overall, the education budget seeks \$276.5 million more next fiscal year than this year, with elementary and second-

ary education showing a \$500 million gain, and higher education a \$384 million loss.

**Social services:** Through "active management controls" the Administration intends to curtail expenditures for social services, after falling for two years to get Congressional approval for a ceiling on these costs. HEW estimates a cutback of more than \$120 million.

**REVENUE SHARING**

The Administration's FY '73 budget includes a \$5.3 billion authorization request for General Revenue Sharing based on legislation the President sent to Congress last year.

The budget also sets aside \$2.5 billion in the current FY '72 budget for General Revenue Sharing, retroactive to January 1, 1972.

The Administration proposes to share 1.3 percent of the federal personal income tax base with states and general purpose local governments. The budget projects that the natural growth in the tax base will yield \$10 billion in shared revenue by 1980.

State and local governments would be able to spend these funds for their own priorities, rather than for those mandated by the federal government. Local governments would be guaranteed a portion of the sums allocated to each state.

Under the heading "Improving Government", the President's Budget Message describes Revenue Sharing as "an important element of the strategy—to provide fiscal relief and to strengthen State and local governments. . . . In total, these revenue sharing proposals would provide \$17½ billion to State and local government in their first full year of operation."

TABLE REVENUE SHARING I.—PROPOSAL FOR FIRST FULL YEAR

Description:	Billions
General revenue sharing-----	\$5.3
Special revenue sharing:	
Urban community development--	2.3
Rural community development--	1.1
Education -----	3.2
Manpower training-----	2.0
Law enforcement-----	.9
Transportation -----	2.8
<b>Total -----</b>	<b>17.6</b>

It is important to keep in mind that only a portion of the \$17½ billion could constitute fiscal relief: as noted above, \$5.3 billion is proposed for General Revenue Sharing for FY '73, Congress willing. But the remaining \$12.3 billion is for categorical programs that are already in progress. This funding plan, called "Special Revenue Sharing," is better understood as "grant consolidation".

What the Administration proposes is to combine groups of existing categorical programs under six headings and to allow state and local government greater discretion in the use of these consolidated grant funds. The cities long have supported this objective. But it must also be borne in mind that very little new money would be added to the existing levels of funding. By some interpretations, the existing levels are being held down to a point where the so-called new money can be considered—as with urban renewal (down approximately \$500 million)—inadequate even to maintain the level of program operations currently in progress.

It is also important to keep in mind that the President plans to phase in his grant consolidation program over two fiscal years (FY '73, '74). Thus the total new federal funds to be available in FY '73—provided Congress passes the pending legislation and appropriates the funds that would then be requested by the Administration—would be \$714 million (\$490 million urban and \$224 million education). The ongoing programs



that would be put into grant consolidation at their current operating level would convert \$1.655 billion in existing programs for urban community development programs (urban renewal, open space, neighborhood facilities, rehabilitation loans and Model Cities) and \$3.013 for child development, aid to school districts, etc. This makes a total of \$4.668 billion in existing program funds compared to \$714 million in new funds for FY '73.

In other words, the Administration's proposed Special Revenue Sharing is mostly a continuation of the current level of funding for categorical programs under a new name. Their emphasis in "Special Revenue Sharing" is on grant consolidation—not fiscal relief.

TABLE REVENUE SHARING II.—HOW THE ADMINISTRATION PROPOSES TO PHASE IN SPECIAL REVENUE SHARING

[In millions of dollars]

Special revenue sharing and the categorical programs converted	Estimated budget authority	
	Fiscal year 1973	Fiscal year 1974
Urban community development:		
Converted programs.....	2,145	2,300
New authority.....	-1,655	-1,800
Total.....	490	500
Rural community development:		
Converted programs.....	(1)	1,072
New authority.....	(1)	-919
Total.....	(1)	153
Education:		
Converted programs.....	3,237	3,237
New authority.....	-3,013	-3,013
Total.....	224	224
Manpower:		
Converted programs.....	(1)	2,000
New authority.....	(1)	-1,633
Total.....	(1)	367
Law enforcement:		
Converted programs.....	(1)	876
New authority.....	(1)	-850
Total.....	(1)	26
Transportation:		
Converted programs.....	(1)	2,800
New authority.....	(1)	-1,220
Total.....	(1)	1,580

<sup>1</sup> Conversion projected for 1974.

Source: The Budget of The U.S. Government, 1973, table 16, p. 540.

HOUSING AND COMMUNITY DEVELOPMENT

The proposed 1973 fiscal year budget for the major programs administered by the Department of Housing and Urban Development shows that, like a year ago, the Administration again is calling for funding levels that are not only far below those authorized for the various programs but that are even below the actual funding levels approved by Congress for the current fiscal year. Major, short-falls come in the Urban Renewal, Water and Sewer, Open Space, Public Housing, and Section 236 Rental Assistance Programs. In addition, the much criticized practice of impoundment of previously appropriated funds will apparently be continued in FY '73.

The clearest way in which to view HUD's FY '73 budget is to divide the primary programs into three sections: (1) those programs proposed for consolidation into a community development bloc grant program; (2) the remaining community development, planning, and research programs; and (3) the housing programs.

Programs to be consolidated into a community development bloc grant (Table HUD-1): The Administration now proposes five HUD programs for consolidation into a single bloc grant. Three of these—Urban Renewal, Model Cities, and Rehabilitation Loans—were proposed for consolidation one year ago when the original legislation was put forth by the President. The remaining two programs—Open Space Land and Neighborhood Facilities—have been added since the preparation of the FY '72 budget. One program—Basic Water and Sewer Facilities—has been withdrawn by the Administration from its original consolidation proposal.

In its FY '73 budget, the Administration has recommended that each of these five programs be funded separately in the normal fashion for a full twelve months. Then, when the pending bloc grant legislation has been approved by Congress, each of these five programs would automatically be combined into the single new program. The budget makers, while envisioning the new program to begin July 1, 1972, seem to recognize that such rapid approval may not actually occur. As soon as the bloc grant legislation is approved, therefore, the Administration would then request an additional amount of money for the new program by way of a supplemental appropriation. Apparently these additional funds will not be sought if the legislation falls.

While the Administration sets forth full, twelve-month budgets for each of these vital programs, the funding levels proposed con-

stitute a marked drop from the levels approved by Congress for the current fiscal year. The actual appropriation available for these five programs for FY '72 is \$2.42 billion while the Administration's proposed level for FY '73 is only \$1.655 billion. After subtracting \$105 million in model cities carry-over, this results in a \$660 million reduction in effort. Even the Administration's additional proposal for a supplementary appropriation of \$490 million (if the new bloc grant legislation is adopted-would) not be enough to offset this drop in funding.

Urban Renewal: The current FY '72 program level for Urban Renewal is \$1.465 billion. This figure consists of \$1.25 billion in newly appropriated dollars plus \$215 million in impounded funds from FY '71. For FY '73, the Budget calls for a \$465 million decrease in the Urban Renewal program level to \$1 billion. This proposed reduction comes in the midst of a continually rising demand for renewal funds from cities across the country.

The Budget argues that \$500 million of the FY '72 program level will be used entirely to cover the increased relocation costs that have resulted from the passage last year of the Uniform Relocation Assistance and Real Property Acquisition Act. The Budget describes these extra costs as "non-recurring" and therefore suggests that the \$500 million be dropped from the FY '73 funding level.

This analysis by the Administration does not hold up to closer scrutiny, however. First, the \$1.465 billion in Urban Renewal funds were approved by Congress without any legislative mention that a certain portion of the funds should be utilized for relocation costs. Urban Renewal has been paying relocation costs since Congress authorized them in 1956. The fact that a larger than usual proportion of the annual appropriation for renewal will go to relocation costs this year is no reason to call for a reduction in the program for the following year. Second, it is not correct to refer to the relocation costs that are being paid out of this \$500 million amount as being "non-recurring". Under the law, HUD must reimburse cities for 100 percent of all relocation costs arising out of conventional renewal projects begun prior to January 2, 1971. While use of much of the \$500 million may bring the Department up to date on its obligations to these conventional projects, additional relocation costs are expected to rise under some of these continuing projects in the future. In addition, the present law requires that HUD must pay for relocation costs generated by NDP projects on the same federal-local cost sharing basis as for non-relocation costs.

TABLE HUD-1.—COMMUNITY DEVELOPMENT

[In millions of dollars]

	Fiscal year 1972 appropriations (actual)	Fiscal year 1972 estimated obligations	Fiscal year 1972 carry-over appropriations	Fiscal year 1973 appropriations request	Fiscal year 1973 estimated obligations	Fiscal year 1973 carry-over appropriations
Model Cities.....	1,725	620	105	515	620	.....
Open space <sup>1</sup> .....	100	100	.....	100	100	.....
Neighborhood facilities <sup>2</sup> .....	40	40	.....	40	40	.....
Rehabilitation loans.....	90	50	40	.....	40	.....
Urban renewal.....	1,465	1,465	.....	1,000	1,000	.....
Subtotals.....	2,420	2,275	NA	1,655	1,810	NA
Urban community development special revenue sharing.....	.....	.....	.....	490	490	.....

<sup>1</sup> \$575,000,000 in unutilized fiscal year 1971 funds plus \$150,000,000 in new fiscal year 1972 appropriations.

<sup>2</sup> Original fiscal year 1972 administration proposal for urban community development special revenue sharing did not include the open space land program or the neighborhood facilities program.

<sup>3</sup> Original fiscal year 1972 appropriation request was for \$200,000,000; \$100,000,000 of that request has now been withdrawn.

<sup>4</sup> \$40,000,000 in carryover appropriations plus \$10,000,000 in loan repayments.

<sup>5</sup> \$215,000,000 in carryover plus \$1,250,000,000 in new appropriations.

<sup>6</sup> Administration chose to take \$500,000,000 from urban renewal funds to pay increased relocation benefits required by Uniform Relocation Act of 1971.

<sup>7</sup> Administration would request these additional funds in a supplemental appropriation request after pending bloc grant legislation is enacted.

TABLE HUD-II.—COMMUNITY DEVELOPMENT

(In millions of dollars)

	Fiscal year 1972			Fiscal year 1973		
	Appropriation (actual)	Estimated obligations	Carryover appropriations	Appropriation requested	Estimated obligations	Carryover appropriation
Water and sewer <sup>1</sup> .....	700	200	500	5	200	300
New community assistance grants.....	10	5	5	5	10	
Research and technology.....	45	45		60	60	
701 planning.....	<sup>2</sup> 100	100		100	100	
Community development training and urban fellowships.....	3.5	3.5		3.5	3.5	

<sup>1</sup> Original administration proposal for fiscal year 1972 was for inclusion of basic water and sewer facilities program within urban community development special revenue sharing program. That proposal has been amended to exclude water and sewer.

<sup>2</sup> \$60,000,000 has already been appropriated. Remaining \$40,000,000 has been requested in a pending supplemental appropriation bill.

TABLE HUD-III.—HOUSING ASSISTANCE

(In millions of dollars)

	Fiscal year 1972			Fiscal year 1973		
	Contract authority available	Estimated obligations	Carryover authorization	Contract authority requested	Estimated obligations	Carryover authorization
Rent supplement.....	55	55		48	48	
235 housing.....	170	170		170	170	
236 housing.....	200	200		150	150	
Public housing.....	390	<sup>1</sup> 260	130	150	<sup>2</sup> 183	97

<sup>1</sup> \$163,000,000 being utilized for new production, which will put 103,000 units under contract. \$77,000,000 used to amend annual contribution contracts to cover deficits in operating subsidies arising from the Brooke amendment.

<sup>2</sup> \$178,000,000 to be utilized for new production, which will put 110,000 units under contract.

Finally, the evidence available at the moment suggests strongly that HUD will not be able to actually obligate the entire \$500 million during the current fiscal year 1972. Instead, it appears that a substantial amount—at least \$100 million and probably more—will be carried over into FY '73. While this action is technically not an impoundment, it has the same effect upon the actual level of obligations during FY '72. If HUD were to make immediate use of these probable carry-over funds for normal renewal purposes and thereby put forward to the FY '73 budget the completion of these increased relocation costs, the Department (to use its own reasoning) would then be able to request an increased appropriation over the presently proposed level of \$1 billion.

**Model cities:** The Budget sets forth an FY '73 program level of \$620 million—which is the absolute minimum necessary to enable the Department to fully fund the contracts with all participating cities and, in addition, to support the new Planned Variation activity.

**Rehabilitation loans:** Last year, in response to the extensive local interest in the program, Congress more than doubled the size of the Rehabilitation Loan Program (Section 312) from \$35 million to \$90 million. The Administration has chosen to impound all but \$40 million for FY '72. The balance of \$50 million would be carried over and utilized in FY '73.

**Open space land program:** In its FY '72 Budget, the Administration called for an expansion of the Open Space Land Program from its FY '71 level of \$75 million to a new level of \$200 million. In conjunction with this increase, HUD requested letters of intent from all interested cities stating the need for Open Space grants during FY '72. Also, during FY '72, the Department was able to raise the federal-local match from 50-50 to 75-75 under certain conditions.

As a result of this vastly expanded new commitment by the Administration to the Open Space Land Program, letters of intent totaling over \$500 million have been collected at HUD. Congress appropriated \$100 million in August of 1971 and was expected to provide the remaining \$100 million in a supplemental appropriation bill this spring. However, HUD has yet to obligate the first \$100 million. Moreover, the FY '73 Budget indicates that the Administration has withdrawn its request for the additional \$100 million.

The Budget now shows that Open Space is included in the President's version of community development bloc grants.

**Remaining community development, planning and research program (Table II.)** Two items of significance can be seen from Table HUD.

**Basic Water and Sewer Facilities Program:** If the size of the backlog in unfunded applications is any indication of the support for a program, then HUD's Water and Sewer grants are by far the most popular among the Department's various categorical. At last count, the backlog in requests had passed the \$4 billion level. Congress, in direct response to this mounting demand, appropriated \$500 million for FY '72 which, together with a carried forward impoundment of \$200 million, but the total available funds for the current year at \$700 million.

The Administration, however, continues to hold down the level of this program to \$200 million annually. Thus, there will be a \$500 million impoundment carried over to FY '73 and a planned \$300 million withholding taken forward to FY '74. No new funds will be sought from Congress.

**Research and technology:** The proposed one-third increase in the size of HUD's broad-based Research and Technology will hopefully have important long range impact on future HUD program efforts. The Department is continuing and modestly expanding funding of the Municipal Information System Program and the Urban Observatory Program. The Budget shows Operation Breakthrough as phasing out during FY '73.

**Housing programs (Table HUD-III).** The FY '73 Budget for the four primary federally assisted housing programs shows more cuts than increases.

**Rent supplements:** The Rent Supplement program would be cut back by the Administration from the current level of \$55 million to \$48 million.

**Section 235 homeownership assistance:** The Administration would maintain the Section 235 Homeownership program at its current level of \$170 million.

**Section 236 rental assistance:** The FY '73 budget calls for a \$50 million (25%) reduction in the 236 program.

**Public housing:** Of the \$293 million in new production funds available for FY '72 for Public Housing, the Administration has chosen to impound and carry forward \$130

million, thereby holding the level of new construction starts below 100,000 units. During FY '73, while the number of units placed under annual contributions contract will increase slightly, the number of construction starts will actually decrease by 5,000 to a total of 90,000 units.

With the rapidly increasing use of the "turnkey" method of producing public housing units and the strong emphasis upon scattered site construction, the public housing program continues to fit less and less into the stigmatized conception which the program earned some years ago. While the program is always undergoing change, it continues to be the only existing federally assisted mechanism for providing housing to the lowest of the eligible low-income families of this nation. At the level proposed by the Administration, the Public Housing program will once again fall 50% short of the annual housing goal set by the Congress in the Housing Act of 1968.

**Impoundment:** As has been already mentioned and as can be seen from the three tables in this section, the Administration has expanded its policy of impounding Congressionally approved funds that exceed original budgetary requests. Table HUD-IV compares the list of withheld funds for FY '71 and FY '72 along with the impoundments announced so far for FY '73.

TABLE HUD-IV.—IMPOUNDMENTS

	Fiscal year 1971	Fiscal year 1972	Fiscal year 1973
Public housing.....	\$165	\$130	\$97
Urban renewal.....	215		
Water and sewer.....	200	500	300
Rehabilitation loans.....		50	
Total.....	580	680	1397

<sup>1</sup> May increase following completion of congressional appropriation process.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The Fiscal 1973 Budget proposal for LEAA Programs to aid state and local governments in reducing crime and improving their criminal justice system is \$850 million. This represents an increase of \$151.3 million over FY '72. The components of this increase are shown in the table below (Table LEAA I).



TABLE I.—LEAA BUDGET

[In thousands of dollars]

LEAA	Appropriation, fiscal year 1972	Authority requested, fiscal year 1973	Increase
Planning grants to State and local governments.....	35,000	50,000	15,000
Block action grants to State and local governments.....	413,695	480,250	66,555
Discretionary grants.....	73,005	84,750	11,745
Special correctional improvement programs.....	97,500	113,000	15,500
Technical assistance.....	6,000	10,000	4,000
Institute activities, research, technology transfer.....	21,000	31,000	10,000
Manpower development (includes LEAP).....	31,000	45,000	14,000
Data and statistics.....	9,700	21,200	11,500
LEAA administration.....	11,823	14,800	2,977
<b>Total.....</b>	<b>698,723</b>	<b>850,000</b>	<b>151,277</b>

The increase of \$151 million will keep the relatively new LEAA program moving, but its growth is smaller than in previous years. Table LEAA 2 below shows that both the percentage and the absolute dollar increases have dropped when compared to FY '71 and '72.

TABLE II.—LEAA APPROPRIATIONS GROWTH RATE DECLINES

[In millions of dollars]

Fiscal year	Appropriation	Dollar increase	Percentage increase (approximate)
1969.....	63	.....	325
1970.....	263	205	100
1971.....	532	264	31
1972.....	698	166	22
1973.....	850	152	.....

While holding down increases in LEAA Administrative costs, the Budget requests a much needed increase of \$15 million in planning grants for cities and states.

The overall appropriation level of \$850 million is considerably below the Congressional authorization of \$1,750 million. Evidence that cities are ready to make use of a higher level of appropriation can be seen in LEAA's recently initiated "high impact" program. Eight cities have been selected to receive \$20 million each over 2½ years for concentrated crime control programs. With higher levels of appropriation, more cities could make use of the high impact approach.

TRANSPORTATION

Substantial increases in obligations for urban mass transit, slight increases in the urban highway programs, and no change in airport aid highlight the President's 1973 Transportation Budget as it affects cities.

**Urban Mass Transportation:** A 65 per cent increase in administration reservations available for capital grants for 1973 is significant. While the proposed \$841 million in capital projects approvals is substantial, the picture dims when compared with the \$4 billion in pending projects and \$1.1 billion in remaining contract authority.

Capital grants for FY 1973 are expected to assist in the purchase of 5,000 new buses, 65 commuter cars and about 300 rail rapid transit cars. Although this constitutes a sizable new commitment, it represents a small fraction of the equipment requirements. Currently, some 50,000 buses and 9,000 subway and elevated railway cars, many of them outdated, are in use in the U. S.

A substantial increase was made in the request for the Research, Development, and Demonstration Program from \$62 million in 1972 to \$115 million in 1973. An important

part of these 1973 funds will be aimed at demonstrating new technology for access and circulation in downtown areas and other major activity centers. These funds could support several demonstrations of high-capacity-small-vehicle transit systems in urban areas.

A one-third increase in transit planning funds also is proposed.

TABLE DOT-I.—URBAN MASS TRANSPORTATION, FISCAL YEARS 1971-73

[In millions of dollars]

	Fiscal year 1971 (actual)		Fiscal year 1972 (estimate)		Fiscal year 1973 (estimate)	
	Res- erva- tions <sup>1</sup>	Obl- iga- tions <sup>2</sup>	Res- erva- tions	Obl- iga- tions	Res- erva- tions	Obl- iga- tions
Capital facilities.....	284	85	510	264	841	529
Technical studies.....	14	5	25	13	33	23
R.D. & D.....	39	24	62	33	115	93
University research and training.....	3	2	3	2	3	2
Other.....	1	.....	6	3	8	4
<b>Total.....</b>	<b>341</b>	<b>116</b>	<b>606</b>	<b>315</b>	<b>1,000</b>	<b>651</b>

<sup>1</sup> Administrative reservations.  
<sup>2</sup> Costs and obligations.

Source: Appendix to the Budget for Fiscal Year 1973, p. 735

**Highway programs:** An increase in obligations for Urban Systems from \$50 million in 1972 to \$140 million in 1973, when measured against the decrease in obligations in urban extensions of the primary system from \$325 million in 1972 to \$240 million in 1973, means that funds for urban highways will remain about the same. The use of funds for urban systems, however, is more flexible than that of funds for urban extension of primary roads.

TABLE DOT-II.—FEDERAL-AID HIGHWAYS TRUST FUND FISCAL YEARS 1971-73

[Program costs in millions of dollars]

	Fiscal year 1971 (actual)	Fiscal year 1972 (estimate)	Fiscal year 1973 (estimate)
Interstate system.....	3,308	3,200	2,800
Urban extensions.....	254	325	240
Urban systems.....	.....	50	140
<b>TOTALS.....</b>	<b>11</b>	<b>250</b>	<b>265</b>

Source: Appendix to the Budget for fiscal year 1973, p. 720

TOPICS funds will be increased slightly from \$250 million in 1972 to \$265 million in 1973. The total FY '73 funds available for urban systems, however, are small when compared with the \$2.8 billion commitment to the Interstate System. The revised total cost estimate for the Interstate System upon its completion is \$68.3 billion, up \$5.8 billion from the previous estimate. The 1970 Highway Act extended the termination date of the Highway Trust Fund to September 1977.

**Airports:** Estimated obligations for FY 1972 and 1973 airport grants match the annual total of \$295 million provided by the Airport and Airway Development Act of 1970. The grants to public agencies are for planning, not to exceed more than \$15 million annually, and for development and improvement of public airports of which \$280 million in obligational authority is available annually. From FY 1971 through FY 1975, expenditures for the program will be financed partially by user charge revenues, with the deficit being made up by annual appropriations from general revenues. After FY 1975, user charge revenues are expected to meet or exceed expenditures.

TABLE III.—DEPARTMENT OF TRANSPORTATION, AIRPORT GRANTS

[In millions of dollars]

	Fiscal year—		
	1971 actual	1972 estimate	1973 estimate
Grants for planning.....	\$3	\$15	\$15
Grants for construction.....	170	280	280
<b>Total obligations.....</b>	<b>173</b>	<b>295</b>	<b>295</b>

Source: Appendix to the budget for fiscal year 1973, p. 710

ENVIRONMENTAL QUALITY

The proposed 1973 budget for the Environmental Protection Agency totals \$439.3 million, an increase of \$44.3 million over the current fiscal year. Here is a breakdown by functional area:

**Air:** The Administration is requesting new obligational authority of \$171.5 million for the EPA clean air programs, a \$28 million increase. EPA had previously told the Congress that \$320 million was needed in FY '73 to implement the Clean Air Act, as amended. Congress responded by approving a \$300 million authorization. The President's budget request is only half of that original evaluation of need.

EPA will also institute a practice of charging for the training programs authorized under the Clean Air Act, as amended, for increasing and upgrading the manpower essential to air pollution control programs. Such user charges are not authorized by the Act.

**Water pollution:** The President is requesting the same amount of obligational authority (\$2 billion) to finance the construction of water treatment plants for FY '73 as that requested and appropriated in FY '72. This is consistent with the Administration's legislative program. However, the Senate has passed a sweeping new proposal to change the nation's clean water efforts. This bill would authorize \$3 billion for FY '73, and ultimately call for a four-year, \$14 billion program for full secondary treatment of effluent and would also make stormwater overflow facilities eligible for federal grant money. The House Public Works Committee has approved a \$20 billion bill, with \$5 billion authorized for FY '73, also making stormwater overflows eligible, as well as collector systems.

**Solid Waste:** The new budget announces that EPA "is reorienting its solid waste activities to focus upon economic and institutional constraints, with less attention to areas where the private sector is focusing its efforts—the development of hardware for recycling and other waste management activities." The obligational authority for FY '73 therefore has been decreased by \$11.3 million to \$23.3 million.

Only four demonstration grants under Section 208 of the Resource Recovery Act of 1970 will be funded in FY '72 and FY '73. Only \$15 million was obligated in FY '72; no new obligational authority is requested for FY '73. The authorization for Section 208 demonstration grants for FY '72 is \$80 million; the authorization for FY '73 is \$140 million.

**Noise:** The Administration wants to pursue noise abatement efforts. EPA estimates it will obligate \$1,181,000, an increase of \$34,000 over FY '72. Noise control is also dealt with by NASA and DOT on a cooperative basis. Obligations for general transportation research and development will increase from \$456 million to \$666 million. Noise research will have to compete for funds with studies of other vehicle problems, such as speed, safety, and economy.

**Parks and recreation:** The President's Leg-

acy of Parks Program was designed to bring parks to the people by developing new parks in and near cities. The Administration has proposed to fund the Land and Water Conservation Fund at \$300 million, which falls below FY '72 by \$61.5 million. Grants from this Fund to state and local governments for park acquisition and development will be at \$197 million, below the \$255 million appropriated for FY '72. There remains some \$38 million carried over from FY '72 to FY '73

which the Administration does not plan to obligate.

In addition, budget authority for financial aid to state and local governments for city recreation (all Federally assisted or direct Federal projects or activities—including historic preservation—which are located within incorporated places of 250,000 or more population) will decrease from \$151 million in FY '72 to \$133 million in FY '73. However, direct federal activities for city recreation

will increase from \$35 million in FY '72 to \$40 million in FY '73.

*New programs:* The budget also seeks \$35 million in obligational authority for new environmental programs dealing with noise pollution, ocean dumping, toxic substances, pesticides, water quality, power plant siting and protection of mining areas. The budget also includes \$20 million for the Administration's proposed National Land Use Policy Act.

MAJOR URBAN ENVIRONMENT QUALITY PROGRAMS, BY MEDIA

[In thousands of dollars]

	Fiscal year 1971			Fiscal year 1972 estimate			Fiscal year 1973 estimate		
	Appropriation	Obligations	Outlays	Appropriation	Obligations	Outlays	Budget authority	Obligations	Outlays
Operation, research and facilities									
Air.....	109,287	101,666	88,055	148,828	158,320	133,138	171,541	173,661	145,058
Water.....	119,439	125,237	94,198	153,482	149,772	152,921	156,158	159,855	164,874
Solid waste.....	16,250	14,564	4,565	35,798	32,704	23,897	23,321	31,411	26,036
Noise <sup>1</sup> .....	285	2316	267	1,225	1,341	700	1,181	1,216	1,300

<sup>1</sup> Additional noise-control resource available through NASA-DOT cooperative program.  
<sup>2</sup> Transfer between media allowed at administration discretion in 1971. In 1972, transfers were limited to 10 percent. Carryover mainly in water and air.

Note: Operation, research, and facilities: Abatement and control; manpower development; research, development, and demonstration facilities.

SEWAGE PLANT CONSTRUCTION GRANTS (EPA)

[In millions of dollars]

	1971				1972 (Estimated)				1973 (Estimated)			
	Appropriation	Obligations	Outlays	Carry-over	Appropriation	Obligations	Outlays	Carry-over	Budget request	Obligations	Outlays	Carry-over
Sewage plant construction grants (EPA).....	1,000	1,228	478	440	2,000	2,080	908	132	2,000	2,000	1,100	132

MANPOWER

The overall Manpower budget for FY '73 provides an increase in obligations of \$396 million. Most of the increased monies will be distributed this way: \$247 million for Emergency Employment Assistance; \$62 million more for Vocational rehabilitation and \$58 million more for Work Incentive Program and social services day care in the Department of Health, Education, & Welfare; an additional \$48 million for on-the-job training for veterans for the Veterans Administration and a \$31 million increase for the Employment Service through the Department of Labor. Programs of skill training and support projected to be incorporated into Manpower revenue sharing are being reduced in obligation by \$60 million.

Overall, the Department of Labor will increase its obligations by \$161 million, Health, Education, and Welfare will increase its by \$137 million, the Veterans Administration by \$66 million, the Defense Department by \$9 million, the Office of Economic Opportunity by \$6 million, and the Department of Housing and Urban Development will remain the same.

The Administration's "full employment"

budget reflects a commitment to expanding job opportunities. The largest job creation component of the budget is the Emergency Employment Act. Its level of funding is mandated by Congress and is related to the unemployment rate. Nevertheless, the budget raises the question whether Manpower funds—even though they are on the rise—are equal to the Administration's "full employment" commitment. Further, the Administration has assured the cities that they would have the major role in management of employment programs. Yet, the programmatic increases for the Department of Labor and other agencies (such as WIN, Vocational rehabilitation, and on-the-job training for veterans) will administratively be handled through federal and state agencies, thus bypassing local planning, priority determination, and control. The Administration has asked for a local manpower leadership role on the part of the Mayors, but continues to channel and increase vast sums of money to agencies with little accountability to local elected officials. With the \$60 million reduction contemplated in the Manpower special revenue sharing program, local officials can look forward to a diminished input in overall

manpower planning and direct services into their communities. As such, the impact of the services provided to city residents as well as the best program mix, linkages, and coordination for maximum resource utilization must remain questionable.

From a city perspective, provisions and funding for youth programming in the proposed 1973 budget are static. The single most necessary source of youth employment during the summer months, the Neighborhood Youth Corps (NYC), remains at \$270.7 million; the same budget level as 1971 and 1972. Past years have proven this insufficient and cities have been forced to rely upon uncertain emergency supplemental funding from the Congress in June or July for programs terminating in August, just to meet basic employment requirements.

MANPOWER FUNDS BY AGENCY

The following table shows manpower obligations and outlays by administering agency and program. Two agencies—the Departments of Labor, and Health, Education, and Welfare will account for 87% of all manpower outlays in 1973, about the same as in past years.

TABLE J-12.—FEDERAL FUNDS FOR MANPOWER PROGRAMS BY ADMINISTERING AGENCY

[In millions of dollars]

Agency and program	Obligations				Outlays			
	1970 actual	1971 actual	1972 estimate	1973 estimate	1970 actual	1971 actual	1972 estimate	1973 estimate
Office of Economic Opportunity: OEO manpower.....	32	35	33	39	30	33	35	37
Department of Defense: Project transition.....	14	15	16	27	14	15	16	27
Department of Health, Education, and Welfare:								
Social services training.....	51	45	57	60	50	42	55	57
WIN and social services day care.....	112	185	338	396	112	185	311	393
Vocational rehabilitation.....	482	558	649	711	441	523	551	620
Upward mobility.....			6	20			6	20
Foster grandparents.....	8	10			8	9		
Vocational work study.....	4	6	6	6	2	4	5	5
Subtotal, HEW.....	657	803	1,056	1,193	613	763	928	1,095
Department of Housing and Urban Development:								
Model cities manpower.....	24	39	45	45	6	24	33	41
Model cities child care.....	9	15	19	19	2	9	14	17
Community development training.....		1	2	2		1	2	2
Subtotal, HUD.....	33	55	65	65	8	34	49	60
Department of the Interior:								
On-the-job training for Indians.....	3	3	3	3	2	1	3	3
Institutional training for Indians.....	29	29	31	32	26	26	31	32
Indian placement assistance.....	5	6	6	6	5	5	6	6
Subtotal, the Interior.....	38	37	40	41	33	33	40	41



TABLE J-12.—FEDERAL FUNDS FOR MANPOWER PROGRAMS BY ADMINISTERING AGENCY—Continued

[In millions of dollars]

Agency and program	Obligations				Outlays				Agency and program	Obligations				Outlays											
	1970 actual	1971 actual	1972 estimate	1973 estimate	1970 actual	1971 actual	1972 estimate	1973 estimate		1970 actual	1971 actual	1972 estimate	1973 estimate	1970 actual	1971 actual	1972 estimate	1973 estimate								
Department of Justice: Training of offenders...	3	4	5	5	3	4	5	5	Veterans Administration: On-the-job training for veterans..... Veterans vocational rehabilitation..... Veterans assistance centers.....  Subtotal, VA..... Action: Foster grandparents..... Equal Employment Opportunity Commission: Equal employment opportunity..... All Federal agencies: Disadvantaged youth programs..... Federal contract compliance..... Total.....	87	171	161	209	8	117	161	209								
Department of Labor: Manpower revenue sharing.....	1,344	1,535	1,598	1,538	1,056	1,342	1,454	1,477		53	77	91	108	53	77	91	108								
Emergency employment assistance.....			991	1,238			653	1,088		1	1	2	2	1	1	2	2								
Work incentive training.....	80	64	177	112	67	97	140	180		Subtotal, VA.....							141	196	254	320	141	196	254	320	
Employment service.....	325	349	374	405	325	347	374	405		Action: Foster grandparents.....							22	20							
Computerized job placement.....	12	23	36	40	6	23	27	31		Equal Employment Opportunity Commission: Equal employment opportunity.....							13	16	23	31	12	16	22	30	
ES labor market information.....	27	24	28	27	23	20	22	24		All Federal agencies: Disadvantaged youth programs.....							67	74	78	78	67	74	78	78	
BLS labor market information.....	9	10	11	14	9	10	11	14		Federal contract compliance.....							7	15	24	32	6	15	23	31	
OFCC and age discrimination.....	1	3	4	4	1	3	4	4		Total.....							2,916	3,390	5,013	5,409	2,519	3,145	4,310	5,141	
Program administration and other.....	113	132	178	180	105	122	163	172																	
Subtotal, Labor...	1,911	2,140	3,397	3,558	1,592	1,963	2,848	3,394																	

OFFICE OF ECONOMIC OPPORTUNITY

The \$758.2 million Budget Request for OEO reflects a continuation of the Administration's policy of limiting OEO's operational responsibilities, restricting it to poverty research without substantially increasing research funds, and emphasizing its role as advocate of the poor within the Executive Branch. This represents a \$55 million increase over FY '72 appropriations and is \$84 million less than FY '71 appropriations for programs that will remain under OEO in 1971.

During this fiscal year OEO has been spinning off several programs to other agencies. These include Head Start, Follow Through, Alcoholic Counseling and several other health programs transferred to HEW and appearing in HEW's FY '72 and '73 budget. In addition, VISTA was transferred on July 1, 1971, to ACTION, the new volunteer agency. In FY '73, additional OEO programs for comprehensive health, family planning, and drug rehabilitation (totaling about \$34 million) are to be spun off to HEW and appear in HEW's FY '73 budget request.

Although OEO's two-year authorization, which established a Legal Service Corporation, was vetoed by the President, it is still expected that Legal Services will become an independent corporation this year. All Research, Development, and Evaluation (RD&E) and Technical Assistance funds for Legal Services have been put into the Legal Services budget request in FY '73 in anticipation of its becoming independent.

It is also anticipated that the Community Action Program will be incorporated into

urban and rural special revenue sharing. In preparation for this transfer, OEO says it is undertaking a new community action strategy designed "to accelerate the movement of CAA's toward becoming independent, local institutions... able to continue and expand their antipoverty leadership, drawing on a variety of local, state, federal, and private resources."

Plans announced last year to phase out the Emergency Food and Medical Program during FY '72 and FY '73 are being carried out, despite an apparent desire by Congress to retain it. OEO's two-year authorization bill, vetoed by the President in December 1971, authorized \$62.5 million in FY '72 for the Emergency Food and Medical Program. When the President vetoed the bill, Congress hurriedly passed a lump sum appropriation, which is now serving as OEO's authorization and does not earmark funds for specific programs. As a result, OEO intends to obligate only \$3.5 million of the FY '72 appropriation for a small Emergency Food Program for Indians and is requesting the same amount in FY '73. The Administration's rationale for phasing out most of OEO's food program is that the Food Stamp and Commodities Program in the Department of Agriculture will adequately meet the need.

The programs for which OEO is still responsible include RD&E, Community Action, Health and Nutrition, Special Impact, Migrants and Seasonable Farmworkers, and, at least temporarily, Legal Services.

The FY '72 appropriation for OEO is \$741.4 million (or \$703.9 million if VISTA is excluded). This amount is \$40 million less

than OEO requested and about \$140 million less than the FY '71 appropriation. As a result, estimated FY '72 obligations for several programs for which OEO is still responsible are below the FY '71 obligation. The most substantial reductions occur in RD&E, which is about \$30 million below the FY '71 obligation and about \$20 million below that which OEO had planned to spend, and in Community Action, which is about \$56.9 million less than the FY '71 obligations. Most of the cut in Community Action occurs in Local Initiative Programs, which drops from \$356 million in FY '71 to \$300 million in FY '72. Obligations for Health and Nutrition also drop, but because OEO's spending for the Alcoholic Counseling and Emergency Food and Medical Programs is cut substantially, OEO is able to spend more for Comprehensive Health, Family Planning, and Drug Rehabilitation than in FY '71. FY '72 obligations for the Special Impact Program dropped slightly, while Migrants and Legal Services remained at about the same level.

The FY '73 budget request of \$758.2 million represents an increase of about \$55 million over the FY '72 appropriation but is about \$84 million less than FY '71 obligations. The major increases over FY '72 obligations occur in RD&E and Community Action. However, the budget request for RD&E is about equal to the FY '71 obligation, and Community Action is about \$27 million less than the FY '71 obligation. About \$23 million less than the FY '71 obligation is being asked for Local Initiative Program. The remaining programs increase slightly over FY '71 and FY '72 or remain at about the same level.

OFFICE OF ECONOMIC OPPORTUNITY

[In millions of dollars]

Title II:	Fiscal year—						
	1971		Actual obligations	1972		1973	
	Authorization	Appropriation		Authorization	Appropriation	Estimated obligations	Budget request
Research, development, and evaluation.....	( <sup>1</sup> )	114.6	84.1		50.3	\$77.8	
Community action.....		388.6	410.2		353.3	383.6	
Local initiative (including indicated).....	\$ 328.9		355.9		300.0	333.0	
Training and technical assistance.....	( <sup>1</sup> )		17.3		12.6	\$12.0	
SEO's.....	( <sup>1</sup> )		8.0		13.0	12.0	
Senior opportunities.....	12.0		12.3		8.0	8.0	
Program administration.....	( <sup>1</sup> )		16.7		19.7	18.6	
Health and nutrition.....		195.3	194.8		159.0	140.0	
Comprehensive health.....	160.0		98.7		108.3	\$95.0	
Drug rehabilitation.....	15.0		13.3		18.0	\$23.0	
Family planning.....	30.0		18.8		24.0	\$15.0	
Alcohol counseling.....	15.0		12.0		2.0		
Emergency food and medical.....	175.0		48.6		3.5	\$3.5	
Program administration.....			3.4		3.2	3.5	

See footnotes at end of table.

	Fiscal year—						
	1971			1972		1973	
	Authorization	Appropriation	Actual obligations	Authorization	Appropriation	Estimated obligations	Budget request
Title 10: Special impact.....	60.0	37.1	37.1			25.8	30.7
Title III: Migrants and seasonal farmworkers.....	49.0	35.5	36.1			36.0	36.0
Title II: Legal services.....	90.0	61.4	61.2			61.1	71.5
Title VI: General support.....	16.0	16.0	18.4			18.4	18.3
Title II: Funds, unearmarked.....	69.0						
Day care.....	50.0						
Subtotal.....	1,069.9	848.5	841.9			703.9	757.9
Programs transferred to other agencies or phased out:							
Title VIII: VISTA.....	37.0	36.5	37.8				
Title III: Rural loans.....	12.0	9.4	6.0				
Other.....			3.0				
Subtotal.....	1,118.9	894.4	888.7	741.4	741.4		
Title II:							
Child development.....	668.0	429.0	428.4	436.9	436.9		
Headstart.....	578.0	360.0	360.0	376.3	276.3		
Followthrough.....	90.0	69.0	68.4	60.6	60.6		
Subtotal.....	1,786.9	1,323.4	1,317.1	1,178.3	1,178.3		
Title I: Work and training: <sup>10</sup> private sector VJI, public sector OJT, in-school work support, post-school work support, Job Corps, program support.....	945.0						
Subtotal.....	2,731.9						
Unearmarked funds.....	100.0						
Unobligated balance lapsing.....			2.6				
Transferred to other accounts.....			3.7				
Total.....	2,831.9	1,323.4	1,323.4	1,178.3	1,178.3	741.4	758.2

<sup>1</sup> No funds earmarked.  
<sup>2</sup> This figure excludes research and development for legal services which appears in the request for legal services. Comparable figures for fiscal year 1971 and 1972 are \$78,600,000 and \$42,800,000 respectively.  
<sup>3</sup> Not less than.  
<sup>4</sup> This figure excludes technical assistance for legal services which appears in request for legal services. Comparable figure for fiscal year 1972 is \$11,100,000.  
<sup>5</sup> Assumes \$21,000,000 is transferred to HEW's budget.  
<sup>6</sup> Assumes \$3,000,000 is transferred to HEW's budget.  
<sup>7</sup> Assumes \$10,000,000 is transferred to HEW's budget.  
<sup>8</sup> Assumes transfer of \$10,000,000 to HEW.

<sup>9</sup> This figure is for Indians only.  
<sup>10</sup> Transferred to the Department of Labor.  
<sup>11</sup> This figure reflects the transfer of VISTA to ACTION.

Note: OEO's appropriation was a lump sum, but the authorization required earmarking funds as indicated by the fiscal year 1971 authorization. Since the appropriation is less than the authorization, the appropriation is prorated to determine the allocation for each category. In addition OEO has some flexibility to shift funds from one category to another. OEO's authorization expired June 30, 1971. The new authorization bill was vetoed by the President in December 1971. Congress then passed an appropriation for fiscal year 1972 which is also its authorization.

HEW BUDGET BY OPERATING AGENCY

[In millions of dollars]

	1972		1973	
	Budget authority	Outlays	Budget authority	Outlays
Food and Drug Administration.....	111	110	188	179
Health Services and Mental Health Administration.....	2,292	1,840	2,220	2,098
National Institutes of Health.....	2,176	1,757	2,183	2,054
Subtotal.....	4,579	3,707	4,591	4,331
Education.....	5,868	4,869	6,144	5,265
Social and Rehabilitation Service.....	13,500	14,157	13,882	12,835
Welfare Reform.....			450	350
Social Security Administration.....	52,093	48,878	61,354	55,714
Special Institutions.....	100	81	77	100
Office of Child Development.....	391	216	409	379
Office of the Secretary.....	60	59	76	65
Adjustment for proprietary receipts.....	-55	-55	-87	-87
Total, DHEW.....	76,536	71,911	86,887	78,953

HEALTH

The 1973 health budget as it relates to cities is affected by major revisions in accounts to conform to the reorganization of the Health Services and Mental Health Administration and significant carry over of 1972 obligation authority to 1973. For HSMHA, the primary source of support for state and local activities, outlays for 1973 are projected slightly higher than 1972 but appropriations will be slightly lower. The two major program areas affected are a major shift in the Hill-Burton program heading toward a phasing out and a \$79 million in-

crease in overall funds for health services delivery.

Continuing the effort to shift health facility construction support from grants to loans and interest subsidies and continuing the emphasis on ambulatory care, grant authority requested for the Hill-Burton program has been reduced to \$85 million, the amount authorized for ambulatory care facilities. Carry overs increase the obligation authority available in 1973 and interest subsidies appropriated in 1972 will also be available. A 1972 supplemental request of \$50 million to capitalize a loan guarantee fund is being carried forward to overcome the apparent reluctance of financing institutions to make loans.

The Mental Health request is virtually the same as last year's. No funds are requested for community mental health center construction, but \$10 million of past years' authority remains available. Support for state and community programs in narcotic addiction and drug abuse will increase \$15 million from \$92 to \$107 million. State formula grants for alcoholism remain at \$30 million and while project grants will increase from \$38 million to \$48 million, the increase represents transfer of projects previously funded by OEO.

Comprehensive health planning funds will increase from \$27 million to \$43 million. The bulk of the increase will support the expansion of existing areawide health planning programs and the funding of more than 100 new areawide health planning agencies.

For the delivery of health services the budget requests \$90 million, the same as 1972 for formula grants to states for public health and mental health services under the comprehensive health planning and public health services program. Project grant totals are changed significantly by a shift of approximately \$50 million to disease prevention activities. Funds appropriated for compre-

hensive health services projects as such will increase from \$104 million to \$117 million, but the increase will support at least 10 projects to be transferred from OEO.

Maternal and child health services will receive slight increases, \$4 million in formula grants to states for maternal and child health and crippled children's services and \$9 million for maternal and infant care and children and youth projects. Family planning services will receive a major increase of \$49 million over its 1972 appropriation of \$90 million.

Preventive health services budget accounts are increased primarily through shifts in funding authorities. Nevertheless, a \$10 million increase in appropriations is requested for preventive activities. Rodent control programs are continued at \$15 million. A \$2 million increase is committed to laboratory improvement, \$2.5 million for venereal disease and approximately \$2 million for screening children for lead-based paint poisoning.

The National Health Service Corps carries over obligations from 1972 with a new obligation authority request significantly reduced to \$8 million in anticipation of local and patient reimbursements to the Federal government for its physicians' services.

HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

[Budget authority in millions of dollars]

	1972	1973	Change
Mental health:			
Community mental health centers:			
Construction.....	15		-15
(Obligations).....	(5)	(10)	(+5)
Staffing.....	135	135	
Narcotic addiction and drug abuse.....	92	107	+15
Alcoholism.....	68	78	+10
Mental health of children.....	10	10	
Subtotal.....	315	330	+15



HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION—Continued

[Budget authority in millions of dollars]

	1972	1973	Change
Health services planning and development:			
Comprehensive health planning.....	27	43	+16
Medical facilities construction:			
Grants, loans, and subsidies.....	308	91	-217
Loan guarantee fund.....	50		-50
Subtotal.....	385	134	-251
Health services delivery:			
Comprehensive health services:			
Formula grants.....	90	90	-----
Project grants.....	104	117	+13
Migrant health.....	18	24	+6
Direct operations.....	12	14	+2
Maternal and child health.....	239	252	+13
Family planning services.....	90	139	+49
National Health Service Corps.....	13	8	-5
(Obligations).....	(14)	(15)	(+1)
Program direction.....	11	12	+1
Subtotal.....	677	656	+79
Preventive health services:			
Disease control.....	88	93	+5
Community environmental management.....	26	29	+3
Occupational health.....	25	28	+3
Program direction.....	4	4	-----
Subtotal.....	143	154	+11
Other programs.....	60	86	+26
Total, HSMHA.....	2,021	1,925	-96

EDUCATION

The \$6.1 billion FY '73 education budget proposes an overall increase of \$276.5 million from FY '72.

Within this budget, funds from Elementary and Secondary Education will increase \$499.3 million from \$3,712.8 million in FY '72.

Higher Education will drop \$384.3 million to \$1,227.9 million in FY '73.

Most of the FY '73 increase in Elementary and Secondary Education is accounted for by the Administration's request of about \$500 million in additional funds for the Emergency School Assistance program, which is intended to help school systems establish and maintain quality integrated schools. Although the President's request for \$1.5 billion in emergency assistance was not enacted in the 1971 session of Congress, the Administration plans to obligate \$500 million in FY '72 and \$1 billion in FY '73, Congress willing at its 1972 session.

New obligational authority for most of the major education programs, including Title I (Educationally Deprived Children), II (Library Resources), III (Supplementary Services), and VIII (School Dropout Program) of the Elementary and Secondary Education Act (ESEA), state grants for Vocational Education, and the School Lunch Program (Department of Agriculture) is held at approximately the same level as FY '72 obligations. The Equipment and Remodeling program of the National Defense Education Act (NDEA) will be terminated. Cuts of \$177 million in the Federal Impact Aid program, \$22 million in the Vocational Research, and \$700,000 in Adult Education are proposed. Slight increases are requested for ESEA Titles V (Strengthening State Education Agencies) and VII (Bilingual Education) and Education for Handicapped Children.

Most of the increases in educational funding are for major national initiatives in the Office of Education. These include:

1. *Educational Renewal:* This effort will concentrate discretionary grants for elementary and secondary education on a limited number of the most needy school districts to help meet locally determined educational needs and disseminate educational innova-

tions. An increase of \$49 million is proposed to carry out this strategy.

2. *Career Education:* This initiative is meant to make all levels of the educational system relevant to the world of work and to open up additional post-secondary education training opportunities. An additional \$55 million is requested for this program.

3. *Developing Institutions and Minority Education:* An increase of \$48 million is proposed to aid blacks and other minorities at the post-secondary level.

4. *National Institute of Education:* Congress will consider an Administration plan to establish an institute to engage in educational research and experimentation, focusing on schooling of the disadvantaged, quality of education, and use of educational resources. The Administration seeks \$125 million for the institute in FY '73.

5. *National Foundation for Higher Education:* \$100 million is requested to create this Foundation to promote change and innovative programs in post-secondary institutions.

The Administration also is again proposing its Educational Revenue Sharing program, which Congress did not act on last year. This special revenue sharing program would consolidate categorical programs totaling \$3 billion in FY '73. Some of the included programs (notably Equipment and Minor Remodeling under NDEA and about \$177 million in impact aid) are to be phased out as such or cut in FY '73. Therefore, the Administration seeks an additional \$224 million in FY '73 to insure that no state will receive less than its FY '72 allocation.

EDUCATION

[Budget authority in millions of dollars]

	1972	1973	Change
Elementary and secondary education.....	3,713	4,212	+499
Higher education.....	1,612	1,227	-385
Library services.....	71	47	-24
Educational renewal.....	314	363	+49
National institute of education.....	90	125	+35
National foundation for higher education.....	3	100	+97
Other education.....	66	71	+5
Total.....	5,868	6,144	+276

ELEMENTARY AND SECONDARY EDUCATION

[Budget authority in millions of dollars]

	1972	1973	Change
Emergency school assistance.....	520	1,000	+480
Education revenue sharing.....	3,237	3,237	-----
Less: school lunch (Department of Agriculture).....	-224	-224	-----
Education of handicapped children.....	73	94	+21
Other elementary and secondary programs.....	108	106	-2
Total.....	3,713	4,212	+499

EDUCATION REVENUE SHARING

[Budget authority in millions of dollars]

	1972	1973	Change
Existing education grant programs:			
Educationally deprived children.....	1,598	1,598	-----
Supplementary services.....	126	126	-----
Equipment and minor remodeling.....	50		-50
Strengthening State departments of education.....	31	41	+10
School assistance in federally affected areas.....	547	370	-177
Education for the handicapped.....	38	38	-----
Vocational and adult education.....	526	526	-----

	1972	1973	Change
Existing education grant programs—Cont.			
School library resources.....	90	90	-----
Education professions development.....	7		-7
School lunch program (Department of Agriculture).....	224	224	-----
Hold harmless provision.....		224	+224
Total.....	3,237	3,237	-----

EDUCATIONAL RENEWAL

[Budget authority in millions of dollars]

	1972	1973	Change
Site personnel development:			
Renewal sites.....	2	30	+28
Career opportunities and urban-rural programs.....	37	40	+3
Categorical projects.....	39	7	-32
Bilingual education.....	35	41	+6
Dropout prevention.....	10	10	-----
Personnel development:			
Teacher Corps.....	37	37	-----
Career education personnel.....	7	10	+3
Other personnel development.....	8	4	-4
National priority programs.....	109	143	+34
Data systems and services.....	10	15	+5
Product identification and dissemination.....	8	16	+8
Planning and evaluation.....	11	10	-1
Total.....	314	363	+49

SOCIAL SERVICES

Social services expenditures have increased rapidly in recent years largely in response to the need for child care services and services for the elderly. For the past two years the Administration has asked Congress to place a ceiling on these costs. Congress has refused to do so. The budget shows that in FY '73 the Administration through "active management controls" intends to curtail expenditure for social services. HEW estimates a cutback of more than \$120 million.

Our analysis suggests that the real impact of the Administration's proposed actions may be in excess of a half billion dollar cut in social services which would otherwise be made available to predominantly urban, low-income groups.

Under present law, Congress is authorized to appropriate as much money as needed to match state expenditures for a variety of social services provided under the public assistance titles of the Social Security Act. Many urban child care programs and services for the needy aged, especially under CDA and CAA auspices are funded through this source. (Title IV-A and Titles I and XVI of the Social Security Act).

In 1971 the Federal share of the social services costs came to \$692 million. The 1972 estimate is nearly double that of the preceding year, \$1,296 million. This substantial increase stemmed from a combination of factors including, (1) expansion in the variety and quantity of services being offered, (2) increase in number of public assistance recipients and in other non-welfare low-income groups eligible to receive social services, and (3) inflation.

For the past two years the Administration has tried without success to have Congress impose a ceiling on expenditures for social service. Last year the Administration sought to impose a 10 per cent growth limit on outlays for such services. This attempt was rejected by both the House and Senate. This year through "intensified fiscal management efforts" and by a "regulation mandating separation of services from payments . . . to provide methods and controls that will in-

aging. This represents an increase of \$55 million more efficient and effective program" expenditures will be pared to an estimated \$1,266 million—a decrease of \$30 million from the 1972 amount. *Note:* HEW's budget analysis reflects an even larger cutback. HEW's *Budget in Brief* lists FY '72 social services estimate at \$1.363 billion; FY '73 at \$1.241 billion, a decrease of \$122 million.)

The significance of the proposed effort to accomplish administratively what could not be achieved legislatively, cannot be too strongly emphasized. Although the Administration's own figures indicate reductions ranging from \$30 million to \$122 million dollars, it is likely that the real impact will be at least three times as great. As the accompanying chart shows, the increased rate of spending for social services, in the absence of administrative restraint, is likely to be much higher than HEW's target of \$1.241 billion. These increases (which, as we have indicated, Congress has refused to curtail) reflect in large measure expenditures for day care services in urban areas. In the face of the President's recent veto of child care legislation, we anticipate that more vigorous use would be made of the only remaining avenue (Title IV-A of the Social Security Act) open for substantial funding of such services. The full impact of HEW's budget projection is therefore better appreciated by a comparison not with the estimated 1972 expenditures but with the anticipated 1973 demand. Viewed in this light, the cutback is closer to the \$500 million to \$800 million dollar range than to the \$30 million to \$122 million dollar reduction suggested in the budget.

WELFARE REFORM

The Administration has requested \$450 million budget authority for FY '73 to launch the administrative transition required under its pending welfare reform proposed. They propose to spend \$350 million for this purpose in FY '73. Full actual costs of assistance payments under the new welfare program would not begin until FY '74.

WELFARE PROGRAMS

[Budget authority in millions of dollars]

	1972	1973	Change
Welfare reform		450	+450
Social and Rehabilitation Service:			
Public assistance	12,215	13,370	+296
H.R. 1		-859	
Social and rehabilitation services	831	939	+108
WIN	259	205	-54
Assistance to refugees	144	160	+16
Research activities overseas	8	10	+2
Salaries and expenses	44	58	+14
Total, SRS	13,500	13,882	+382
Office of Child Development	391	409	+18
Headstart	(369)	(386)	(+17)

PUBLIC ASSISTANCE

[Budget authority in millions of dollars]

	1972	1973	Change
Maintenance assistance:			
November State estimates	6,708	7,606	+687
Administrative actions		-52	
H.R. 1		-159	

<sup>1</sup> A further clue to the administrative devices contemplated is found at page 451 of the Appendix: (5) Active management controls over the social services programs by establishing precise definitions of services and recipient populations for which Federal financial participation will be available . . . requiring a program budget backed by an

	1972	1973	Change
Medical assistance:			
November State estimates	4,052	4,617	-274
Administrative actions		-139	
H.R. 1		-700	
Social services:			
November State estimates	1,363	1,450	-122
Administrative actions		-209	
State and local training:			
November State estimates	46	51	+5
Child welfare services	46	46	
Total, public assistance	12,215	12,511	+296

SOCIAL AND REHABILITATION SERVICES

[Budget authority in millions of dollars]

	1972	1973	Change
Rehabilitation services	618	676	+58
State grants	(560)	(610)	(+50)
Developmental disabilities	50	44	-6
Administration on aging	45	100	+55
Youth development and delinquency prevention	10	10	
Research and training	109	109	
Total	831	939	+108

OFFICE OF CHILD DEVELOPMENT (HEADSTART)

The 1973 budget request for the Office of Child Development (OCD) is almost \$409 million. This represents an increase of nearly \$18 million over the \$391 million appropriated for 1972, or slightly under 5 per cent above last year's figure.

Most of OCD's money is used for the Head Start program. In FY '72 \$369 million of the \$391 million appropriated was for Head Start; in FY '73, \$386 million of the requested \$409 million is slated for Head Start. The increase in requested Head Start money is also just under 5 per cent.

The negligible increase requested in OCD-Head Start funds takes on added significance when viewed in conjunction with the President's veto of child care legislation and HEW's proposed administrative lid on social services expenditures (see discussion supra).

YOUTH DEVELOPMENT AND DELINQUENCY PREVENTION

The Juvenile Delinquency Act, which was slated to expire on June 30, 1971, was extended by Congress for one year. In FY 1971 HEW spent nearly \$15 million on the program; FY 1972 estimate is \$10 million. With the Act slated to expire at the end of 1972, legislation "fundamentally recasting" the program will be proposed. Recommended budget authority under the new legislation is \$10 million; estimated outlays for FY '73 (present programs and proposed legislation) total \$6 million.

MAINTENANCE ASSISTANCE

The cash assistance component of "welfare" is slated for complete overhaul under H.R. 1, the pending "Workfare" proposal. This legislation would not, however, take effect until 1974. Current estimated Federal expenditures for FY '72 total \$6.26 billion compared to the actual 1971 total of \$5.19 billion. In addition, the budget calls for \$450 million to finance start-up costs for implementation of welfare reform.

SPECIAL PROGRAMS FOR THE AGING

Following commitments made by the President at the 1971 White House Conference on the Aging, the 1973 budget calls for \$100 million for the Administration's programs on accounting system that will support program and financial audits as a basis for Federal financial participation.

million in budget authority from the 1972 level of \$45 million. The increase in funding is designed to provide additional home health aides, homemaker and nutrition services, home delivered meals, and transportation assistance to enable elderly persons to continue to live in their own homes.

SOCIAL SECURITY ADMINISTRATION

The budget calls for legislative action to increase social security benefits by 5 percent effective July 1, 1972; to provide automatic adjustments for increases in the cost of living; to allow recipients to retain a larger portion of their earnings without loss of benefits; and to increase widows' benefits to the level their deceased husbands would have received. Assuming enactment of the proposed legislation, outlays for cash benefit payments are expected to increase from \$38.5 billion in 1972 to \$43.8 billion in 1973. Of this \$5.3 billion increase, \$3.4 billion would result from the proposed legislation. Costs are financed out of trust funds rather than from general revenues. The employee contribution (tax base) was increased from the first \$7800 of income to a maximum of \$9000 on January 1, 1972.

ALLIED SERVICES ACT OF 1972

Although the Budget contains few details, a proposed major legislative initiative is the Allied Services Act of 1972. The legislation is designed to facilitate and reward integrated delivery of human services. States and localities would be encouraged to set up common intake and eligibility determination procedures, create comprehensive human service information systems, and engage in joint planning and budgeting. Certain waivers of present cumbersome Federal requirements would be allowed and fund transfers between various federally aided programs would be permitted. Strengthened administrative involvement of local elected officials in determining budget priorities and administrative arrangements where cities are affected is also envisioned.

SOCIAL SECURITY ADMINISTRATION

[In millions of dollars]

	1972	1973	Change
Trust fund outlays:			
Old-age survivors and disability insurance	40,040	42,014	+1,974
H.R. 1	13	3,500	+3,487
Medicare	8,972	9,916	+944
H.R. 1	2	520	+518
Administration	(1,164)	(1,279)	(+115)
Federal fund budget authority: Special benefits for disabled coalminers	592	557	-35

OUTLAYS VERSUS NEW OBLIGATIONAL AUTHORITY

An underlying cause of political and semantic tension between the federal and the local governments is the different point of view on what dimension of the budget is most important.

From the Administration's point of view, outlays are the thing. The budget is outlay-oriented because the Administration is concerned, above all, with spending and deficits in any given fiscal year.

From the point of view of Mayors and other local officials, new obligational authority is the thing, because it sets the limits on new projects that can be started in any given time period.

The glossary on the next page defines these and other terms used in the federal budget.

GLOSSARY

Fiscal Year—Year running from July 1 to June 30 and designated by the calendar year in which it ends.

Authorization—Basic substantive legislation which sets up a Federal program or



agency. Such legislation sometimes sets limits on the amount that can subsequently be appropriated, but does not usually provide budget authority.

**Budget Authority (BA)**—Authority provided by the Congress—mainly in the form of appropriations—which allows Federal agencies to incur obligations to spend or lend money. While most authority is voted each year, some becomes available automatically under permanent laws—for example, interest on the public debt. Budget authority is composed of:

**New Obligational Authority (NOA)**, which is authority to incur obligations for programs in the expenditure account; plus

**Loan Authority (LA)**, which is authority to incur obligations for loans made under programs classified in the loan account.

**Obligations—Commitments** made by Federal agencies to pay out money for products, services, loans, or other purposes—as distinct from the actual payments. Obligations incurred may not be larger than the budget authority.

**Outlays**—Checks issued, interest accrued on the public debt, or other payments made, net of refunds and reimbursements.

**Budget Surplus or Deficit**—The difference between budget receipts and outlays, representing the expenditure account surplus or deficit plus net lending.

**Federal Funds**—Funds collected and used by the Federal Government, as owner. The major federally owned fund is the general fund, which is derived from general taxes and borrowing and is used for the general purposes of the Government. Federal funds also include certain earmarked receipts, such as those generated by and used for the operations of Government-owned enterprises.

**Trust Funds**—Funds collected and used by the Federal Government, as trustee, for specified purposes, such as social security and highway construction. Receipts held in trust are not available for the general purposes of the Government. Surplus trust fund receipts are invested in Government securities and earn interest.

#### THE "NEW" ECONOMIC PROGRAM REVISITED

**HON. BELLA S. ABZUG**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mrs. ABZUG. Mr. Speaker, President Nixon is trying to suggest that the resignation of four of the labor members of the Pay Board is going to hamper the fight against inflation. As usual, Mr. Nixon is putting the cart before the horse, for the fact is that he has already failed, and failed miserably, in what he claimed was an attempt to ease the inflationary spiral.

Since the wage-price freeze was instituted last August, we have seen much evidence of the fact that working people are being asked to bear the lion's share of the program; prices and profits go up and up without any real regulation, while wages are pretty much held to 5 percent or less.

This morning's New York Times carried stories on several areas in which the President's program has been a total failure: during the month of February, the Consumer Price Index rose by five-tenths of 1 percent, an annual rate of 6 percent; consumer prices in the New York area rose almost a full 1 percent

during the month, for an annual rate of nearly 11 percent; over the past 3 months wholesale prices have been rising at an annual rate of over 10 percent; finally, the unemployment rate in the State of New York has just reached its highest point in 9 years, with 545,000 workers, or 6.7 percent of the State's labor force, out of work. These are the hard, cold facts that prove the bankruptcy of a program which is supposed to reduce inflation to between 2 and 3 percent by the end of 1972 and bring the unemployment rate down to the neighborhood of 4 percent.

Let us face it. The Nixon administration and its big business friends have been taking the working people of this Nation for a ride. In point of fact, I suspect that the resignees realized this some time ago, but stuck it out until now in the hope that conditions would improve. Instead, the situation has worsened and shows every indication of deteriorating still further in the future.

All of Mr. Nixon's public relations razzle-dazzle and pious rhetoric pales beside the facts. I predicted back in September that the "NEP" would fail, because it is an attack on symptoms rather than upon the disease. As I said in my testimony before the Committee on Ways and Means on September 16:

The most positive steps the President could take to strengthen our economy would be to end immediately and completely American involvement in the war in Indochina, cut back military spending on dollar-draining military bases in Europe and elsewhere, and instead of letting the so-called peace dividend be consumed by the Pentagon, use the funds for such purposes as to provide jobs, repair our decaying cities, build low and middle income housing, make mass transit facilities available, deal effectively with drug and pollution problems, and assure our 25.5 million poor people of a guaranteed annual income.

But instead of ending the war once and for all and reducing military expenditures, the President and some of his advisers are busily developing the myth that our economic problems are the result of the winding down of the war, rather than the war itself. George Romney, for example, said recently that if we have peace, we're going to have unemployment. Another Presidential myth is that of the lazy or greedy worker. I find it unseemly for the President to lecture the American people on the "hard work" ethic when millions have had to "moonlight" to make ends meet, when more than five million are looking for jobs and cannot find them, when more millions of women would work if there were jobs available for them and day care centers provided for their children, and when working people who empty bed pans in hospitals or wash dishes in high-priced restaurants or run elevators in luxury hotels frequently require supplementary welfare benefits to maintain their families because they earn such low wages.

The implication in the 90-day wage-price freeze is that rising wages and prices are responsible for inflation. I agree that prices have been rising at an unacceptable rate, but wage increases have certainly not kept pace with them. In a speech last spring (March 7), economist Leon Keyserling commented: "The wage earner continues to be pilloried as a main factor in the raging inflation, when in fact the real take-home pay of workers in manufacturing has declined during the past two years."

Mr. Keyserling suggested that a more likely factor in inflation was the Nixon administra-

tion's pre-NEP policy of raising interest rates. He pointed out that the Nixon budget projects about \$20 billion to pay interest on the national debt. "This is more than \$8 billion above what the interest payments would have been on a debt of the same size," he said, "if interest rates had stayed where they ought to be."

The President's unprecedented wage-price freeze, unencumbered by restraints on interest rates, profits or dividends, amounts, in effect, to a wage rollback since the cost of living as well as productivity is continuing to rise. Pay increases affected by the freeze are lost forever. They are not placed in escrow or deferred like corporate dividends or profits. The freeze is grossly discriminatory against teachers, against government workers, who have been singled out for a six-month penalty, and against women workers who, my office has been informed, will be barred from claiming back pay for unequal pay received during this period. Since it has been estimated that American business saves \$22 billion a year by paying women lower wages than men for doing essentially the same work, this 90-day freeze represents a tremendous loss for women who file back pay suits and, of course, another windfall for business.

Mr. Speaker, it is high time that we in the Congress stepped in, took charge, and began to straighten out this mess. If we are to have any sort of controls—and I suspect that we would be better off without any—then we must see to it that prices and profits are controlled, too.

I include at the conclusion of my remarks the statement of the AFL-CIO executive council on the resignation of the three AFL-CIO members, a news article on the resignation of Leonard Woodcock of the UAW, several other relevant articles and editorials, and my September 16, 1971, testimony before the Ways and Means Committee:

#### STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL

Seven months of the Administration's so-called new economic policy—including four months of Phase II controls—have demonstrated that it is nothing more than a device to make the average worker and consumer both the victim and the goat, while the banks and big business pile up increasing profits.

In the guise of an anti-inflation policy, the American people are being gouged at the supermarket and squeezed in the paycheck. The heaviest burden of this lopsided program is placed on the backs of those at the bottom of the economic ladder, who are least able to protect themselves. Meanwhile, millions of American workers remain unemployed, their wages frozen at zero, with no real prospect of relief.

The continuing, rapid rise of prices—such as February's 8.4% yearly rate of increase in wholesale prices—reveals the emptiness of the price control program.

Retail food prices have gone through the roof and are continuing up—eroding the buying power of American families.

While the Administration permits this rising tide of price increases, its Pay Board persists in holding down workers' wages. Yet profits are free to rise, without even the pretense of controls. Instead of a tax on excess profits, in a period of wage controls, the Administration has provided business with additional billions of dollars of tax bonanzas reducing Federal revenues and further inflating the deficit at the expense of the nation's most pressing needs.

Even the President's Council of Economic Advisers reports that 21% of the Consumer Price Index is not subject to any controls at all. Further exceptions are announced al-

most weekly and the Price Commission approves price boosts on a wholesale basis.

Interest rates were never controlled. Neither were fresh foods, which are part of the essential expenses of every family.

There are no controls on life insurance premiums, mortgage interest payments and the prices of land and homes. Neither are there controls on used cars, used furniture and other used goods which are bought primarily by the poor. Controls have been lifted from three-quarters of all retail stores and nearly half of all rental units.

Moreover, there is no effective machinery to enforce whatever price and rent controls remain on the books.

In the face of this record on the price-front, the Administration has flouted the intent of the Congress to exempt the working poor and low-wage workers from wage controls. The Administration's Cost of Living Council exempted only wages below \$1.90 an hour—less than the amount needed to meet the government-defined poverty-line for an urban family of four.

Wage increases for workers in even the smallest establishments require approval if they exceed the Pay Board's 5.5% guideline, although their employers are not required to file any notification about price or rent increases and may be completely exempt from such controls.

So the worker's wages are regulated and controlled, even when his employer is exempt from controls, while prices continue to "bulge."

As a result, profits have begun to skyrocket, despite the disappointing levels of sales and production, and continued heavy unemployment. In the second half of 1971, the after-tax profits of all corporations were up 19% from the same period of 1970—nearly three times faster than the 6.6% increase of total wage and salary payments to all of the nation's employees.

The lion's share of the gain in profits is going to the big corporations and conglomerate giants. Reports indicate that the nation's 100 largest corporations scored a sensational 76% rise in profits last year.

The Bureau of Labor Statistics reported on March 3 that the average hourly earnings of some 47 million production and non-supervisory workers in the private economy remained unchanged between January and February, at \$3.54, and were merely 3 cents above December. While prices are going up and profits are soaring, workers' wages have been held down.

The record of flagrant favoritism speaks for itself. The Administration's so-called new economic policy is heavily loaded against the worker and consumer, in favor of the profits of big business and the banks, and is dominated by the view that economic progress begins and ends in the stock market and the corporate financial report.

Slick rhetoric and double-talk cannot hide these self-evident facts from the American people. There is no fairness, no equity, no justice in the Administration's economic program.

#### THE PAY BOARD

The trade union movement's direct relationship with the Administration's control program has been with the Pay Board.

It is our duty to report, after four months' experience with this Board, that it is merely a direct instrument of the Administration's economic policies, motivated by the Administration's political considerations and the interests of big business.

We joined the Pay Board in good faith, desiring—despite our misgivings—to give it a fair chance, and with the hope that we could bring the voice of workers into the decision-making process of an autonomous and genuinely tripartite wage stabilization effort.

A few weeks after the Pay Board was cre-

ated, we reported to the Ninth Constitutional Convention of the AFL-CIO on November 18: "The trade union movement joined the Pay Board on the basis of a commitment from the President that it would be tripartite and independent and that the public members would be citizens of high repute, knowledgeability and neutrality. That commitment has not been kept."

The so-called public members are neither neutral nor independent. They are tools of the Administration, and imbued with its viewpoint that all of the nation's economic ills are caused by high wages.

As a result, the Pay Board has been completely dominated and run, from the very start, by a coalition of the business and so-called public members. All major Board decisions have been concocted by this coalition, with its mechanical majority of the votes. The trade union movement's representatives on the Board have been treated as outsiders—merely as a facade to maintain the pretense of tripartite body.

The Board's business and so-called public member majority has continuously revealed a contempt for free collective bargaining and freely negotiated labor-management agreements. They have shown an utter lack of understanding or sympathy for workers and the realities of industrial life.

In a supposedly free country, in time of peace, with no national emergency defined or like sacrifices required of the affluent elements of society, it is not tolerable to subject free American workers to control at such hands.

The system of wage controls, under the Administration and business-dominated Pay Board, has extended a web of confusion and chaos, in labor-management relations across the country. It has been a device to undermine and wreck free collective bargaining.

It is building up inequities, distortions and pressures that can only be suppressed by more and more controls and acts of repression.

Complex and sometimes contradictory regulations and reporting requirements have added confusion. Smaller unions and newly organized groups of workers, in particular, have been vulnerable to the stalling, the mix-ups and confusions.

Responsible collective bargaining agreements have been rejected and the Pay Board majority has been imposing the terms of settlements on the parties.

Equities have been ignored and workers have been denied basic rights.

Whatever small degree of justice has been achieved in the stabilization control program—such as the granting of deferred increases that were due, during the 90-day freeze, under previously negotiated agreements—has been the work of Congressional legislation, imposed on the Pay Board.

Although Administration spokesmen engage in public lectures on the urgent importance of increasing productivity, and provision for the recognition and reward of greater productivity is expressly incorporated in the enabling law, the Pay Board has given this issue short shrift so as to leave the major benefits of productivity gains in the pockets of employers. The rejection of the West Coast longshore agreement, for example, will mean an average loss of about \$1.150 for each of the 15,000 workers on the docks in the 18 months of the contract and a \$17 million windfall profit for the employers.

The Pay Board is an integral part of the Administrations' effort to place the burden of its failures on the backs of workers, while providing favors and financial gains to those who already have too much.

On November 18, we reported to the AFL-CIO Convention: "There is little hope that economic justice can be achieved by this Board, the majority of whom are guided by

the dictates of the Administration or the interests of big business."

We have reviewed the events of the past four months. We have carefully examined the record.

It is our duty to report, now, to the membership of the trade union movement and the American public that we have no hope for fairness, equity or justice in the Pay Board.

The Board is not tripartite. It is not independent and autonomous.

The Pay Board represents government control. It represents political and business interests.

If the wage stabilization program is to be government-controlled, let it be so, openly and clearly. Let the people who are exercising the power take the full responsibility for their decisions—without the facade of labor representation and the pretense of tripartitism.

The AFL-CIO members, therefore, are immediately resigning from the Pay Board.

We will not be a part of the window-dressing for this system of unfair and inequitable government control of wages, for the benefit of business profits.

It is now very clear that the Administration's "new" economic policy is nothing more nor less than a means of shifting to the average working man and his family the burden and the blame for the dismal failure of its former economic policy. It is an effort, at the expense of personal and institutional freedom in this country, to avoid the measures, resisted by big business and other selfish interests—such as constructive tax reform—most needed to correct the consequences of that failure. Having as we do a deep disbelief in and distrust of the aims and purposes of this Administration's economic and social policies, we intend at the least to free representatives of the AFL-CIO from any grounds for the inference of complicity in the formulation or execution of those policies.

[From the New York Times, Mar. 24, 1972]

#### WOODCOCK ASSAILS CURBS AS UNFAIR

(By Jerry M. Flint)

DETROIT, March 23.—The president of the United Auto Workers, Leonard Woodcock, quit the Pay Board today, joining three leaders in the American Federation of Labor and Congress of International Organizations yesterday.

This leaves only one union man, Frank Fitzsimmons, president of the International Brotherhood of Teamsters, on the panel, and he is staying.

"As long as I thought there was any chance that controls might become even-handed or that inflation might really be held in check, we were willing to go along," Mr. Woodcock said. "If the Administration had stepped up to its responsibility to check food price rises, to control interest, profits and dividends—to keep down the cost of living—I would have been willing to serve."

The auto workers president, following the lead of George Meany, president of the A.F.L.-C.I.O., presented a long list of complaints at a news conference here. But he emphasized that he was not quitting the Pay Board just because some decisions had gone against labor.

#### CRITICIZES PRICE RISES

Instead he complained about the continued price increases and said, "The Nixon game plan is to take worker money and place it in the pockets of employers through both action and inaction."

And he called the administration of Pay Board a "shambles." Thousands of cases have piled up and "literally dozens of cases have been lost or mislaid," he said. "Collective bargaining is paralyzed," and the Internal Revenue Service, which is to operate the



wage control system, is inept, he charged, and "offers contradictory and confusing advice to workers and employers."

"The administration of the Economic Stabilization Act, as amended, has been so scandalous and unfair that the U.A.W. called upon Congress for a prompt and full investigation," he said.

The AFL-CIO had told Mr. Woodcock that it was likely to pull out. "It had been coming for a long time," Mr. Woodcock said. "I share their feeling of being fed up with it."

As did the AFL-CIO, Mr. Woodcock complained that the board was not independent, as President Nixon had pledged, but that "the Administration has leaned on the Pay Board with a heavy hand." The industry and "so-called public members have prejudged cases before the board began consideration of them," and the "so-called public members of the Pay Board are in fact almost entirely representatives of big business and the Nixon Administration," he said.

He called Judge George H. Boldt, the Pay Board chairman, "a sweet lovable man who knows nothing about collective bargaining" and said that the judge had learned little in his "on-the-job training."

"We leave because the whole Nixon control system is an abomination, and the U.A.W. cannot in good conscience maintain any connection whatsoever with the system," Mr. Woodcock declared.

The U.A.W. and the teamsters are not members of the AFL-CIO; the auto workers quit and the teamsters were expelled from the federation. The auto workers and the federation have moved closer together the last two years, but the antagonism between the federation and the teamsters, the nation's largest union, still exists, and the teamsters are less likely to follow the lead of Mr. Meany and the federation.

The teamsters' major contracts also call for regular pay rises that push to the limits of the Pay Board's guidelines and so far the board has approved these raises.

[From The New York Times, Mar. 24, 1972]

#### STATE JOBLESS RATE HIGHEST IN 9 YEARS

ALBANY, March 23.—The state's unemployment rate reached a nine-year high in February, with 545,000 workers, or 6.7 per cent of the work force, without jobs, the State Labor Department reported today.

The Industrial Commission, Louis L. Levine, head of the Labor Department, said total employment statewide in February was 7,590,000, compared with 7,705,000 in February, 1971.

The unemployment figure for New York City was 240,500 for February, compared with 208,200 a year ago. The city figures meant 5.9 per cent of its work force was unemployed, compared with 5 per cent in February, 1971.

The statewide unemployment figure of 545,000 jobless was 55,000 more than in the same period last year.

As grave as the situation was, the state continued to fare better than its neighbors, Connecticut, and New Jersey.

In New Jersey, 7.3 per cent of the work force was jobless in February, with the highest percentage, 17.6 per cent, in Cape May County, primarily a resort area.

#### 49,000 JOBS UNFILLED

In Connecticut, 9.4 per cent of the work force was idle in February, with the highest percentage, 20.6 per cent, found in the Bristol manufacturing area.

None of the figures released by the Labor Department were adjusted for normal seasonal fluctuation.

In New York State, the Utica area had the highest unemployment rate for the second successive month. A total of 13,600 persons, or 10.3 per cent of the work force, were jobless last month, compared with a January figure of 12,800 or 9.8 per cent.

Commissioner Levine said that the Labor Department was making "every effort to help unemployed persons find jobs or train for new occupations." He said that at the end of February the department's employment service had listed 49,000 unfilled job openings.

These included, he said, 4,100 professional, technical and managerial occupations, some 9,000 clerical jobs, 3,000 sales posts, 10,000 domestic jobs and 2,200 machine-trades openings.

Following are unemployment totals and rates for the state's major industrial areas: Albany—17,600 jobless or 5.6 per cent of the area's work force, compared with 14,800 or 4.6 per cent a year ago.

Buffalo—51,100 out of work or 9.1 per cent, compared with 41,400 or 7.3 per cent a year ago.

Binghamton—7,600 or 6.4 per cent compared with 8,900 or 7.3 per cent a year ago.

Rochester—13,200 or 4.0 per cent, compared with 15,800 or 4.7 per cent a year ago.

Syracuse—15,600 or 5.9 per cent, compared with 16,200 or 6.2 per cent a year ago.

#### NEW YORK AREA BREAKDOWN

The statistics for the New York metropolitan area are as follows:

New York City—240,500 jobless or 5.9 per cent, compared with 208,200 or 5.0 per cent a year ago.

Nassau County—35,000 jobless or 6.5 per cent, compared with 31,900 or 5.9 per cent a year ago.

Suffolk County—34,000 out of work or 9.1 per cent, compared with 28,200 or 7.8 per cent a year ago.

Westchester County—22,200 or 5.9 per cent, compared with 19,700 or 5.3 per cent a year ago.

Rockland County, 4,600 or 6.0 per cent, compared with 3,500 or 4.7 per cent a year ago.

#### LOCAL LABOR LEADERS GENERALLY SUPPORT DECISION TO LEAVE THE PAY BOARD

(By Damon Stetson)

Labor officials at the local level here and in other parts of the country generally supported yesterday the decision of four labor members of the Pay Board to resign.

Some of these local leaders, complaining of continuing price rises while wage increases were being held down, also warned of possible strikes in the months ahead if the reconstituted Pay Board sought to enforce what they considered to be inequitable controls.

"The board was not a board of equity," Leon Davis, president of Local 1199 of the Drug and Hospital Union here, said "It was designed to keep wages down and boost up profits. The resignations of the labor people takes the facade off the board. Hopefully, their action will put labor in a position to fight it out in collective bargaining—with strikes if it becomes necessary."

The disillusionment of working men and women with an anti-inflation program that they contend is not working was a frequent refrain in comments of labor leaders in many cities.

#### COMPLAINTS IN LAUNDRY

In San Francisco, Henry Romiguere of the Laundry Workers Union said that members of his group were at first optimistic about the potential effect of government controls in curbing inflation.

"But they found since it started that they are losing more hours work, there is more unemployment, small cleaners are going out of business," he said. "They have been held back in their wages, but everything else keeps going up."

A member of the International Brotherhood of Electrical Workers in Cleveland said that it seemed to be only labor that was suffering while prices went up and business was still making good profits.

Referring to the resignations of the labor members, he said, "Maybe these guys can do more on the outside. Everything I read showed they were outvoted anyhow. Nobody seemed to listen to their arguments."

Not all of the labor union people interviewed agreed, however, that the withdrawal of four of the five labor members from the Pay Board was wise or likely to be effective.

George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, quit the board Wednesday along with I. W. Abel, president of the United Steelworkers of America, and Floyd Smith, president of the International Association of Machinists. Leonard Woodcock, president of the independent United Automobile Workers, quit yesterday.

#### LOST CONTACT SEEN

William F. Martin, president and business manager of Local 150 of the Operating Engineers Union, with 12,500 members operating heavy construction equipment in northern Illinois and Indiana, expressed the view in Chicago that labor needed representation on the Pay Board.

He said that he thought the leaders of the AFL-CIO had lost contact not only with the rank-and-file members but also with the leadership of local unions throughout the country. He favored younger people on the Pay Board, he said—people directly involved in contract negotiations.

"The effect of the walkout," he continued, "is to reduce the voice of labor in the control programs. But otherwise it will mean nothing because President Nixon is going to continue with the economic programs whether labor participates or not."

In Detroit, Edward Osinski, financial secretary of U.A.W. Local 205, was critical of the walkout of Mr. Meany and the others.

"How's he going to straighten it out by walking out?" he asked. "I had the feeling it [the Pay Board] wasn't perfect, there was no adequate control, you have a freeze on wages but none on prices. But, then, inflation has to be stopped."

Luke Pinyan of Carpenters Local 225 in Atlanta was another who was concerned about labor being hurt as a result of its reduced representation on the Pay Board.

"I think maybe Mr. Meany thought he had probably done all he could for labor and that's why he left," Mr. Pinyan said. "But from here on in, it doesn't look like we'll have much of a voice on the board."

#### EARLY ERROR SUGGESTED

In Boston Edward T. Sullivan, business agent for Local 254 of the Service Employees International Union, suggested that the labor members never should have taken seats on the Pay Board.

Moreover, he said, labor should have walked off when its representatives learned that wage increases were going to be limited to a percentage figure without any thought being given to higher percentage increases for low wage workers.

Frank Brown, director of organization for District 65 of the National Council of Distributive Workers, expressed concern also about the impact of Pay Board rulings on lower-paid workers.

He said that the board had lost any semblance of being independent after the Cost of Living Council, overruling the board, specified that only hourly earnings below \$1.90 an hour were exempt from controls although a majority of the Pay Board had decided the \$1.90 limitation was too low.

Morris Iushewitz, secretary-treasurer of the New York City Central Labor Council, said that labor had sought to cooperate in the anti-inflation effort but that its cooperation had brought nothing.

"Wages were strictly controlled but prices were not," he said. "Workers have been asking their wives as Nixon told them to do at

the A.F.L.-C.I.O. convention. But there's no indication inflation has been stopped."

Albert J. Fitzgerald, president of the United Electrical, Radio and Machine Workers of America, an independent union, said that he fully supported the labor member withdrawals. He had said earlier that Phase Two of President Nixon's stabilization program did nothing but "continue the Nixon policy of putting the blame and burden of inflation on the working people of America."

**FOOD COSTS RAISE PRICES 0.5 PERCENT IN UNITED STATES, 0.9 PERCENT HERE**

(By Edwin L. Dale, Jr.)

WASHINGTON, March 23.—The Government confirmed today what housewives already knew—that soaring food costs, led by meat, raised over-all consumer prices sharply in February.

However, nonfood prices, both goods and services, rose only slightly on the average. These are the prices subject to the Government's program of controls.

The Consumer Price Index for February rose by five-tenths of 1 per cent, the largest increase since last June, before the wage-price freeze and the subsequent controls program. The increase was the same both before and after adjustment of the data to reflect normal seasonal changes in some prices.

Three-quarters of the rise was accounted for by food prices, which are essentially free to rise because there are no controls on the prices farmers charge.

As usual, there was a flood of commentary on the figures.

C. Jackson Grayson Jr., chairman of the Price Commission, announced that public hearings would be held on the cost of food "because of the level of concern across the nation." According to the announcement, however, "Mr. Grayson emphasized that the action should not be construed as an indication of expanded restraints in that area of the economy." He called the hearings a "fact-finding mission."

Herbert Stein, chairman of President Nixon's Council of Economic Advisers, said that the February statistics "provide encouragement about the success of the stabilization program." He stressed that farmers' cattle and hog prices are now dropping from their peaks and that "the average retail price of nonfood commodities declined one-tenth of 1 per cent on a seasonally adjusted basis."

Noting that farm and food prices have always been volatile, Mr. Stein told a news conference that "I am more optimistic than before" about achieving the Government's target, which is a reduction in the rate of inflation to from 2 to 3 per cent by the end of the year. Taken by itself, the February rate of increase on an annual basis was 6 per cent.

**O'BRIEN SEES FAILURE**

Lawrence F. O'Brien, the Democratic National Chairman, called the over-all price increase "a national tragedy that reaches into every household in America." He said that the February index "exposes Mr. Nixon's economic program, with its unfair and arbitrary features, as an utter failure."

George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, repeated the view he expressed yesterday when he and two other labor members resigned from the pay board.

"The price control program is a sham," he said. "While prices are going up, workers' wages are being held down."

The consumer Price Index for February was 123.8, with prices in 1967 taken as 100. The increase in the month for food prices, seasonally adjusted, was 1.7 per cent, the largest for any month since 1958. Seasonal adjustment is a statistical device to eliminate the effects of purely seasonal factors from the figures and make the underlying trend clearer.

**SERVICE RISE EASES**

However, the price of services, long the most steeply rising sector of consumer prices on a month-after-month basis, rose only two-tenths of 1 per cent. Mr. Stein noted that service prices in February were 4.1 per cent above a year earlier, "the lowest annual rate of increase since 1965."

This category includes a wide variety of consumer expenses, such as medical care and mortgage interest rates, automobile repairs and insurance, haircuts, and local transit fares.

One service category that continued to go up sharply in February, the report said, was residential telephone and electric service.

Apart from services and food, there were a number of offsetting increases and decreases in prices. Reported as lower were gasoline, new cars and used cars. Higher were women's apparel, cigarettes, textile home-furnishings, toilet goods and reading materials.

Of about 100,000 month-to-month prices checked by the Bureau of Labor Statistics to help assess the controls program, 70 per cent were unchanged in February, 22 per cent increased and 8 per cent declined. The report said that "the widespread increase in food prices" accounted for the larger proportion of price increases than in previous months since the controls program began.

**CLOTHING, RENT, AND TAXES ADD TO LOCAL INCREASE**

(By Grace Lichtenstein)

Consumer prices in the metropolitan area spurred sharply last month, the Bureau of Labor Statistics reported.

The Consumer Price Index was up nine-tenths of 1 per cent or seven-tenths of 1 per cent after seasonal influences were taken into account. This was the largest advance since last May and was considerably greater than the five-tenths of 1 per cent increase—both in the index and after seasonal adjustment—recorded for the nation as a whole in February.

Herbert L. Bienstock, regional director of the bureau, attributed the increase here in large part to unusually high prices for women's and girls' clothing, higher meat prices, increased state sales taxes for gasoline, liquor and cigarettes, and higher rents.

A 4 per cent jump in meat prices in February accounted for one-third of the overall increase in the Consumer Price Index, as did the 6 per cent increase in women's and girls' clothing.

Mr. Bienstock said the meat price increases (a pound of pork chops that cost \$1.29 in January jumped to \$1.43 in February) reflected cutbacks at the start of the year in pork production, as well as a demand for beef and pork that outpaced the supply.

He said the rise in clothing prices was more difficult to explain. "Frankly, I can only conjecture," he said, "but maybe this being New York, the spring lines are coming in earlier than in the rest of the country."

The rising cost of liquor, cigarettes and gasoline, brought on by the higher state taxes, accounted for one-fifth of the over-all index increase. Also pushing the index upward were higher rents, reflecting in part rent control increases effective in January but not measured by bureau price checkers until February.

Mr. Bienstock warned that the increase in the rent index, which was 1 and one-tenth per cent in February, might turn out to be even higher when increases on additional rent-controlled apartments are instituted retroactive to the first of the year. If that is the case, the February index would be revised.

**SMALL RISE IN EXEMPT ITEMS**

Mr. Bienstock noted that the February jump was "the first really sharp increase in the index since the end of the price freeze"

last November. In January, the increase was five-tenths of 1 per cent, on an adjusted basis.

Within the nine-tenths of 1 per cent overall increase, only two-tenths of 1 per cent could be attributed to items exempt from price controls, such as raw agricultural products and state taxes. The other seven-tenths of 1 per cent of the rise occurred even though the items in question were covered by the stabilization program.

For the first three full months of Phase Two—December, January and February—the total increase in the index here was 1 and four-tenths per cent. That was twice the increase recorded for the September-through-November period during the freeze.

Since February, 1971, consumer prices in the area have risen 4 and nine-tenths per cent, compared with the 6 and four-tenths per cent 12-month increase reported for the previous year.

**INDEX OF CONSUMER PRICES**

**UNITED STATES**

	Index for Feb., 1972	Percentage change from		Point change from Jan., 1972
		Jan., 1972	Feb., 1972	
All items.....	123.8	+0.5	+3.7	+0.6
Food <sup>1</sup> .....	122.2	+1.6	+5.4	+1.9
Housing <sup>2</sup> .....	127.6	+2	+4.1	+6.3
Apparel and upkeep <sup>3</sup> .....	120.7	+4	+2.2	+5
Transportation.....	118.3	-6	+7	-7
Health and recreation.....	124.7	+3	+3.7	+4
Medical care.....	131.0	+4	+4.1	+5
Personal care.....	118.4	+3	+2.6	+3
Reading and recreation.....	121.5	+1	+3.4	+1
Other goods, services.....	124.3	+6	+4.4	+8

**NEW YORK AREA**

All items.....	129.5	+9	+4.9	+1.1
Food <sup>1</sup> .....	126.9	+1.4	+5.7	+1.7
Housing <sup>2</sup> .....	133.7	+5	+6.4	+6
Apparel and upkeep <sup>3</sup> .....	122.1	+2.3	+2.3	+2.8
Transportation.....	132.1	-2	+2.9	-2
Health and recreation.....	128.9	+5	+4.1	+7
Medical care.....	138.6	0	+4.1	0
Personal care.....	116.9	( <sup>4</sup> )	+3.5	( <sup>4</sup> )
Reading and recreation.....	124.9	-5	+2.6	-6
Other goods, services.....	128.7	+2.3	+5.9	+2.9

<sup>1</sup> Includes restaurant meals.  
<sup>2</sup> Includes hotel and motel rates, home purchases and other home-owner costs not shown separately.  
<sup>3</sup> Includes infants' wear, sewing materials, jewelry and apparel upkeep not shown separately.  
<sup>4</sup> Not available.

Source: U.S. Department of Labor, Bureau of Labor Statistics 1967=100.

**PRICE SKYROCKET...**

Misguided as is the walkout of four top unionists from the Pay Board, their action does sharply raise the question of whether the Administration's anti-inflation program is fairly balanced with respect to both wages and prices. That question is made sharper still by the official report yesterday that the consumer price index climbed one-half of 1 per cent last month—the largest increase since before President Nixon's New Economic Policy was launched last summer.

Even this sizable jump in living costs—6 percent at an annual rate and 8.4 percent in New York—will seem like an understatement to many housewives. Grocery prices, perhaps the most sensitive element in families' budgets, jumped 1.9 percent last month—more than 20 percent at an annual rate—the biggest single monthly rise in fourteen years.

Although Government economists keep saying they fully expected this price bulge after the freeze ended last November, there are reasons to worry that the bulge may widen rather than diminish in the months ahead. Wholesale prices have been climbing at an annual rate of more than 10 percent for the past three months.



Farm prices, which are largely exempt from controls, accounted for much of this increase. But industrial commodities, the focus of the control effort, climbed at a 5 percent annual rate in both January and February. The pass-through of cost increases by manufacturers threatens to keep the heat on the consumer.

The Administration's basic mistake has been to combine its program to stimulate recovery by boosting spending, cutting taxes, and running big deficits with a soft price-control program. This poor combination now threatens to let inflation get out of hand; it may also slow the recovery and prolong unemployment.

Mr. Nixon is now faced with the choice of watching his anti-inflation program disintegrate or taking the necessary steps to strengthen it and save his over-all economic program, both domestically and internationally. This necessitates a tough decision to check climbing food prices, in the face of political opposition from the farm bloc. The public hearings on rising food costs to be held by the Price Commission early next month ought to be a starting point for decisive action, not more fumbling evasion.

There is also need for tougher enforcement standards against companies that have ignored the Price Commission's general rules intended to keep profit margins from going up as a result of higher prices or controlled wages. A hint that the commission does intend to crack down on profiteers came with its decision this week to freeze all prices for companies whose quarterly reports indicated that their profit margins had climbed.

It is time also for the commission to begin applying the President's mandate early in the control program to require companies enjoying large productivity gains to share windfall profits with the public in the form of lower prices. An essential element in the effort to hold the economy-wide rate of price increase this year to 2.5 percent is that some prices come down and not all go up.

TESTIMONY OF CONGRESSWOMAN BELLA S. ABZUG BEFORE THE HOUSE WAYS AND MEANS COMMITTEE, SEPTEMBER 16, 1971

Chairman Mills, members of the Committee, I welcome this opportunity to appear before you today to testify on President Nixon's New Economic Program, even though I am not an economist. That may not necessarily be a handicap when one considers that most economists are only wise after the fact and rarely agree with each other, or even with their own past analyses.

I speak rather as a member of Congress who is concerned with the social orientation and effect of our economic policies and as a representative of a district whose festering needs have been largely ignored by this Administration. These needs, I might add, will continue to be slighted by the new White House policies.

The President's proposals, which I shall discuss in more detail shortly, reinforce his position as the superchief of corporate America. Although many Americans have been stunned by the reversal of the President's economic policies, from hands off to sweeping interventionism, there is a consistency that ties these policies together, in that big business remains the favorite and working people and small business are still the victims.

When the President set out originally to "cool" the economy and succeeded in presenting us with inflation and recession at the same time, it was working people and small businessmen who were most severely affected by government-manipulated unemployment. Now, too, it is working people and small business who bear the burden of the wage-price freeze while big business is pampered with

tax incentives and accelerated depreciation.

One of the most remarkable aspects of the national discussion about NEP is the extent to which it has managed to ignore the central fact of American life and a major cause of our economic problems. I refer, of course, to the inflationary pressures created by our military spending which now amounts to \$78 billion a year and which Defense Secretary Laird proposes to increase by another \$3 billion next year.

The most positive steps the President could take to strengthen our economy would be to end immediately and completely American involvement in the war in Indochina, cut back military spending on dollar-draining military bases in Europe and elsewhere, and instead of letting the so-called peace dividend be consumed by the Pentagon, use the funds for such purposes as to provide jobs, repair our decaying cities, build low and middle income housing, make mass transit facilities available, deal effectively with drug and pollution problems, and assure our 25.5 million poor people of a guaranteed annual income.

But instead of ending the war once and for all and reducing military expenditures, the President and some of his advisers are busily developing the myth that our economic problems are the result of the winding down of the war, rather than the war itself. George Romney, for example, said recently that if we have peace, we're going to have unemployment. Another Presidential myth is that of the lazy or greedy worker. I find it unseemly for the President to lecture the American people on the "hard work" ethic when millions have had to "moonlight" to make ends meet, when more than five million are looking for jobs and cannot find them, when more millions of women would work if there were jobs available for them and day care centers provided for their children, and when working people who empty bed pans in hospitals or wash dishes in high-priced restaurants or run elevators in luxury hotels frequently require supplementary welfare benefits to maintain their families because they earn such low wages.

The implication in the 90-day wage-price freeze is that rising wages and prices are responsible for inflation. I agree that prices have been rising at an unacceptable rate, but wage increases have certainly not kept pace with them. In a speech, last spring, (March 7), economist Leon Keyserling commented: "The wage earner continues to be pilloried as a main factor in the raging inflation, when in fact, the real take-home pay of workers in manufacturing has declined during the past two years."

Mr. Keyserling suggested that a more likely factor in inflation was the Nixon administration's pre-NEP policy of raising interest rates. He pointed out that the Nixon budget projects about \$20 billion to pay interest on the national debt. "This is more than \$8 billion above what the interest payments would have been on a debt of the same size," he said, "if interest rate had stayed where they ought to be."

The President's unprecedented wage-price freeze, unencumbered by restraints on interest rates, profits or dividends, amounts, in effect, to a wage rollback since the cost of living as well as productivity is continuing to rise. Pay increases affected by the freeze are lost forever. They are not placed in escrow or deferred like corporate dividends or profits. The freeze is grossly discriminatory against teachers, against government workers, who have been singled out for a six-month penalty, and against women workers who, my office has been informed, will be barred from claiming back pay for unequal pay received during this period. Since it has been estimated that American business saves \$22 billion a year by paying women lower wages

than men for doing essentially the same work, this 90-day freeze represents a tremendous loss for women who file back pay suits and, of course, another windfall for business.

For the worker, the freeze is grossly inequitable but for management it means, at least, a ceiling on an important part of total operating costs. Where price increases have been made in anticipation of wage increases (as on important steel products), the wage freeze provides a widening of profit margins. Roughly half of these unexpected profits will go to the U.S. as taxes; the other half will stay in corporate coffers. Thus, unions in some cases find themselves in the strange position of having negotiated higher earnings for the owners rather than higher wages for their members.

It should also be noted that the freeze on salaries affects only part of executive compensation or income. Many executives have been granted options to purchase the stock of their employing companies; many already own such stock or stock in other companies. There is no freeze on the gains they may make in trading these securities, and no doubt they profited greatly from the \$40 billion stock market boom which greeted the President's August 15th announcement.

While the freeze on wages is painfully real, no enforcement machinery exists to supervise the price freeze. In any case, the Bureau of Labor Statistics has said that the cost of living is not frozen because some 10% of the items included in the cost of living index are exempted from the freeze. Thus, those on fixed incomes—which now include all wage earners, pensioners, and welfare recipients—will continue to suffer erosion of real income.

With his single-minded concern for the interests of big business, President Nixon has enunciated a policy under which corporations can continue to increase their profits and the rich can continue to use methods of enhancing wealth not available to the large majority of America. The Administration has rejected the concept of an excess profits tax. With rare candor, Secretary Connally said recently, "There are no excess profits." According to the Secretary, in an interview August 16, "the profits of American business have not been that big."

On the contrary, the August newsletter of the First National City Bank of New York reported that corporate earnings in the second quarter of this year were up 11% over the year before, and that the index of after-tax earnings in manufacturing in the second quarter of this year was 18% higher than in 1967, or almost at the all-time high reached in the fourth quarter of 1968. And these increases were accomplished during a period when output was about 73% of capacity.

Increases in bank profits have also continued high, as a result of favored treatment by the Nixon administration. The Bank of America, with the largest deposits of any U.S. Bank, showed a 17.7% boost in net income per share.

A sample of other bank gains during the past year reveals the following: J. P. Morgan & Co., 21.9%; Chase Manhattan, 25.6%; First Chicago Corp., 14.3%; First National Bank in Dallas, 19.2%; Bankers Trust, 36.1% (Source, UAW Washington Report, September 6, 1971).

I would like the members of this committee to contrast the advantageous position of the corporations and banks with that of a wage earner in the New York area. In 1970, the real spendable earnings of a worker with three dependents was \$117 a week. I challenge any of you to try to live on that income and at the same time find yourself assailed by the President as an inciter of in-

flation. In fact, the BLS maintains that a moderate standard of living in the New York area requires \$205 a week. As we have seen, the average wage earner is nowhere within sight of that income and by Presidential decree he has now been frozen into his sub-standard style of living.

What will happen when the 90-day freeze ends, or ends for all but government employees who have been singled out for an unfair six-month freeze? As must be evident by now, I do not favor a continuation of the freeze, nor do I favor compulsory, although more flexible wage-price controls. Representatives of organized labor have indicated they would accept a voluntary program of controls on wages, prices and profits, supervised by a tripartite labor-management-public board. It has been suggested that under such a policy pay increases would be tied to increase in productivity and the cost of living. This would mean that the wage earner would relinquish his claim to any real improvement in his standard of living, which I was raised to believe was as much a part of the American ethic as hard work.

During World War II, American workers voluntarily accepted a no-strike pledge and wage controls, even though prices continued to go up. They did so as part of a national commitment to win the war and to defeat Nazi Germany, Fascist Italy and Imperial Japan. No such common purpose unites our nation now as to require unilateral sacrifices by working people and small businessmen. On the contrary, the American people have overwhelmingly rejected the war in Indochina, which they would like to see ended now and which the Nixon Administration still refuses to do.

If voluntary controls on wages, prices, profits, interest rates and dividends were instituted as part of a great national effort to redirect our priorities away from military spending and toward the real needs of our people; if this Congress addressed itself to the question of curbing monopoly or so-called managed pricing, which Senator Philip Hart has indicated costs American consumers over \$45 billion a year; if an effort were made to correct the maldistribution of income in our economy, which now sees the top 20% of all U.S. families cornering 41% of the income while rising numbers of Americans are forced on to the jobless or welfare rolls, then, of course, I would support controls. I will, however, oppose any effort to perpetuate gross inequities.

I believe that the Administration's tax proposal reflects its misplaced priorities and must be rejected in favor of individual tax relief for low and moderate income individuals and federal subsidies in job creative, socially useful endeavors.

The 10 percent investment tax credit has as its underlying assumption the belief that our economic problems are caused by an inability to produce sufficient goods. In actuality, there is presently some \$70 billion in unused productivity in our economy. Some 27 percent of our industrial capacity stands idle. There is a sluggishness in the consumer end of the economic equation: inflation, high interest, unemployment and lack of consumer confidence have combined to retard consumer demand.

In his new program, the President pledges to reduce taxes, proposes an equivalent, and highly selective, cut in federal expenditures. The decline in government spending and the reduction in the government work force will more than offset the projected expansionary effect of the tax cut.

But in any case, under the Administration plan, the individual taxpayer is given virtually no relief. While the President would advance tax cuts from 1973 to 1972, providing a family of four with a \$10,000 annual income with what is estimated at a \$57-\$95

savings, this would be more than absorbed by the social security tax rise set to go into effect on Jan. 1, 1972. As a minimum, this increase must be postponed to permit the individual taxpayer any relief at all under the Nixon plan.

The Administration calls the investment tax credit a "job development" credit, but aside from pious recitation of an arbitrary figure by Administration officials, there is no evidence that any significant number of jobs would be created by instituting the 10 percent investment tax giveaway. There are other reasons for rejecting the investment tax credit: it provides tax incentives for things a prudent businessman would do in any event, such as modernizing equipment; and it encourages economically marginal ventures which would not have otherwise been undertaken. There is no assurance that subsidized economically marginal activities would be otherwise socially redeeming.

Rather than seeking to achieve laudable social aims through the backhanded device of investment credits, which provide no opportunity for appropriate controls or accounting, I propose that the 10 percent investment tax credit and the accelerated depreciation range (ADR) approved illegally by the Treasury Department earlier this year without Congressional sanction be rejected in favor of federal subsidies for housing, child care centers, mass transit, manpower training and other job creating activities and individual tax relief.

In place of the \$9 billion business boondoggle, I propose also that the low income tax allowance which is presently set to rise to \$1,000 be raised to \$2,000, thus directly benefiting the working poor and moderate income taxpayer. The total cost of such a program would be \$4.5 billion.

In an immediate economic sense, the increase in the low income allowance would have maximum consumer impact since low income people ordinarily spend their money for consumer goods rather than invest it, as do higher income individuals. Even more important, we would be taking a small step toward a more equitable distribution of the tax burden, which is long overdue.

In addition to individual tax relief for low and moderate income taxpayers, immediate attention must be given to the development of a comprehensive federal construction program for urban areas concentrating initially in depressed economic areas. Such a program could combine effective manpower training and improvement of the urban environment, which would consequently create more jobs and help retard the present rate of urban decay.

This is one way that Congress and the Administration can begin to fulfill the promise of the National Full Employment Act of 1946, which committed the government to providing "useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

With unemployment exceeding five million, and most statisticians consider that grossly underestimated, it is urgent for the government to provide constructive employment, particularly for women, for young people, for Blacks and Puerto Ricans, for returning Vietnam Vets, all groups that have been most seriously affected by the recession.

As for the proposed abolition of the seven percent automobile excise tax, the Administration says this will save taxpayers \$2.1 billion a year. This may be true if they actually buy the X number of cars projected in the estimate. But are people who can afford a new car the ones who most need \$2.1 billion of federal help?

The tax rebate is primarily a profit-generator for the auto industry, which will be able,

in effect, to reduce car prices by that \$2.1 billion and reap the benefits of the broadened market. More cars will be produced. But does traffic-choked, polluted America need more cars, rather than a stimulant for mass transit or the construction of low cost housing? Here again we see the absurdity of the Administration's priorities.

We see, too, the need for adoption of an economic reconversion bill, such as that introduced by Senator McGovern which would not only reorient the industries involved but liberate aerospace workers, missile workers and others from the indignity of depending on anti-social products for their livelihood.

The Administration's international trade decisions—the "floating" of the dollar and the imposition of a 10 percent surcharge on imports—should be discussed in the context of American foreign policy and the extraordinary flight of American capital abroad over recent years.

As economists Peter Passell and Leonard Ross pointed out in the current New York Review of Books (Sept. 23 issue), the dollar's pre-devaluation privileged position in world finance made it easier to fuel the war in Vietnam. But, they continued, "stringent adherence to the orthodox rules would have limited our power to achieve all of our objectives, including the most deplorable ones. But it is not military adventures that the Nixon administration intends to jettison. What Nixon has mainly accomplished by his devaluation of the dollar is a transfer of wealth from American consumers to citizens in foreign countries and to high-priced American manufacturers."

As we have seen, the Administration has opposed vigorously Senator Mansfield's proposal for a reduction of our troops in Europe under NATO, which would certainly have reduced the out-flow of dollars.

Furthermore, in many cases, we are today competing not with foreign companies, but with foreign-based divisions of American corporation, particularly in Germany, France, Great Britain and Canada.

At the end of World War I there were about 250 foreign subsidiaries of U.S. corporations. In 1970 alone, more than 8,000 American investments in overseas companies came to some \$70 billion. It has been suggested that if the amount of foreign capital controlled by these American enterprises is added, the total for 1970 is more like \$100 billion in overseas investments.

The adverse results of this development have been felt most severely by small business and by working people who see their jobs disappear under the floodtide of cheap imports.

Before we take steps to impose quotas or tariffs on foreign imports, we should revise our laws that are structured to encourage the development of these multinational, American corporations. We should try doing away with some of the incentives that lead domestic companies to go overseas to use cheap labor to produce the goods which are then sold here.

Special low tariff rates are given to foreign-assembled goods which use parts or raw goods shipped to assembly points from the United States. Taxes are deferred—often forever—for foreign subsidiaries of American corporations. Foreign production uses technology developed at the expense of American taxpayers.

As I have said in a speech on the floor of the House (August 5), clear legislative direction is necessary to give the Administration authority—and the will—to regulate, supervise and curb the outflows of American capital.

Criteria to guide the President in his exercise of such authority should include considerations of the kinds of investment proposed to be made abroad, the products in-



volved, the countries in which the investments would be made, the linkage of the investments to the flow of trade and the effect of the investments upon our domestic economy and employment.

I realize, of course, that these proposals and some of the others I have made here today are outside the immediate purview of this committee, but they are essential to the larger view of our economic problems which will undoubtedly guide your actions.

The 10 percent import surtax, which is one of the few features of the Nixon plan that has the approval of unions, which are understandably concerned with foreign competition, was evidently designed to give relief to three big, and highly concentrated, U.S. industries: Steel, auto and chemical. Insofar as it is successful in cutting down imports of cheaper Japanese and German steel and autos and cheaper synthetic fibers, cameras, and TV sets, it will be a relief to Americans working in those industries, but it will also increase the costs to American consumers and drive up the cost of living for pay-frozen Americans.

The President's economic proposals, regrettably, invite the charge of favoritism on several fronts. The investment tax credit, for example, rewards midwestern industrial centers that are "capital intensive" with high factory equipment costs, while the import surcharge penalizes port enterprises in cities on the eastern and western seaboard.

New York is such a city, and 40 percent of the men and women who work there hold jobs either directly or indirectly related to maritime commerce. The protectionist surtax may prove to injure this vital component of New York's economy.

Even the apparel industry, in theory our local beneficiary of this policy, is concerned about reprisals in the international marketplace. I object to New York's having to bear the burden of momentary adjustment while Detroit, Cincinnati and other cities in the midwestern region reap a whirlwind of profits during this period.

For all too long, the federal government has paid lip service to the small businessman while pacifying him with fragmentary financial assistance. In light of the present incursions on New York's retail and import communities, if the surtax is continued, and I am still not convinced that this is the wisest course, then the monies collected from the 10 percent import charge at New York harbor should be placed in a fund to promote export development and international travel. Both these industries are deeply entwined in the fabric of New York's economy and in need of rejuvenation. This is a proposal to which I hope further attention will be given.

Another possible avenue of relief for New York would be to multiply the amount of financial aid available from the federal Small Business Administration by a factor corresponding to the impact visited on New York's retail and manufacturing activity by the import surcharge. Depressing port business must eventually injure other facets of our economy. From the street level, that could mean fewer people working or smaller paychecks.

In conclusion, I urge the rejection of President Nixon's New Economic Program, which is outrageously designed to aid big business at the continued expense of the middle-class, small businessmen, working people and the poor.

Congress must assume the responsibility of fashioning an economic program aimed at human, not corporate, values. I have outlined steps which I think Congress can take to provide genuine well-being for all our people, but I would remind you again that the essential first step is to withdraw totally from Vietnam and to curb the military budget.

## RESTORATION OF THE CAPITOL IS BEST PLAN

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA  
IN THE HOUSE OF REPRESENTATIVES  
Thursday, March 23, 1972

Mr. FAUNTROY. Mr. Speaker, I am distressed to learn that the Architect of the Capitol has concurred in recommending extension of the west front of the building that has symbolized the strength and the greatness of our Nation through democratic representation of the whole people. Our Capitol is more than the meeting place of the Legislature; it is the embodiment of the hopes and aspirations of people throughout this land and the world. As such, it is a functional historical monument whose only alterations should be those which are necessary to and consistent with the architectural and historical integrity that surrounds it.

The editorial in the Washington Post of March 13, 1972, very cogently articulates the rationale and need for restoration. For those members who may have missed it, I am attaching it:

### OBSTINATE VANDALISM ON CAPITOL HILL

Obstinate vandalism has once again triumphed on Capitol Hill. We cannot conceive that it will ultimately prevail.

In an arrogant maneuver of dubious legality and in the face of clear opposition on the part of the nation's architects and architectural historians, not to speak of a contrary recommendation by its own expert consultants, the ruling congressional establishment has decided to proceed with its old plan to extend the west front of the United States Capitol. Seven men—House Speaker Carl Albert, Vice President Spiro T. Agnew, House majority and minority leaders Hale Boggs and Gerald R. Ford, Senate majority and minority leaders, Mike Mansfield and Hugh Scott and the Architect of the Capitol, George M. White, who are ex officio members of a commission created for the purpose in 1955—would rebuild the most prominent part of the Nation's First Building in the image of (declining) Roman imperialism so that it would be physically and spiritually akin to that pompous disaster, the Sam Rayburn House Office Building. It makes not a shred of sense in terms of history, function, finance or aesthetics.

Historically, or rather anti-historically, what the extenders would do, is to bury the last remaining external vestiges of the Capitol as it was originally designed and built. William Thornton's softly elegant sandstone facade is the only visible link to the Capitol's beginnings in the early years of the Republic. It is the last remnant of an architecture that was at once inspired by and expressive of the Jeffersonian concept civilization, a concept that believed in gentle manners, the virtues of classical beauty and the pursuit of happiness. This part of our history would be irretrievably obscured behind a glossy, new marble facade, some 70 feet further out, which, far from expressing our own time, fakes classic architecture in a clumsy way. To make matters worse, the extension of the building into a massive box will ruin the commodious terraces designed by Frederick Law Olmsted, America's greatest landscape architect, reducing them to a narrow strip. It would puncture Olmsted's blank terrace walls with windows, destroy his landscaping with a service road and spoil the present sight of the dome by setting it much too far back on the building,

much as a brazen drunk pushes back his hat.

All this, ironically, could well turn the Capitol into a messy construction site during the summer of 1976, just when millions of Americans will flock to Washington to celebrate the 200th anniversary of the nation and pay their respects to our historic traditions.

Functionally, the extension folly was to be justified by the need to rebuild the "crumbling" west front walls. The alleged crumbling, which so frightened the last Architect of the Capitol, George Stewart, has been proven a myth in an extensive study by Praeger-Kavanagh-Waterbury, a reputable architectural engineering firm, selected under Mr. Stewart's regime and retained by Congress under Public Law 91-145 of 1971. The present Capitol Architect, George M. White, called it "a careful and diligent open-minded study." It concluded, in sum, that there was nothing wrong with the west front that careful restoration could not fix under all five conditions set down by Congress two years ago. The conditions were, in sum, that restoration could, without undue hazard, make the building safe, sound, durable and beautiful for the foreseeable future and that restoration would be no more disrupting than extension and wouldn't take any more time.

Now the argument is made, that Congress needs more space *within the Capitol* and that is only a little less spurious. Under the Stewart plan most of the 4½ acres of expanded space was to be used for tourist cafeterias, "a giant Howard Johnson," as one Congressman put it. The new architect has thought better of duplicating the tourist services which the proposed Visitors' Center in the remodeled Union Station will provide a few hundred yards away. Mr. White talks of 285 offices and conference rooms. But he does not give any reason why these offices must be built *inside* the Capitol.

Nor does Mr. White say anything about a recent report by a task force of the American Institute of Architects which found the present space within the Capitol "crowded, misused and underused" all at the same time. It noted that many functions now located within the building have no reason for being there. And it urged a rational space utilization and development plan outside the old building since the proposed extension "will not begin to meet present, least of all projected, space needs."

Financially, the extension plan is as illogical as it is shocking. The extenders imply that they are not bound by Public Law 91-145 because restoration would cost more than \$15 million. What with the rise in building costs and the contingencies of all careful restoration work, it probably will. But is that any reason to spend an estimated \$60 million on the extension? A few years ago the extension was to cost only \$45 million—no less than \$166.95 a square foot which was five times more than the Rayburn Building, at the time the most expensive office building in the world (since eclipsed by the Federal Bureau of Investigation building). Why should we believe that the cost will not go up by another \$15 million or more in another few years?

But apparently nothing can be done to stop this flat until Mr. White has drawn up the \$2 million worth of extension plans for which Congress appropriated the funds in 1969. This will assure him a place in history as the Architect of the Great Capitol Boondoggle. But when he comes back to Congress with this folly and an appropriation request for \$60 or \$75 or \$100 million to carry it out, Congress will, we are sure, refuse him. For Congress is responsive to the people. And the American people, after far too many years of destructive "progress" which bulldozed away some of our more cherished landmarks, are gaining a new and wholesome respect for our historic heritage. They like the Capitol as it stands.

IN SUPPORT OF ISRAEL

**HON. LOUIS STOKES**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. STOKES. Mr. Speaker, on March 21, 1972, the Congressional Black Caucus, which I chair, issued a resolution in strong support of the nation of Israel.

We pledged our continuing support to the concept that Israel has the right to exist in peace as a nation. We cited the friendship that exists between the land of Israel and her young African neighbors, which is mirrored in the long-term friendship between American Jews and black Americans.

On May 18, 1970, I had the opportunity to visit Israel. During my weeklong visit, I met with Israeli officials and discussed with them, in depth, the subjects of education, housing, and the military. I learned that Israel has been able to solve many of the problems with which our country is still grappling; they have, for example, made significant inroads upon the overwhelming problem of poverty. I witnessed for myself the close relationship that exists between Israel and her African neighbors.

I urge my colleagues and my fellow citizens to join me during the Passover week in remembering Israel and wishing her eternal success and strength as an independent nation.

The Congressional Black Caucus statement follows:

**CONGRESSIONAL BLACK CAUCUS REAFFIRMS ITS POSITION ON THE STATE OF ISRAEL**

WASHINGTON, D.C., March 21, 1972.—The Congressional Black Caucus today reaffirms its friendship with the State of Israel with the following statement:

**STATEMENT**

As the Black elected representatives to the U.S. Congress, we reaffirm our position that we fully respect the right of the Jewish people to have their own state in their historic National Homeland. We vigorously oppose the efforts of any group that would seek to weaken or undermine Israel's right to existence.

The American people, including Black Americans, have cherished the friendship of both the peoples of Israel and the Arab states. Our Government, reflecting that friendship, has sought to promote an Arab-Israel peace and has provided both Israel and the Arab states with economic assistance to raise the living standards of their people. Our Government has also contributed more than one-half billion dollars for the relief and rehabilitation of the Palestinian Arab refugees.

Moreover, we think it appropriate to call special attention to the cordial relationships Israel has maintained with the developing Black nations in Africa and the third world nations in Asia.

Indeed, it was the establishment of the State of Israel in 1948—a revolutionary development in the Middle East—which helped stimulate the national aspirations of many Black people who were then under colonial rule in Africa.

As these new states were established, many were impressed and helped by Israel's example. Israel sent her teachers, technicians, and experts to many countries. Thirty Black African nations, from Burundi to Zambia, have benefitted from Israel's financial and

technical assistance. Hundreds of Africans come to Israel each year for specialized instructions within her universities and training centers for short-term, intensive courses in social work, vocational education, scientific farming and urban development.

In the last decade more than 7,000 Black Africans have received training in every phase of nation-building: road building, publishing, child care, higher education, and citriculture aid.

In times of crises—epidemic, wars, famines—Israel has sent tons of relief supplies and medical aid to her African neighbors.

Indeed, the example set by the Jewish people in their long struggle to overcome oppression and to win freedom, from the time of Moses to the establishment of the State of Israel, has helped inspire Black people in this country to strive for self-respect and dignity and to revive their own cultural heritage.

We pledge our continued support to the concept that Israel has the right to exist in peace as a nation.

**NATIONAL WILDLIFE WEEK**

**HON. MARIO BIAGGI**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. BIAGGI. Mr. Speaker, wildlife constitutes a vital factor in the world's ecological system, as well as an integral part of its environment. Our various species of animals are a natural resource as precious as any other, and, perhaps, more precious than most. Thus, the problems of species survival and preservation deserves that same attention, recognition and, most importantly, that same concern which we have given in recent years to other environmental problems such as air and water pollution. It is with this in mind that I join in this week's celebration of National Wildlife Week.

Since entering Congress, I have recognized conservation as a major natural concern, particularly in the sphere of protecting our wildlife. There were two areas which I deemed to be of the greatest significance: The protection of species of animals which were in danger of extinction, and the prevention of cruel and barbaric treatment of wildlife.

In the first area, I am an original sponsor of the Endangered Species Conservation Act amendments which will broaden the number of species designated as endangered. This will protect certain subgroups of animals which without such legislation would be hunted into extinction. I also am a cosponsor of another amendment to the same act which will double the monetary authorization for implementing the law. This will put more muscle in the enforcement of the Endangered Species Act. The effects of this enforcement are already apparent. Several notable actions have taken place recently. Whales and the eight species of spotted cats are placed on the endangered species list. At the same time poachers of alligators and killers of polar bears are being prosecuted in separate cases.

Additionally, the Committee on Merchant Marine and Fisheries, of which I

am a member, has completed or is completing work on numerous bills to protect our wildlife resources. We have just begun hearings on the protection of predator birds such as the hawks and owls which are threatened by unscrupulous hunters.

I am a cosponsor as well of legislation in the committee that would permit the transfer of surplus Liberty ships to the States for use as offshore reefs to serve as fish habitats. These habitats in turn provide not only good fishing, but multiply the food sources available for ocean mammals and sea-oriented birds.

The committee has completed action, and the House has passed bills, to establish the San Francisco Bay National Wildlife Refuge and to protect the Atlantic salmon. The latter bill was signed into law by the President recently.

With respect to the second area, that of the prevention of cruel treatment of our wildlife, I was an early sponsor of the Harris-Pryor ocean mammals protection bill. This bill would have prevented the senseless killing of ocean mammals which in many cases may soon face extinction. The bill that emerged from committee was not as strong as the original legislation so I and others introduced several floor amendments to strengthen the bill. Unfortunately we were not completely successful.

However, in other legislative efforts, I and others were successful in obtaining passage and final signature into law of legislation to prohibit the shooting of wildlife from aircraft. Also, the House has approved the bald eagle protection bill which was developed in my committee.

These legislative efforts are but a few of the steps being taken today to protect our Nation's wildlife resources. In recent years Congress and the American people have recognized the need to make a stronger commitment to preserving our wildlife resources. Not since Teddy Roosevelt saw fit to set aside Rock Creek Park in the city of Washington so that the people could enjoy nature has the Government responded adequately to the need of our Nation's animal resources.

Mr. Speaker, as we celebrate National Wildlife Week, let us be cognizant of the important role wildlife plays both in our ecosystem and our environment; and let us treat these creatures with whom we share this thin crust of the earth with the same care and concern as we do our other precious natural resources.

**BYELORUSSIAN INDEPENDENCE DAY**

**HON. CARLETON J. KING**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1972

Mr. KING. Mr. Speaker, on March 25, our fellow citizens of Byelorussian origin will celebrate the anniversary of the independence of the land of their fathers.



The free Republic established in Byelorussia in 1918 was based on respect for the dignity of the individual and equality of opportunity for all.

Unfortunately, this Republic did not

last long and became one of the captive nations suffering under the yoke of communism. We are glad that many from that rich and fertile country came to the United States where they and their de-

scendants are enjoying dignity and freedom.

It is fitting for all Americans to show our sympathy to their hopes for the restoration of liberty in Byelorussia.

## HOUSE OF REPRESENTATIVES—Monday, March 27, 1972

The House met at 12 o'clock noon.

The Chaplain, the Reverend Edward G. Latch, D.D., offered the following prayer:

*The Lord is my strength and my song, He is my God, my father's God, and I will exalt Him.—Exodus 15: 2.*

Gratefully, O God, do we lift our spirits unto Thee giving Thee the thanksgiving of our hearts for Thy never-ending goodness to us and to Thy children. We remember that Thou didst lead the children of Israel from bondage to freedom, from darkness to light and from despair to hope. In grateful memory of this wonderful deliverance is celebrated this week the joyful festival of the Passover.

We thank Thee for Thy providence which keeps the spirit of truth and justice and peace alive in the hearts of men. May all persecution cease, all bondage disappear, and all oppression be erased from human life everywhere. Let Thy blessing rest upon the house of Israel and upon every one of us. Together may we unite in singing the songs of freedom as we journey to the promised land of liberty and justice for all. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1975. An act to change the minimum age qualification for serving as a juror in Federal courts from 21 years of age to 18 years of age.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 18) entitled "An act to amend the U.S. Information and Educational Exchange Act of 1948 to provide assistance to Radio Free Europe and Radio Liberty."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9526. An act to authorize certain naval vessel loans, and for other purposes.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in

which the concurrence of the House is requested:

S. 141. An act to establish the Fossil Butte National Monument in the State of Wyoming, and for other purposes;

S. 3153. An act to amend the act of January 8, 1971 (Public Law 91-660; 84 Stat. 1967), an act to provide for the establishment of the Gulf Islands National Seashore, in the States of Florida and Mississippi, for the recognition of certain historic values at Fort San Carlos, Fort Redoubt, Fort Barrancas, and Fort Pickens in Florida, and Fort Massachusetts in Mississippi, and for other purposes;

S. 3159. An act to authorize the Secretary of the Interior to establish the John D. Rockefeller, Jr., Memorial Parkway, and for other purposes;

S. 3178. An act to amend the Communications Act of 1934 to relieve broadcasters of the equal time requirement of section 315 with respect to candidates for President and Vice President;

S. Con. Res. 59. Concurrent resolution to authorize the loan of the Cornelia Fasset painting, "The Electoral Commission of 1877," to the National Portrait Gallery of the Smithsonian Institution;

S. Con. Res. 63. Concurrent resolution to establish a Joint Committee on Inaugural Ceremonies of 1973; and

S. Con. Res. 70. Concurrent resolution authorizing the printing of additional copies of Senate hearings on the Consumer Product Safety Act of 1971.

The message also announced that the Vice President, pursuant to Public Law 207, 81st Congress, appointed Mr. GAMBRELL as a member of the Board of Visitors to the U.S. Coast Guard Academy.

The message also announced that the Vice President, pursuant to Public Law 301, 78th Congress, appointed Mr. CHILES as a member of the Board of Visitors to the U.S. Merchant Marine Academy.

### CALL OF THE HOUSE

Mr. MYERS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 90]	
Abbutt	Bow
Abernethy	Celler
Abourezk	Chappell
Alexander	Chisholm
Anderson,	Clark
Calif.	Clawson, Del
Anderson,	Clay
Tenn.	Collins, Ill.
Badillo	Conyers
Baring	Culver
Bell	Davis, S.C.
Bevill	de la Garza
Blaggi	Delaney
Bingham	Dickinson
Blackburn	Dowdy
Blanton	Dulski
	du Pont
	Dwyer
	Edmondson
	Edwards, La.
	Esch
	Eshleman
	Fish
	Flowers
	Ford,
	William D.
	Fraser
	Frelinghuysen
	Gallifanakis
	Gallagher
	Gaydos
	Gettys

Gialmo	Murphy, N.Y.	Scherle
Goldwater	Nix	Scheuer
Hagan	Patman	Sikes
Halpern	Pepper	Smith, N.Y.
Harrington	Pike	Springer
Helstoski	Podell	Steiger, Ariz.
Hillis	Preyer, N.C.	Stokes
Hull	Pryor, Ark.	Stuckey
Jones, Tenn.	Rarick	Teague, Calif.
Kemp	Reld	Terry
Landgrebe	Reuss	Thompson, Ga.
Leggett	Rostenkowski	Tiernan
Lent	Rousselot	Van Deerlin
McCloskey	Roy	Vander Jagt
McKinney	St Germain	Whalley
Mann	Sarbanes	Yates
Moorhead	Satterfield	

The SPEAKER. On this rollcall 336 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committees:

WASHINGTON, D.C.,  
March 23, 1972.

HON. CARL ALBERT,  
House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: Having changed my registration yesterday from Republican to Democrat, I hereby resign from the Committee on Education and Labor and the Committee on Government Operations, as a Republican member.

With warm regard,  
Sincerely yours,

ODGEN R. REID.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

### AUTHORIZING CERTAIN NAVAL VESSEL LOANS

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9526) to authorize certain naval vessel loans, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 12, strike out "four" and insert "five".

Page 3, after line 7, insert:

"Sec. 5. Any loan made to a country under this Act shall not be construed as a commitment by the United States to the defense of that country."

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, I do think the House ought to have a few words of explanation as to what the Senate amendments contain.