



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 93<sup>d</sup> CONGRESS, SECOND SESSION

## SENATE—Wednesday, May 29, 1974

The Senate met at 11:15 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

### PRAYER

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

O God, whose word declares, *Keep Thy heart with all diligence, for out of it are the issues of life.*—Proverbs 4: 23, give this Nation a quiet fervency in nourishing the things of the spirit. Cleanse our common life of all that corrupts or contaminates the inner being. Deliver us from all that is alien to Thy spirit—all rancor, all bitterness, resentment, and hatred. Give us grace that we may guard diligently the life of the soul. Make and keep our hearts a holy of holies—a sacred sanctuary where Thy spirit abides and guides all outer actions. May good lives flow from the hidden springs of love and hope, peace and joy, kindness and trust, that Thy spirit may rule the Nation as Thou dost rule in every heart.

We pray in His name who promised that the pure in heart shall see God. Amen.

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D.C., May 29, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,  
President pro tempore.

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

### THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, May 28, 1974, be dispensed with.

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

CXX—1046—Part 13

### NATIONAL AMERICAN INDIAN POLICY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 836.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:  
A concurrent resolution (S. Con. Res. 37) on national American Indian policy.

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

There being no objection, the concurrent resolution was considered and agreed to.

The preamble was agreed to.

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

Whereas it is recognized by the Congress that the American Indian stands in a unique legal, social, and economic relationship to the Federal Government which is based upon the Constitution, treaties, statutes, Executive orders, agreements, judicial decisions, and history; and

Whereas it is further recognized that this unique relationship is the basis for the Federal responsibility to protect lands, resources, and rights of the American Indians as well as to provide basic community services to American Indians residing on reservations and in other areas considered to be within the scope of the trust relationship; and

Whereas it is understood that as citizens of the United States and the communities in which they reside, American Indians are entitled to share and participate on the same basis as all other citizens in the full range of social and economic development programs authorized by Federal, State, and local units of government; and

Whereas the Federal Government is responsible for assuring that the aforementioned rights of American Indians are fulfilled and that eradication of adverse economic, education, health, and social conditions which prevent any American from achieving a life of decency and self-sufficiency is a priority national goal: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) our national Indian policy shall give full recognition to and be predicated upon the unique relationship that exists between this group of citizens and the Federal Government and that a Government-wide commitment shall derive from this relationship that will be designed to give Indians the freedom and encouragement to develop their individual, family, and community potential

and to determine their own future to the maximum extent possible;

(2) this statement of national Indian policy replaces the policy set forth in House Concurrent Resolution 108, Eighty-third Congress (August 1, 1953);

(3) improving the quality and quantity of social and economic development efforts for Indian people and maximizing opportunities for Indian control and self-determination shall be a major goal of our national Indian policy;

(4) there should be a recognition of Federal responsibility to see that those Indians residing beyond the areas served by special Indian programs and services are given equal consideration with other citizens in the provision of services by other Federal, State, and local agencies;

(5) Indian property will be protected; Indian culture and identity will be respected; and Congress will commit and dedicate itself to support a policy of developing the necessary programs and services to bring Indians to a social and economic level of full participating citizens;

(6) the Office of Management and Budget should submit an annual report to the Congress showing combined expenditures made by all departments and agencies of the Federal Government for the social and economic betterment of Indians; and

(7) as used in this resolution the term "American Indian" or "Indian" shall include "Alaska Natives".

### COMMITTEE MEETINGS DURING SENATE SESSION

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

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

### DEATH OF STEWART ALSOP

Mr. MANSFIELD. Mr. President, while I was out of the country, I learned with great sorrow of the death of Stewart Alsop, one of the finest columnists in the Nation, a man of independent judgment, a man of accuracy, and a man who I think made his profession look exceedingly good.

There is not much one can say about this man who knew death before it reached him, but I ask unanimous consent to have printed in the RECORD a commentary which appeared in Newsweek under date of June 3, 1974, under the byline of Mel Elfin.

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

STEWART ALSOP, 1914-1974

*A dying man needs to die, as a sleepy man needs to sleep, and there comes a time when it is wrong, as well as useless, to resist.*—Stewart Alsop, "Stay of Execution"

There seemed, for so long, no limit to Stew Alsop's will to resist. All through a debilitating, wasting illness, Stew lived so gracefully, so courageously and so productively that sometimes it was hard to believe him a man under sentence of early death. This week, however, 34 months after that summer day when he climbed to the top of a small trash pile at his country home and found himself "gasping like a fish on a beach," Alsop's stay of execution was abrogated. At 60, in a hospital bed at the National Institutes of Health in Washington, he finally succumbed to a by-product of a mysterious leukemia that his doctors could neither adequately diagnose nor treat.

For more than five years, Stew Alsop filled this page with reportage and commentary that was insightful, influential, often brilliant and almost always the envy of those of us in Washington journalism who lacked both his contacts and his clarity of thought. To Stew, the tight little world of political Washington was "The Center" (a title he used for a 1968 best seller on the Capital) and after a quarter century in this city as editor, reporter and columnist, he knew, was respected by and had access to almost every major figure of our era.

Henry Kissinger, on a diplomatic mission to Moscow in 1972, took along Stew's medical records so that they could be analyzed by Soviet doctors. And during his first stay at NIH, Richard Nixon himself called to ask the question that has echoed around "The Center" for more than two years: "How's Stew?"

The answer, until a final erosive siege at the hospital, was that Stew was doing very well, indeed. Whatever toll it may have taken physically, Stew's illness seemed to enhance his already great professional talents. His final columns, notably those on Watergate and the Presidency, pecked out in an office that had almost the entire city of Washington for an appropriate backdrop, were among the most remarkable of his career. Out of a pair of columns on his puzzling illness (which Stew was initially reluctant to run because "nobody would be interested") grew his last book, "Stay of Execution," a memoir, clinical report and poetic essay on approaching death.

Even when rumbled in thought over his typewriter, laughing in a basso-profundo voice at the latest political joke or padding about the Newsweek bureau in an ancient pair of bedroom slippers, Stew projected an aristocratic mien. His erect bearing combined with a wonderfully ruddy complexion to make him look as if he had always just come in from grouse-shooting on the moors.

With Roosevelts (including two Presidents) as kin on his mother's side and a distinguished lineage stretching back seven generations almost to the Mayflower on his father's, Stew was the very model of the Connecticut Yankee gentleman. Raised in a sprawling white-clapboard farmhouse in Avon, a beautiful New England village near Hartford, Stew received the very model of a Connecticut gentleman's education—first Groton, where his head was stuffed with English literature, English history and English manners, then Yale, class of '36.

Stew rarely raised his voice or lowered his guard in public. He was respectful of his elders, gracious with his colleagues, considerate of children, loyal to friends, and at all times manifested a pre-liberation attitude of courtesy toward women. Even when his body was corroded with pain, Stew would struggle to his feet when a woman entered the room.

Like other members of the WASP elite (whose decline he viewed with the same

clinical detachment as he did his own approaching death), Stew took a semischolarly interest in his forebears. Yet far from being afflicted with a "Mayflower complex," Stew was amused that, along with the poets and politicians, his ancestors included a murderer and an indentured servant and that the family name probably was derived from "ale shop."

In his own generation, Stew remained steadfastly loyal to the family and family name (he was privately annoyed when anyone persisted in mispronouncing it "Al-sop" instead of "All-sop"). He deeply loved his sister and two brothers and although he could argue politics long into the night with Joseph, four years his senior, Stew would vigorously defend him outside the family circle. So satisfying did he find the "sense of being a part of a continuum" that he had six children of his own and often said he would have liked to have had more.

It was the family connection that drew Stew into journalism in the first place. After four years of war service with the British Army in Africa and later with the OSS (in 1944 he parachuted behind German lines in France), during which he won several medals and a beautiful British bride, Patricia Hankey, Stew accepted what he felt was brother Joe's "eccentric invitation" to join him in producing his syndicated column. In 1958, Stew left Joe to become national-affairs editor and later Washington editor of The Saturday Evening Post. Then, in July 1968, he joined NEWSWEEK as a Washington columnist.

As a stylist, Stew favored the simple declarative sentences he learned at Groton. But he gave to the political lexicon such memorable phrases as "hawks and doves," "egghead," "Irish Mafia," "eyeball to eyeball" and "Masada complex," description of Israeli foreign policy that drew the personal, albeit grandmotherly, wrath of Golda Meir upon him at a Blair House luncheon last year.

As did many journalists of his generation, Stew started out with vaguely New Deal sympathies but moved progressively back toward the political middle as he grew older. Personally, he was closely attuned to sophisticated politicians like Nelson Rockefeller and John Kennedy; still, he long harbored a grudging admiration for Richard Nixon as one of the shrewdest operators of his time—until Watergate.

To the end, Stew considered himself a reporter and a pundit second. He abhorred writing columns on the basis of cerebration alone, and nothing frustrated him more about his illness than the long, enforced absence from "The Center" of which he was such a vital part.

As he had vowed he would, Stew Alsop did not go gentle into the night. The way he died kept faith with the way he had lived—proudly, fully, wisely, lovingly. He did us honor by having been our friend.

#### SENATOR MANSFIELD'S MEETING WITH THE PRESIDENT OF FRANCE

Mr. MANSFIELD. Mr. President, on yesterday, the distinguished Republican leader had the following to say about my meeting with the President-elect of France, Valéry Giscard d'Estaing:

I think this is a good time to note that with very few exceptions, the majority and minority in Congress are pretty much of one mind regarding the foreign policy of the United States.

As to Europe, the views of the distinguished majority leader are well known concerning the withdrawal of forces, which represents a position further than that which I would take. But on the broad questions of cooperation with France, with the Common

Market, with our allies and associates, and on the broad questions of détente with the Socialist countries of Europe, we are pretty generally in agreement.

Whether I am engaged in a conversation with the President of Romania, Mr. Ceausescu, or Senator MANSFIELD is engaged in a conversation with the President of France, I think the country can feel entirely safe in the understanding that neither of us would seek to create unnecessarily any problems in the course of the administration of our foreign policy.

I think this is a very good thing. It does not apply to many countries. In many countries, if a member of the majority were to talk to foreign leaders outside of his country or if members of a minority were to do so, there would be widespread concern as to whether those issues would be carried back within the country and become bitterly fought contentions, leading to confrontations and dissensions. This is not true in our country.

Later the distinguished acting majority leader (Mr. ROBERT C. BYRD) said:

Mr. President, I share the viewpoint that has been expressed so eloquently and ably by the distinguished Republican leader. I know that Mr. MANSFIELD will be most appreciative of the minority leader's comments, and I also wish to express my gratitude.

I am most appreciative of the Republican leader's and the acting majority leader's comments, and I would like to add to what he said by making a brief statement this morning.

Mr. President, on Saturday morning last, I had a 50-minute visit with President Valéry Giscard d'Estaing in his office in the French Ministry of Economics and Finance. In paying my respects and in extending President Nixon's best wishes, I found him warm, friendly, intelligent, and independent. On behalf of the joint leadership of the Congress I formally and personally invited him to address a joint session of the Congress when he paid an official visit to the United States. The joint leadership was delighted when told of his acceptance of the invitation. He is a man who is aware of the problems which confront the Fifth French Republic and is committed to the national sovereignty of his country and favorably inclined to a European entity to go along with it.

He is an acknowledged expert in the field of economics and finance and he brings to his high office the faith of his countrymen to chart an up-to-date future in accord with the times. He faces some difficult problems having to do with inflation and the balance of payments, difficulties brought about, in part, by the oil embargo and the subsequent price increases.

He has an excellent relationship with Chancellor Helmut Schmidt of the Federal Republic of West Germany, and I would hazard the guess that, on the basis of their intimate associations down through the years, that they will work very closely together not only for the betterment of their respective countries, but for a stronger and more stable Europe.

The French people, the entire Western World, will look with high hopes to the results which the President of France will achieve in the 7 years of his term. He will, I am sure, show qualities of both



statecraft and political skill which will place him in the forefront of the democratic chiefs of state of the West. His style will be more open, as witnessed in his walk to his inauguration, the attendance by all present at the Elysee Palace in business suits and with the guard of honor being composed of troops from the tank regiment in which he served so well in World War II.

He brings a new generation into France's political life and he has the opportunity to be a President of magnitude, an outstanding leader, and a beacon to greatness. He has just announced the appointment of his Cabinet and it, too, I believe, represents well the Fifth Republic, is younger in years than its predecessors, and will give to France the broad vision and the prestige so necessary in these troubled times in the Western World.

I would anticipate that the President will be innovative, imaginative, and inspirational in his thinking and in his leadership. That France has problems no one will deny, but we can be sure that these problems will be faced up to and solutions sought for the purpose of creating a better future for all Frenchmen.

As far as French-American relationships are concerned, they will continue to be good and will get better with the passage of time. After all, there has been a special feeling between our two countries going back 200 years to the period of our Revolution.

I might state, incidentally, that there were more French troops at Yorktown in the Continental Army than Americans; that behind the Franco-American force, primarily in Yorktown, was the French fleet off the Virginia capes, and behind them the treasury of the French kingdom at that time; and because of this factor we can never forget the impetus, the assistance, the help which France gave us at a time when we were trying to achieve our own independence, and perhaps in subsequent years caused France to pay a pretty high price herself.

In my opinion, a potentially great leader has come upon the scene at the right time, in the right country, and in the right place. Mr. President, I ask unanimous consent to insert in the RECORD at this point a news story carried in today's New York Times under the byline of Flora Lewis, which lists the cabinet appointments of President Valéry Giscard d'Estaing.

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

**GISCARD PRESENTS CABINET OF NONPOLITICAL SPECIALISTS**

(By Flora Lewis)

PARIS, May 28.—Valéry Giscard d'Estaing, who was inaugurated as President of France yesterday, today announced the new cabinet, a younger, technically more qualified government team.

The most surprising aspect was the number of nonpolitical appointments. There were four ministers from the career civil service or professional life, including the key ministers of foreign affairs and finance.

Jean Sauvagnargues, the ambassador to West Germany, was named Foreign Minister, an appointment that came as a surprise. He is a career diplomat with a reputation for technical competence and no particular point of

view, beyond a life-long specialization in German affairs.

**FRIENDLY TO THE U.S.**

Fellow ambassadors in Bonn, interviewed by telephone, said he was friendly to America and had on occasion sent dispatches to Paris urging a "more reasoned approach to the United States."

The Finance Minister is Jean-Pierre Fourcade, who worked for a number of years with Mr. Giscard d'Estaing, when he was Minister of France.

Mr. Fourcade re-enters government after a stint in the banking world, where he headed several companies of which the most important was the Bank for Industrial and Commercial Credit.

During one period of government service, he was in charge of price controls. Inflation is one of the urgent problems facing the new Government.

**GISCARD TO GO ON TV**

Ostensibly, the Cabinet is responsible for the new Premier, Jacques Chirac, who was named yesterday. But the President's predominant role in choosing the group was underscored by an announcement that he would explain the selections on television tomorrow.

Only three ministers, including Mr. Chirac, remained from the previous government and there were 12 new faces, most of them relatively unknown. One former ministerial secretary, Christian Bonnet, was promoted to the Cabinet as Minister of Agriculture.

Even among the 12 with political affiliations, many are known more for their administrative or technical qualifications than for their political careers.

The number of Gaullists has been cut in half, from ten to five. The only holdover, besides Mr. Chirac, is the former Defense Minister, Robert Galley, who now heads the Ministry of Equipment and Regional development.

**THREE NEW GAULLISTS**

The new Gaullist ministers are: Jacques Soufflet, a flier who holds the Distinguished Flying Cross of the United States, at Defense; André Jarrot, a former motorcycle champion, at Quality of Life, the new name for what had been called the Ministry of Environment and Cultural Affairs; and Vincent Ansquer, a former businessman and planning specialist on economic planning, at Commerce and Craft Industries.

The cabinet choices made no special bow to the Gaullist party's dominant role in the National Assembly. They strengthened speculation that fragmentation of the party was one of the President's political priorities.

On the other hand, the small reformist party, which had been in opposition under the late President Georges Pompidou, was given four ministries.

The most important, Justice, went to Jean Lecanuet, who had supported Mr. Giscard d'Estaing, from the outset of the campaign. His co-leader and sometime rival, Jean-Jacques Servan-Schreiber, was made Minister of Reforms, a new ministry to reform administration at the regional and local levels, which Mr. Servan-Schreiber has long advocated.

He is the successful publisher of the news weekly L'Express and, after long hesitation, came out in support of Mr. Giscard d'Estaing toward the end of the campaign.

Pierre Abelin, a close associate of Mr. Lecanuet, was given the portfolio of Development Aid. The Ministry of Labor, which may be a crucial post if there is economic unrest, went to Michel Durafour, a reformist who is better known by the name of Pierre Jardin, the pseudonym he uses as the author of detective stories.

President Giscard d'Estaing gave three ministries to his own Independent Republican party. He made clear that the most important member of the new government

would be his longtime associate and closest political friend, Michael Poniatowski, the Minister of Interior.

It was announced that he, not the Premier, would report on the first meeting of the Cabinet tomorrow. He was also the only other politician present when the President and Premier Chirac completed the Cabinet list today.

Michael d'Ornano, the Mayor of Deauville and the party's secretary, at the Ministry of Industry, and Mr. Bonnet, at Agriculture, were the two other Independent Republicans on the new team.

Following is the list of the new Cabinet: Premier—Jacques Chirac, Gaullist.

Minister of State and Interior Minister—Michel Poniatowski, Independent Republican.

Justice—Jean Lecanuet, centrist reformer.

Defense—Jacques Soufflet, Gaullist.

Reform—Jean-Jacques Servan-Schreiber, centrist reformer.

Foreign Minister—Jean Sauvagnargues, ambassador.

Economy and Finance—Jean-Pierre Fourcade, civil servant.

Education—René Haby, civil servant.

Development Aid—Pierre Abelin, centrist reformer.

Equipment and Regional Development—Robert Galley, Gaullist.

Agriculture—Christian Bonnet, Independent Republican.

Minister for the Quality of Life—André Jarrot, Gaullist.

Health—Mrs. Simone Veil, lawyer.

Industry—Michel d'Ornano, Independent Republican.

Commerce and Craft Industry—Vincent Ansquer, Gaullist.

Labor—Michel Durafour, centrist reformer.

Mr. HUGH SCOTT. Mr. President, I am most grateful to the distinguished majority leader for his having taken note of what was said yesterday. It will be my honor and privilege to continue that sort of relationship and that bipartisan dedication to the maintenance of a high level in our foreign policy considerations so that other nations may be sure where we stand and what we stand for.

**STEWART ALSOP**

Mr. HUGH SCOTT. Mr. President, in the loss of Stewart Alsop we have been deprived of a friend, but truth also has lost a friend. Here was a man who adhered to no ideology because that sort of foolish consistency would have deprived him of his unerring targeting in logic, and with logic and reason of the facts put together would establish a thesis worth the consideration of his readers, and he did his work superbly.

He was a great journalist; he was a great human being; he was a good man to know; and an excellent man to listen to.

I recall that the late Mr. Justice Oliver Wendell Holmes, who was not deprived of his full years upon this Earth, said in his last public address, "This tweeks my ear and says, 'Not yet.'" For some 30 months Stewart Alsop had death at his ear and tweeking his ear and saying, "Not yet."

He lived with this knowledge, and he lived within the shadow of the dark angel, and he was not obscured by the shadow. He walked in the sunlight; he walked courageously, gallantly, and bravely. We are all immensely proud to

have shared a friendship with Stewart.

Mr. President, I ask unanimous consent that an article about Stewart Alsop written by Kenneth Crawford in Monday's Washington Post be inserted at this point in the RECORD.

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

STEWART ALSOP, NOTED AUTHOR, EDITOR, AND COLUMNIST, DIES

(By Kenneth Crawford)

Stewart Alsop, who died yesterday at 60, had been one of the most respected members of the Washington press corps for the past quarter-century.

His interpretations of national and international affairs were original, distinctive and unpredictable. None of the categorical labels fastened upon most of his contemporaries—"liberal," "conservative," "internationalist," "isolationist," "hawk" or "dove"—ever quite fitted him.

Following his discharge from the armed services in 1945, Mr. Alsop joined his brother, Joseph, and together they wrote a widely syndicated Washington column entitled "Matter of Fact." Their collaboration endured for 13 years, producing in addition to their newspaper columns many magazine articles, several journalistic prizes and frequent full-length articles. The partnership was dissolved in 1958 and Joseph alone carried on the column.

Preferring magazine writing to newspaper syndication, Stewart joined the Saturday Evening Post as national affairs editor. Later he became the Post's Washington editor, contributing a one-page commentary for every issue and frequent full-length articles.

He joined Newsweek six months before The Saturday Evening Post suspended publication in 1968. His page soon became one of Newsweek's most read and quoted features.

Mr. Alsop thought of himself as a reporter, primarily. His writing was never rewriting from previously published materials. The continuity of his access to leaders and insiders, through Republican and Democratic administrations alike, was uninterrupted. He was liked even by those who disliked what he wrote. By his own account, he outraged conservatives and liberals by turn and felt that this was his function as an analytical reporter.

He traveled extensively both in this country and abroad, interviewing at one time or another most of the great decision-makers of his time.

In the 1972 presidential campaign, he maintained communication with all the candidates and with such influential non-candidates as Sen. Edward Kennedy and Henry Kissinger. In the pre-convention months, he sampled conditions and opinion in urban ghettos and even in the havens of draft dodgers and deserters in Canada. He also reported on travels to Britain, France, Egypt, Israel, Czechoslovakia and Vietnam.

An article he once wrote about President John F. Kennedy's thinking in a crisis situation had the benefit of editing by the President himself. From President Franklin D. Roosevelt his distant blood relation, through President Richard Nixon, Mr. Alsop enjoyed more or less friendly relations with the White House. However, politicians at one point accused the Alsop brothers of peddling "gloom and doom."

Although he eschewed literary pretensions, he was an inventive writer and phrasemaker. He was first to use such shortcut political descriptive terms as "hawk and dove," "egg-head," "Irish Mafia" and "eyeball-to-eyeball." He was effective with the spare prose required by journalistic space limitations.

Mr. Alsop was born on the 640-acre Alsop

family tobacco and dairy farm at Avon, Conn., the third of four children, the eldest Joseph, the Washington columnist, the second Corinne now Mrs. Percy Chubb of Chester, N.J., and the youngest John, of Avon, Conn., an insurance executive and unsuccessful Republican candidate for governor of Connecticut in 1962.

Asthmatic as a child, Stewart was tutored by his mother and by Agnes Guthrie, a Scottish governess who was a fixture in the Alsop household for more than 50 years, until he was nine years old. He then attended Kingswood School in Hartford until ready for Groton, where he spent five years preparing for Yale.

In later years, Mr. Alsop recalled his "sentence" at Groton ruefully but gratefully. He said it had been perfect training for his later stint in the British army. It accustomed him, he explained, to a barracks-room atmosphere, strict discipline and bad food. Like his brother, Joseph, before him he was an editor of "The Grotonian," a school publication. He and Joseph later twitted their brother, John, for becoming editor-in-chief, which they said, was like being a collaborator in a prison camp.

Yale for Stewart represented a break with family traditions, which designated Harvard as the inevitable college choice. Both his brothers followed the footsteps of forebears several generations back to the Harvard Yard.

Mr. Alsop's career at Yale was relatively uneventful until his senior year, when he won a literary prize—\$110 awarded in \$10 bills. A party he gave to celebrate this achievement and to divest himself of some of the prize money was raided by campus police, who might have been placated by Mr. Alsop's explanations except that one of his exuberant guests walloped one of the guardians of campus tranquility.

Called in by the dean, Mr. Alsop confessed his responsibility for the party and asked whether he was to be "expulsed." As Mr. Alsop recalled the conversation years later, the dean exploded. "Expulsed? What kind of usage is that for the winner of a literary prize? You are expelled—e-x-p-e-l-l-e-d." Yale relented, however, after reviewing Mr. Alsop's academic record and graduated him with his class in 1936.

He then joined his cousin, Theodore Roosevelt III, son of President Theodore Roosevelt and brother of Alice Roosevelt Longworth, at Doubleday, working as a book editor. But in 1941, with the war coming on, Mr. Alsop enlisted in the Navy, where he served one day before medical examiners decided that his asthma disqualified him. Later drafted, he was told that asthma and high blood pressure would make him acceptable for limited service only.

He then decided to try the British army and made application at the Washington Embassy. He confessed that he had been rejected by American services. After looking over his credentials, the British officers who interviewed him asked: "Can you see properly?" Mr. Alsop said he could and that was enough. He shipped out from Halifax with a contingent of fellow recruits early in 1942 for in the 60th King's Royal Rifle Corps. After a period of training, he was commissioned a lieutenant and given command of a machine gun platoon.

He saw action in North Africa and Italy, winning a British Mention in Dispatches for distinguished service. Then, armed with a chit from his cousin Theodore, at that time a general in the Army, he flew to Algiers with the intention of transferring to American service. There, he was told that the Army had no field openings at the moment except for Methodist chaplains and veterinarians. Being neither of these, he reported back to the British.

They shifted him to the Strategic Air Service, where he was trained as a paratrooper. By that time, the American O.S.S., Gen. William Donovan's cloak-and-dagger service,

was looking for French-speaking soldiers to maintain liaison with the Maquis in France. Mr. Alsop was parachuted into France late in 1944 and operated with a French underground unit behind German lines for three months, winning a Croix de Guerre with palm and a citation signed by Gen. Charles de Gaulle.

On one of his last missions for the O.S.S., he guided a truck transport to an American supply depot in the field to pick up gasoline and other necessities for his Maquis band on Royan Island. Reporting to an American officer, he clicked his heels, snapped a British palm-forward salute and announced: "Lieutenant (pronounced leftenant) Alsop reporting, sir." Unaccustomed to his American uniform, Mr. Alsop was wearing his rifleman's badge upside down and his lieutenant's bars wrong way to.

The supply officer was some time being convinced that Mr. Alsop was not one of the German commandos rumored to be masquerading in American uniforms bent on the assassination of Gen. Dwight D. Eisenhower.

Between his service in Italy and in France, Mr. Alsop had married Patricia Hankey, daughter of a British naval officer, whom he had met at a party for British servicemen at Allerton Castle, the seat of Lord Mowbray and Stourton, premier baron of the realm. It almost didn't happen. When Mr. Alsop, who had been invited to Allerton along with several regimental comrades, introduced himself, his host muttered: "Good God. You sound like an American. We have a rule here: no motor cars, no Americans."

But the rule was broken and Miss Hankey was there. She was at the time, unbeknownst to Mr. Alsop, an employee of the British Special Operations Executive, the agency that conducted secret warfare in France in cooperation with the O.S.S. and the Maquis.

Returning from the war, Mr. Alsop decided upon a career in journalism after first considering the Foreign Service.

His book, "The Center," published by Harper and Row, was a national bestseller. Before that he was coauthor with Thomas Braden, a comrade-in-arms both in the 60th and the O.S.S., now a Washington columnist on "Sub Rosa," an account of clandestine operations in the war, and coauthor with his brother, Joseph, of "We Accuse" and "The Reporter's Trade," the latter a compilation of their newspaper columns.

His last book was "Stay of Execution," a moving and fascinating account of the strange illness that struck him down.

One of Mr. Alsop's most popular articles for the Saturday Evening Post was a wry examination of the Alsop-Roosevelt family tree, inspired by the family portraits that surrounded him in his boyhood. His maternal grandmother was a sister of President Theodore Roosevelt. President James Monroe also graced the Roosevelt genealogy. Mr. Alsop called the Roosevelts, who were rich in eccentrics as well as notables, his "gaudier ancestors."

The Alsop side included a member of the Continental Congress but he lost his chance for immortality by refusing to sign the Declaration of Independence. Indeed, he sat out the Revolutionary War.

Generally, Mr. Alsop wrote, his paternal ancestors were prosperous but relatively undistinguished. They established themselves in Middletown, Conn., when it was the state's leading port and largest city. The rum trade, a major source of income to the city and to five generations of Alsops, lost out when ships got too big to navigate the Connecticut River Narrows.

The original family house is now the art gallery of Wesleyan University. The Alsop farm at Avon is 20 miles from Middletown and nine miles from Hartford.

Mr. Alsop's father dismissed many members of the Roosevelt family, ancestral and contemporary, as "crazy jacks." But he ad-



mired Theodore, whom he joined in the Bull Moose breakaway from the Republican Party in 1912. He was not so sure that Franklin D. Roosevelt didn't belong in the crazy-jack category and chided his sons in Washington for their approval of F.D.R.

The senior Alsop served in both branches of the Connecticut legislature and aspired to the governorship but the 1912 defection stood in his way. In private life, he was president of a large insurance company as well as his own farm manager.

In his Post article, Mr. Alsop devoted some attention to an ancestor who murdered a Harvard professor to whom he owed money. The professor was stuffed into a furnace where false teeth resistant to fire provided the corpus delicti. The author said the dining room furniture he still used had been handed down by the murderer, for whom it was elaborately carved in the Canary Islands.

In addition to his wife, of the home, 3520 Springland La. NW, and his two brothers and his sister, Mr. Alsop is survived by six children.

They are Joseph Wright Alsop (the sixth bearer of that name), of Los Angeles, Ian Alsop and Elizabeth Mahony, both of New York City, Stewart J. O. Alsop, a student at Occidental College in Los Angeles, and Richard Nicholas and Andrew Christian Alsop, both living at home and attending Sheridan School in Washington.

In a statement President Nixon praised Mr. Alsop for "vigorous independence of mind, a dedicated and fearless pursuit of the truth, an uncommon devotion to the nation's welfare and a consistency that on all matters—no matter how controversial—that good will and decency should prevail."

In mourning Mr. Alsop's death as a "sad loss," the President cited the courage that was "the hallmark of his final struggle against death," and said his writings will remain a journalistic standard for years.

Services will be held at 10:30 a.m. Wednesday at St. John's Episcopal Church at Lafayette Square in Washington. Mr. Alsop will be buried in Indian Hill Cemetery in Middletown, Conn.

#### ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the distinguished majority leader desire further recognition under his order?

Mr. MANSFIELD. No; I do not, Mr. President.

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair recognizes the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) for not to exceed 15 minutes.

#### WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT: THE GROWING RESPONSIVENESS OF FEDERAL DISASTER RELIEF PROGRAMS

Mr. PROXMIRE. Mr. President, today in these "What is right with our Federal Government" speeches, I will discuss Federal programs to help those Americans who have suffered from natural disasters.

#### TRENDS IN INCIDENCE OF DISASTERS AND INCREASES IN COSTS

The needs of America have been great in this area. During the last 20 years, there have been nearly 420 major disasters. The Federal Government has greatly—and I mean greatly—increased its assistance to disaster-stricken Americans.

Over the past 20 years, disasters have struck on the average of 20 per year, but there have been as few as 7 and as high as 48 per year during that period. Presidentially declared disasters have increased during the past decade. From 1953 to 1962, there were 141 disasters so designated. From 1963 to 1972, the number skyrocketed to 222.

When I came to the Senate in 1957, total Federal disaster aid was about \$110 million. This meant that the victims of disaster were left to sink or swim, and thousands of them sank, with serious loss to the economy as well as the tragic personal loss involved.

There has been a nearly 25-fold increase in Federal disaster aid over the past 17 years, most of which is repayable with interest.

I think we should reflect on that figure—a 25-fold increase; 25 times as much aid to disaster victims now as 17 short years ago.

In response to the 16 major disasters of 1957, the Small Business Administration and the Farmers Home Administration assisted some 30,000 individuals and small businesses. In 1973, in response to 46 major disasters, those agencies made nearly 350,000 loans—an increase of over 1,100 percent.

In 1957, the Office of Emergency Planning, the agency then administering relief programs during Presidentially declared disasters, provided approximately \$13 million. By 1973, the Federal Disaster Assistance Administration was providing over \$173 million, an increase of over 1,300 percent.

During those years, we have also seen a 14-fold increase in funds obligated for the repair of damaged Federal aid highways. 1957 saw \$9.5 million obligated for this purpose, compared with the 1973 figure of over \$134 million.

From 1957 to 1973, the Army Corps of Engineers has increased aid 10 times from \$8 million to over \$80 million for flood emergency preparation, rescue operations, and restoration activities.

Since 1969, the number of people assisted by donated food commodities and free food coupons has increased from 62,000 to well over 980,000 in 1973—more than 15 times the number of recipients.

As a critic of wasteful Government spending, I do not throw my hat into the air in joy over any increase in Federal spending, no matter how meritorious. And I do regret the necessity for the increase even in this spending.

But the mitigating facts are impressive, too: first, a significant portion of the funds are repayable, interest-bearing loans—for example, in 1973, over 80 percent of Federal disaster aid was in the form of loans; second, the devastated economy is rebuilt to the benefit of all Americans; and third, the persons assisted have suffered losses through no fault of their own and receive a benefit that only partially compensates for their loss.

#### EVOLUTION OF FEDERAL POLICY

But Federal aid has not always been so effective.

We have all experienced, to varying degrees, the ability of people to extend themselves to those with whom they

have shared a common tribulation, or beyond personal experience, to empathize with those who have been victimized by a capricious act of nature. Since the early settlement of our Nation, Americans have looked for solace and assistance in the event of a natural disaster to their neighbors, and gradually to local and State governments. In relatively recent times, a national policy has developed whereby Federal disaster assistance is a major supplement to State and local efforts.

Our experience also tells us that people are most responsive to those in need at the time of an actual catastrophe rather than in the planning of a response to a hypothetical disaster. And for many years, this human impulse was reflected in the Federal role in disaster aid. Relief came in response to specific disasters, but no comprehensive program was considered.

Specific Federal, State, and local roles were fuzzily defined at best, and each jurisdiction turned to the others to bear the brunt of the expense and effort. This lack of a distinct policy for so many years reminds me of a verse by Douglas Malloch, a late 19th century poet-journalist—1877-1938—who was from my neighboring State of Michigan. It comes from his poem, appropriately entitled "Uncle Sam's River":

The River belong to the Nation,  
The levee, they say to the State;  
The Government runs navigation,  
The Commonwealth, though, pays the freight.

Now, here is the problem that's heavy—  
Please, which is the right or the wrong—  
When the water runs over the levee,  
To whom does the river belong?

For many years of our history, the question was debated: To whom does the responsibility belong? To some degree, it is still a question raised as disaster legislation continues to evolve. But "Uncle Sam" has over the years assumed a greater and greater share of that responsibility. Starting in 1803, Congress voted to assist victims of a fire in Portsmouth, N.H., by providing for an extension of time to customhouse bondholders. From that date until 1950, Congress responded nearly 130 times with case by case legislation directing that special steps be taken by Federal agencies to meet the needs of disaster-stricken communities.

Congress and its individual Members have expressed deep personal concern over the years for disaster victims, and during the 1830's a local disaster was recalled by Representative David Crockett of Alamo fame:

Several years ago I was one evening standing on the steps of the Capitol with some other members of Congress, when our attention was attracted by a great light over in Georgetown. It was evidently a large fire. We jumped into a hack and drove over as fast as we could. In spite of all that could be done, many houses were burned and many families made homeless, and besides, some of them had lost all but the clothes they had on. The weather was very cold, and when I saw so many women and children suffering, I felt that something ought to be done for them. The next morning a bill was introduced appropriating \$20,000 for their relief. We put aside all other business and

rushed it through as soon as it could be done.

Yet, as much as this story indicates the congressional concern for disaster victims, it also illustrates the long debate on the Federal role in providing assistance. The point Crockett later made in telling this story was that he felt the action Congress had taken was unconstitutional. He concluded,

The people have delegated to Congress, by the Constitution, the power to do certain things. To do these it is authorized to collect and pay moneys, and for nothing else.

Undoubtedly, Crockett must have voted for the aid during the period he served as a Democrat—1827-31—and decided it was unconstitutional when he was a Whig—1833-35.

#### DEVELOPMENT OF LEGISLATION OVER THE PAST 25 YEARS

In spite of such objections, the Federal role in disaster relief has assumed major proportions over the past 25 years. In 1949, Congress passed Public Law 81-38 which authorized emergency loans to farmers and ranchers who were victims of a production disaster. The Farmers Home Administration was the agency authorized in that year to make emergency loans to cover crop losses and repair or restore production equipment and buildings. This represented the first assumption of permanent responsibility for disaster assistance to individuals by the Federal Government.

The first general Federal disaster relief program was born in 1950, with the enactment of Public Law 81-875. This landmark legislation provided authority for emergency actions upon determination by the President that a major disaster had occurred. Upon request of the Governors of stricken States, the following actions could be taken with Federal assistance: first, distribution of food and medicine; second, emergency protective works; third, debris removal; and fourth, emergency repair or temporary replacement of public facilities. Although various authorities were subsequently added to Public Law 81-875, such as the Disaster Relief Act of 1966 (Public Law 89-769) it remained the basic Federal disaster relief program for nearly 20 years. It was a good start, but although it could provide on the scene action and deal with public facilities, it had a major deficiency. It could not help the individual property owner with his personal long-term recovery problems.

The 1949 Act—Public Law 81-38—assisted individual farmers and ranchers. In 1953, the Small Business Administration was given similar authority under the Small Business Act—Public Law 83-183—for individual homeowners and small businesses.

Thus, prior to 1960, we had a Federal disaster relief program the components of which provided the basis for present programs. But these early programs did not have sufficient depth and breadth of economic impact to meet the demands placed upon them. Disaster relief was still considered to be a State and local responsibility. Federal programs were considered to be supplementary. When extraordinary disasters occurred and the burden was too great on local entities,

Congress responded with specific additional aid. This occurred 3 times in 1964-65: The Alaskan earthquake, the Pacific Northwest floods, and Hurricane Betsy.

The 1964 Alaskan earthquake, with an estimated half billion dollars in damages, was of such severity as to raise concerns that led to a turning point in Federal participation in disaster aid. One such concern was that many victims of that catastrophe could not qualify for an SBA disaster loan because of the level of their old debts and mortgages. SBA liberalized its policy to allow home and business owners to borrow amounts sufficient to retire old debts and to repair damages caused by the earthquake. Additional time was allowed for repayment and the victim's financial load was lightened.

After Hurricane Betsy's destruction, estimated at over \$1.4 billion, Congress responded by enacting the Southeast Hurricane Disaster Relief Act of 1965—Public Law 89-339. This act included provisions for forgiveness of portions of SBA and FHA loans, the subject of one of the most controversial debates in recent years with regard to Federal disaster relief programs.

In 1969, Hurricane Camille struck, causing over \$1.4 billion damage and 258 deaths, the most serious U.S. disaster up to that time. Congress once again reacted quickly with the Disaster Relief Act of 1969—Public Law 91-79—which made several temporary expansions of the Federal disaster relief program. Its provisions included forgiveness of up to \$1,800 on SBA and FHA loans; unemployment payments; and distribution of food stamps and grants for State disaster planning.

The following year, Congress followed up with some even more extensive provisions in the Disaster Relief Act of 1970—Public Law 91-606. This comprehensive act replaced all general disaster to date, and incorporated most of the 1950, 1966, and 1969 provisions. It made the 1969 temporary provisions permanent and added several new provisions to benefit both the public and private sectors. These new provisions included loan forgiveness of up to \$2,500; grants for permanent repair or replacement of public facilities; loans to major employment sources; and grants to local governments to cover loss of property tax revenue.

With the enactment of the Disaster Relief Act of 1970—Public Law 91-606, the country now had what seemed to be a comprehensive, well designed package of disaster relief programs. Disaster relief was still declared to be a State and local responsibility, but this legislation offered a sufficiently generous national program to assure that local entities would be able to recover from a disaster of major proportions.

Under Public Law 91-606, programs were coordinated by the Office of Emergency Preparedness which was authorized to set up on the scene offices which came into effect upon Presidential declaration of a major disaster. For disasters of lesser scope, many programs still function under their own statutory authorities.

The Committee on Public Works has

reported that the comprehensive Disaster Relief Act of 1970 has been more frequently and extensively applied during the 3 years of its existence than any similar previous legislation. During that time period, there have been 111 Presidentially declared disasters in 41 States. In 1973 alone, 31 States containing approximately one-fourth of all U.S. counties, experienced 46 major disasters which brought Federal assistance to more than 75,000 families. With such a comprehensive program, Congress originally felt that an adequate machinery had been set into motion, and that Congress would need only to offer oversight and occasional refinement. But at that time, Congress had no way of foreseeing the arrival of that tempestuous lady—Agnes—and the terrible Rapid City, S. Dak., flood.

Agnes was a lady with expensive tastes. She ran up a bill of over \$3 billion. In her wake she left 130 people dead, deposited 28 trillion gallons on 10 Eastern States, left 5,000 square miles covered with water, flooded hundreds of cities and towns, destroyed or damaged tens of thousands of homes and businesses, leaving 400,000 homeless and 100,000 out of jobs. In short, she was the most destructive storm in recorded U.S. history. In the face of such extraordinary magnitude of damage, it seemed apparent that some sort of increased aid would be necessary.

Once again, Congress gallantly tried to pick up her bills by increasing appropriations and adopting certain amendments. Public Law 92-209 was one such amendment which gave assistance for remedying damage done to privately owned medical facilities. But Congress principal action was to liberalize the disaster loan programs to individual property owners. Public Law 92-385 increased the forgiveness provision for Farmers Home Administration and Small Business Administration loans to \$5,000 and decreased the interest rates. Since SBA and FHA loans are primary Federal aids—they comprised about 80 percent of all Federal disaster aid in 1973—this was the most generous means of providing additional help.

In the interest of equity, these provisions were made applicable to all disaster victims. Prior to Public Law 92-385, forgiveness provisions had only been made available to victims of Presidentially declared disasters. This act also provided coverage to private educational institutions.

The President, in response to Agnes, signed a \$1.6 billion relief bill, the largest single appropriation of its kind in U.S. history.

Congressional and Executive response to Agnes illustrates a quirk of human nature that is reflected in the evolution of Federal disaster aid programs. In the wake of human suffering and amidst the wreckage of the storm, our response is generous—we never feel at such times that our response is generous enough. But in retrospect, we see things in a differing light. I am reminded of Lord Chesterton's verse on an early disaster victim's glib view of his situation.

And Noah, he often said to his wife when



he sat down to dine, I don't care where the water goes if it doesn't get into the wine.

The administration's reaction to Agnes in retrospect was just as cool. It was OK if the money flowed, if it did not get into the national deficit. When the pressure of Agnes' destruction was off, to many the initial Federal response seemed like a giveaway of Federal dollars.

Loans for Agnes' damage were considerable in and of themselves, but added to this were other previous disasters retroactively covered by Public Law 92-385, as well as subsequent disasters. The administration balked at the huge bill these loans and forgivenesses were rolling up. Its reaction came in three ways: First, a shutdown of the Farmers Home Administration emergency loan program; second, proposed legislation for compulsory flood insurance; and third, proposed legislation to greatly reduce the Federal role in disaster relief.

The shutdown of the Farmers Home Administration emergency loan program occurred in December 1972. Congress responded with Public Law 93-24 requiring continuation of FHA loan programs, but in order to get Presidential approval, it also deleted forgiveness and low interest provisions for both FHA and SBA loan programs. A week later, Congress tried in S. 1672 to reestablish forgiveness, but that bill was vetoed.

The second of the administration's reactions to the large bill it footed in the wake of Agnes was expressed in proposed legislation. It introduced a bill to expand and make compulsory the national flood insurance program. This program had been enacted in 1968 following a study which had been called for by Congress after Hurricane Betsy in 1965. Under the program, homeowners can get subsidized flood insurance from private agents which is subsidized about 90 percent by the Federal Government. In order for an individual to buy a policy, his community must first join the program and adopt certain controls on flood plain development.

Thus, there were two important consequences of this program—it provided substantial aid to flood victims without the aura of the previous "giveaways" of forgiveness loans, and at the same time provided for future flood losses by encouraging flood plain management. At the time of Agnes, the program was still a small one. Less than one-half of 1 percent of damage from Agnes was covered by it. Wilkes-Barre was in the program but only two policies had been sold. The administration proposed to make the program compulsory by denying Federal or federally assisted or insured loans for construction or improvement of flood plain property unless the community was participating in the program and insurance was purchased.

The 93d Congress agreed with the administration and passed the proposal as Public Law 93-234—the Flood Disaster Protection Act of 1973. This act increased insurance for single family residences from \$17,500 to \$35,000. Coverage for business structures and multiple family dwellings increased from \$30,000 to \$100,000. For the first time, insurance

protection covered losses due to erosion and undermining of shorelines.

It will be a few years before insurance covers the majority of flood losses and many years before land-use controls decrease those losses, but this is landmark legislation which offers great promise for the future. Federal subsidy of the program will still require considerable funding, but the "taint" of a "giveaway" has been removed. Because flooding accounts for a major share of disaster losses, the Flood Disaster Protection Act of 1973 will have significant effects in the future.

The third administration reaction to the high cost of disaster relief was in the form of proposed legislation which would have consolidated Federal disaster relief programs in the Department of Housing and Urban Development, and shifted much of the responsibility for disaster relief to the States, reducing several Federal programs. The proposal came in the form of a review of the Federal disaster relief program which Congress had called for after Agnes. The administration had already taken administrative steps in the spirit of its proposal by shifting presidential disaster relief responsibilities from the Office of Emergency Preparedness to HUD. Within that agency was created the Federal Disaster Assistance Administration by authority of Executive Reorganization No. 1 of 1973.

The Public Works Committee in the Senate put considerable effort into reviewing this proposal and considering other possible modifications of the Disaster Relief Act of 1970. As you know, one of my concerns with Government has been with its ability to assess the quality, efficiency and responsiveness of its own actions. My distinguished colleague from North Dakota (Mr. BURDICK) has done outstanding work in accounting for the Federal Government's stewardship in this area. As chairman of the Subcommittee on Disaster Relief, he conducted a 9-month inquiry on the adequacy, cost and effectiveness of past Federal assistance. Over 300 witnesses testified at hearings which produced nearly 3,000 pages of testimony. Guided by this and the experiences of the past few years, the committee drafted a clean bill, S. 3062.

This bill retains the basic structure of the 1970 Act but makes several modifications. One significant modification which was adopted from the administration proposal was to make grants to the States which in turn would make grants to disaster victims requiring additional assistance. This should have the effect of taking away the need for forgiveness and low interest provisions for loans—which have been the political ping pong balls of disaster relief programs.

When tornadoes hit in April of this year, the bill was quickly reported and passed by the Senate. The House passed the conference report on May 15 and the bill was sent to the White House on May 16. I look forward to this bill's enactment. We have developed a sound program with the modifications which reflect the terrible experiences of the extraordinary catastrophes of the past 2 years. We are equipped to provide help to victims of natural disasters in the future.

#### THE ROLE OF FEDERAL AGENCIES IN DISASTER RELIEF

I have concentrated my remarks so far on the role of Congress and the legislation it has developed to meet the critical needs of disaster victims. I would be remiss if I did not give special acknowledgement to the Federal agencies who by virtue of statutes pertinent to their specific jurisdiction, as well as by their participation in administering comprehensive Federal legislation, have been active participants in providing disaster relief.

The Reconstruction Finance Corporation was the first Federal agency authorized to make loans to the private sector for repairing damage and reducing hardships imposed by natural disasters. Disaster loans were first authorized in 1933, and by the time the RFC's loan program was terminated 20 years later, it, together with its sister agency, the Disaster Loan Corporation, had made over 30,000 loans totaling nearly \$70 million.

In tracing the legislative history of disaster relief, I have referred to the tremendous roles which the Small Business Administration and the Farmers Home Administration have played in ministering to the needs of hundreds of thousands of individuals and businesses stricken by disasters recognized by the President. Just to provide an example of the scope of action taken by one of these agencies, the Small Business Administration during the year in which Agnes occurred processed 125,000 loans for \$955 million.

The assistance continued beyond these figures into 1973. The Federal Government has had some of its finest hours in meeting these urgent needs. Thomas S. Kleppe, a former Representative, currently Administrator of SBA, in a letter to the President, following Agnes, expressed the problems faced by his agency and the solutions they developed as follows:

First, where were we going to get qualified personnel right now, this instant? Second, how many emergency offices should be established and where should they be located in order to reach Agnes victims as quickly and efficiently as possible? Third, since Agnes deluged nearly one-third of the United States and victimized thousands upon thousands of people, how could we improve our organization, planning and management to speed up our loan processing procedures and our check delivery system?

By staggering work shifts round the clock, our management team came up with the right answers to these questions. We literally stripped our field offices of valuable personnel. Loan officers, managers, public information specialists, attorneys, technicians, and professional appraisers totaling 1,400 in number were assigned to disaster duty as we set up 81 emergency offices while, in most instances, flood waters were still running in the streets. Never before have I seen such eagerness on the part of our people to be helpful in the throes of a great crisis!

At this time, there are more than 50 Federal agencies, bureaus and offices which participate in disaster relief programs in some fashion. All Cabinet departments are involved in domestic disaster relief, except the State Department, which, of course, is significantly involved in international disaster relief.

I should like to mention just a few

examples of the kinds of assistance which have been available from Federal agencies under those agencies' statutory authority when the disasters have not been of such proportion to warrant a Presidential designation.

The Department of Health, Education, and Welfare provides assistance to State and local public welfare agencies and to State vocational rehabilitation agencies. HEW's Public Health Service assists with emergency health and sanitation measures. The Food and Drug Administration helps State and local governments in effecting public health control by decontaminating or condemning spoiled foods and drugs. The Office of Education gives financial assistance for repair of disaster struck elementary and secondary schools.

The Department of Defense provides emergency assistance to prevent or reduce personal injury, property loss and hardship when local resources are inadequate to do so. The Corps of Engineers may assist in flood-fighting and rescue operations and to protect federally constructed flood-control works damaged or threatened by flood.

The Federal Highway Administration of the Department of Transportation may restore roads and bridges in the Federal-aid system. The Coast Guard provides search, rescue and evacuation of victims of disasters. It also provides transportation of supplies and equipment.

Agencies of the Department of Commerce, specifically the National Weather Service, National Oceanic and Atmospheric Administration have forecast and warning capabilities for disastrous occurrences.

The Administration of the Small Business Administration can declare a disaster loan area. In such events, SBA is authorized to provide both direct and bank-participation disaster loans to individuals and to businesses.

The Secretary of Agriculture may declare a natural disaster, giving the Farmers Home Administration authority to make emergency loans to farmers, ranchers, and oyster planters. The Food and Nutrition Service can provide food stocks, and feed grains may be sold at or below the support price.

The Federal Disaster Assistance Administration of HUD monitors and coordinates Federal responses to disaster situations.

At this time, I would like to pay tribute to an organization which has worked hand in hand with the Federal Government and which has answered the needs of disaster victims superbly for nearly a hundred years. I refer, of course, to the Red Cross, whose experience in the disaster relief field dates from the Michigan forest fires of 1881. The organization's role was formalized by an act of Congress in 1905, directing the Red Cross to continue and carry on a system of national and international disaster relief and prevention as one part of its corporate responsibilities. Over the years, the Red Cross has been repeatedly recognized by all branches of the Federal Government as the Nation's official instrument for bringing voluntary aid to disaster victims.

Other private organizations which deserve recognition for their outstanding work are the Salvation Army and the Mennonite Disaster Services. Like the Red Cross, they provide such vital services to disaster victims as distributing medicine, food, supplies, and providing other basic emergency assistance.

Together with the Federal Government, such agencies have responded to human suffering with a depth of human compassion and a height of human effort reflective of our Nation's finest traditions and aspirations. There is a great deal "right" with the Federal Government in its desire and ability to lend a helping hand to those whose lives nature has brutally and suddenly disrupted through no fault of their own. We are "right" to spend these few moments recognizing that our sometimes cumbersome machinery of government, when jolted by an earthquake or washed by a flood can perform beyond our expectations.

Mr. President, in summary, I think that all of us should be aware that the Federal Government is a better neighbor than it has ever been before in the sense in which we have worked in terms of helping people and in times of natural disasters. The Federal Government has greatly expanded its assistance to people over the past several years to such a degree that it is much more important now.

No American is likely to be destroyed and have his property devastated or his family destroyed, and have his capacity to earn a living ended by a natural disaster.

We are very proud of our Nation and of the steps that it has taken. This is expensive. It is a very expensive organization, costing billions of dollars. All of us are aware that these billions of dollars will very largely be paid—not entirely by any means, but with interest. This is to help the victims and to help society, because to permit large segments of our economy to be devastated would result in a great loss to all of us.

Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

#### ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, notwithstanding the unanimous-consent agreement, which becomes effective at 12 o'clock noon, I ask unanimous consent that the order be changed so that the time may be equally divided between the majority and minority leaders or their designees.

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

Mr. MANSFIELD. Mr. President, I will yield the time under my control to the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.); and I assume that the distinguished Republi-

can leader will yield his time to some other Senator, so that the time will be equally divided.

I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that time granted to the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from Montana, now speaking, be vitiated.

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

#### TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, there will be a period for the transaction of routine morning business of not to extend beyond the hour of 12 o'clock noon, and with speeches by Senators limited to 3 minutes each.

Is there morning business to be transacted?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. GOLDWATER. Are we still on morning business?

The ACTING PRESIDENT pro tempore. We are in the period allotted to the transaction of routine morning business.

#### THE PRESIDENT IS ABLE TO NEGOTIATE

Mr. GOLDWATER. Mr. President, I am dismayed and disappointed at a number of reports which I have seen and heard to the effect that President Nixon ought not travel to the Soviet Union next month. The nub of the argument is that the President cannot negotiate important agreements with Soviet leaders, because he will be dealing from a weakened position at home.

May I say at the outset that such observations are a slander against the President of the United States. Such arguments impute to the President unworthy motives. They suggest that the President would put his personal interests above national interests in delicate negotiations with our Nation's primary adversary.

I suggest just the opposite. The only thing which could possibly weaken the



President's negotiating position is the recurrent sniping and carping which appears to be aimed less at the President's foreign policy than it is at attempting to weaken him in the eyes of his fellow citizens. Let us not fool ourselves; sowing mistrust for a number of commentators who do not exactly have Richard Nixon's political future uppermost in their minds.

I will remind those commentators, and a number of my colleagues as well, that I have yet to see this President subordinate the national interest. He could have taken the easy road out of Vietnam. He could have cut and run and become a national hero to those who favored the course of surrender. But he did not. In every major decision, he followed the course which was in the interest of international peace and stability. He followed the course which would make America's commitment a firm reality instead of a hollow rhetorical promise.

Four years ago, the President made a courageous decision to protect American lives by ordering a temporary military incursion into Cambodia. The uproar was instantaneous. If the President had wished to act in his personal interests, he would not have made that difficult decision. But he acted in the national interest and took the heat.

Two years ago, he made another difficult decision. He boldly ended years of indecisive military action by mining the harbor of Haiphong and accelerating the bombing of a belligerent and recalcitrant enemy. He thought that he could not strike good bargains with the Soviet leaders.

Again, the President proved correct. He made a decision in the national interest. He pushed forward the end of the Vietnam conflict, and he traveled to Russia and did not give away bargaining chips. Yet, had we listened to the critics and prophets of doom, the President might not have made the important breakthroughs that he did.

Finally, let me point out that in December of 1972, the President made a lonely decision—one which caused people to question his sanity and brought nearly universal opprobrium. When he began the bombing of Hanoi, he practically invited abusive personal attacks. Yet, again, he made a decision without regard to personal consequences. He had only one goal in mind: the overriding requirements of the national interest—to end the war and bring home our men with a true peace.

These are not the acts of a man who deals from political expedience or temporary partisan advantage. These are the acts of a statesman who knows that he must take the long view. And in each one of these decisions, the President did not bargain away our foreign policy for his own personal aggrandizement.

This is why I submit this plea today. Let us not knock down the President on the very eve of these important negotiations. Let us act in a spirit of national bipartisanship and back him with our prayers and support instead of undercutting him with questionable attacks. Let us, for once, rise above the spurious attachment of low motives.

I have known this President long enough and well enough to be confident that he is not going to give away anything. I know that he is going to deal toughly and doggedly as he has on every major foreign policy question which has demanded his attention. Those who believe otherwise and who make contrary public pronouncements are deceiving the American public and, most tragically, themselves.

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

#### MANIFESTO OF FREEDOM

Mr. JAVITS. Mr. President, I wish to note for the RECORD what I consider to be a historic manifesto, the author of which is my own brother.

There follows herewith an eloquent declaration of policy for our system which can realize the best in life for the men and women of our country and indeed for men and women everywhere. It represents the views of my brother, Benjamin A. Javits, who passed away just a year ago on May 18, 1973, for many years a distinguished lawyer, author, and economist and is almost apocalyptic in its view of the future. This manifesto and the great body of thought and writing which preceded it inspired me and I believe has the capacity for inspiring the men and women of the Congress and the men and women who will succeed us for generations. I hope very much that as many as possible will read it and will transmit it to their friends and constituents who may find it of profound interest, too. I have appended hereto also the distinguished list of colleagues who joined with my brother in this manifesto, first published in 1961, as well as the list of published works of my brother.

Mr. President, this is a document of such inspiration and hope for the men and women of our country and the men and women of Congress that I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

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

We, the Free Peoples of the World, endowed with love of liberty, respect for the inalienable rights of man, and devotion to the Divine Spirit, requiring a new Manifesto of Freedom for Mankind, believe: The threat of human extinction by war can only be overcome by all uniting to achieve the Purposes of Peace. The Purposes of Peace are to release all mankind from ignorance, poverty, disease and insecurity, so that life, liberty, the protection of personal property, and the pursuit of happiness shall be mankind's heritage. The Purposes of Peace, thus clarified, can now for the first time, because of man's moral, material and scientific advancements, be realized by universal consecration to these twin commandments: No longer shall man or the State exploit man. All men together shall exploit the machine only. The State shall be man's, not man the State's. All men shall be owners, not owned. To these economic, political, and social commandments, we dedicate all of our moral, material, human and scientific resources, both public and private. We shall do this together with peoples everywhere. We shall do this with our enemies as quickly as they accept these com-

mandments. We are not the enemy of any peoples, nor do we believe any peoples are our enemies. Despotism state leaders may tell them so, but just as we do not believe their leaders, so they may not. We seek all peoples economic liberation from whence shall come their political freedom. We condemn those and their remedy who impose political bondage in order to cure economic and social ills. We shall everywhere reduce the walls between the governing and the governed by bringing to all a true share in the processes of government. We shall everywhere reduce the walls between the owner of property and the tiller in plant and field by bringing to all a fair share in the creation and enjoyment of its profits. We shall translate the potentials of mass production into the blessing of mass consumption. We shall expand wealth vastly through peoples capitalism until consumer capitalism is achieved. We shall expand personal profits into social profits. All may not be equally rich, but none shall be poor. We seek that those at the top shall lift upward those at the bottom rather than that those at the bottom pull downward those at the top. We seek to uproot all political, religious, social and traditional barriers yet remaining, born of fear, prejudice or ignorance, halting man's political and economic emancipation. With a common cause, a common purpose, we seek togetherness for peace. This is our Testament as Free Peoples. This is our Decalogue as Leaders. This is our Gospel as Nations. To these, the Purposes of Peace, we pledge our lives, our fortunes, and our sacred honor, lest mankind perish from this earth.

(This Manifesto has been prepared by Benjamin A. Javits and edited by Distinguished Citizens both here and abroad.)

We endorse this Manifesto and commend it to the American people.

Vance Hartke, E. L. Bartlett, Thurston B. Morton, Daniel K. Inouye, Ken Keating, Philip A. Hart, Gale W. McGee, Everett M. Dirksen, Birch Bayh, Hugh Scott, Quentin N. Burdick, J. Glenn Beall, John G. Tower, Peter H. Dominick, and Jacob K. Javits.

William Proxmire, Karl E. Mundt, Claiborne Pell, Wayne Morse, Mike Monroney, Jennings Randolph, Ernest Gruening, Frank E. Moss, John O. Pastore, Leverett Saltonstall, J. Caleb Boggs, Milward L. Simpson, Milton R. Young, Thomas H. Kuchel, and Frank Church.

Hubert H. Humphrey, Roman L. Hruska, Olin D. Johnston, Clair Engle, ———, Stuart Symington, John Sherman Cooper, Frank Carlson, Barry Goldwater, Thomas J. Dodd, Ralph W. Yarborough, John Sparkman, George A. Smathers, and Pat McNamara.

#### LIST OF PUBLISHED WORKS OF BENJAMIN A. JAVITS

- Make Everybody Rich: Industry's New Goal—1929.
- Business and the Public Interest: Trade Associations, the Anti-Trust Laws and Industrial Planning—1932.
- The Commonwealth of Industry: The Separation of Industry and the State—1936.
- Peace By Investment—1950.
- How the Republicans Can Win in 1952—1952.
- Manifesto of Freedom for Mankind—1961.
- Ownership: A Better World for All Through Democratic Ownership—1969.

#### THE DEATH OF STEWART ALSOP

Mr. JAVITS Mr. President, during our recess we lost, in the journalistic world, a very great figure in Stewart Alsop, whose funeral took place today at a church in Washington, D.C.

I knew Mr. Alsop personally very well. He was not only a man whom I admired as a journalist, but a tennis-playing friend of mine, and I know we have suffered a very deep loss, because here was a man, Mr. President, with very profound insights into our people's thinking and their conscience, and that is especially critical today.

I would like, in honor of him to mention just one incident. In the course of one of the many magazine articles he wrote, he wrote about me something which was very typical of him and rather characterized him and his enormous faith in our country. He called the fact which I shall specify "The Javits Rule," but it was really the Alsop rule. It was himself being projected through my person about which he was writing.

That rule—this was at the time of the great civil rights struggle—was that whatever Americans might say which would indicate impatience or unhappiness with one or another manifestation of the black race, the fact was that when they went into the voting booth they would vote their consciences on the highest level, and that the so-called backlash would not have the effect, in the terms of those who were elected and those who were not elected, that was anticipated, because of that very key point in the American character.

Mr. President, it was like clarifying the dark of night with a sharp bolt of lightning; and this was characteristic of Stewart Alsop. He did it many times in his life, but this is one occasion that I actually experienced it with him.

Providence will take us all; but we have lost a great figure too soon, a man with very profound insight and, more than anything else, a man with such a profound love for his country and his countrymen that he understood them, I believe, as well as if not a little better than almost anyone else who lived during his time.

I ask unanimous consent to have printed in the RECORD the obituary published in the New York Times of Sunday, May 26, 1974, and the obituary published in the magazine Newsweek for which Stewart Alsop was a featured writer.

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

[From the New York Times, May 26, 1974]  
STEWART ALSOP, COLUMNIST, IS DEAD AT 60

WASHINGTON, May 26.—Stewart Alsop, the columnist, died at the hospital at the National Institutes of Health in nearby Bethesda, Md. His age was 60. He had been undergoing treatment for leukemia.

#### BEAT WAS THE WORLD

(By John T. McQuilston)

A prolific political writer, STEWART ALSOP was a big, likable man whose beat was Washington and the world.

He began his career as a reporter shortly after the end of World War II in 1945 when his brother Joseph, "the other writing Alsop" who was three years his senior, asked him to be his partner in writing a syndicated Washington column for the New York Herald Tribune.

For the next 12 years, their jointly bylined column, "Matter of Fact," was carried by as many as 137 newspapers throughout the

United States. Gathering their information by telephone and personal interviews, they made regular visits to all parts of the globe, guided by the rule that they would never write about a country or its leaders until they had visited there first.

#### DUBIOUS ABOUT VIETNAM

Both the Alsop brothers had been greatly impressed during their service in the war—Stewart in Europe and Joseph in Asia—by now their views of the world were sharply changed by first-hand experience in the countries where the war took them.

Their column received the acclaim of other newspapermen, who described their work as a "blending of political economic punditry, forecast and crusades." In 1950 and 1952 both were named award winners by the Overseas Press Club for "best interpretation of foreign news."

This period of collaboration, described by some observers as a "stormy partnership," ended with what Stewart Alsop once described as an "amicable divorce."

Striking out on his own, in 1962 he became a contributing editor for national affairs for The Saturday Evening Post. After four years he became the magazine's Washington editor until its close in 1968, moving then to Newsweek, where his weekly column filled the last page, printed between two red streamers and datelined Washington.

Mr. Alsop told an interviewer in 1971 that he felt that his and his brother's "mind sets" were very much the same, except that "from the start I was dubious about the Vietnam war, where Joe wasn't. But once we made the decision, I, too, felt we could not just sneak out."

On domestic issues, he said: "Both Joe and I are very square New Deal liberals, although I have much more interest in the New Left than Joe does."

In the mid-fifties the Alsop brothers wrote an article for Harper's magazine, "We Accuse," criticizing the Atomic Energy Commission for its security-risk case against Dr. J. Robert Oppenheimer. The article received an Authors Guild annual prize in 1955 for contributing to civil liberties. At the ceremony, the younger brother criticized the executive branch for "Daddyknowsbestism—telling us not to ask questions or Daddy spank."

#### BOOING BY UNDERGRADUATES

In a 1969 article for Newsweek "Yale Revisited," Mr. Alsop wrote his first reaction to booing by undergraduates of the university president for expressing admiration for those in military service: "Young jerks terrified of the draft. Spocked when they should have been spanked."

After further conversation and thought, he noted: "There's something going on here our generation will never understand." He concluded that the "fraudulent" draft system had as much as the Vietnam war to do with student feeling that the American system was "a gigantic fraud."

Early in 1970, Mr. Alsop argued in Newsweek that ending the draft would be the most important step to re-establish the authority of the Government and the dignity of the Presidency. In 1971 he wrote, "It is not practical to try to continue to fight a war that has no popular support at all."

In 1972, when CBS Inc. selected a range of well-known commentators for its "Spectrum" program, from liberal to conservative, it classified Mr. Alsop as a moderate.

A third Alsop brother, John, a Republican, failed in several tries for the governorship of Connecticut. Their mother, the late Mrs. Corinne Alsop Cole, a niece of President Theodore Roosevelt and cousin of President Franklin D. Roosevelt and Mrs. Roosevelt, founded the Connecticut League of Republican Women in 1917.

While married for more than 40 years to the late Joseph W. Alsop, Sr., and as Cor-

rine Alsop, she served with her husband in the Connecticut General Assembly.

After passing his early boyhood on the family farm in Avon, Conn., where he was born May 7, 1914, Mr. Alsop attended Groton, then Yale University (where his father had been a student) and graduated with a B.A. degree in 1936.

Shortly afterward he became an editor for the publishers, Doubleday Doran & Co. of New York. With the entrance of the United States into World War II, he volunteered for service in the Army. Rejected for medical reasons, he went to England in 1942 and there became a member of the 60th Regiment, Kings Royal Rifle Corps. In 1944 he achieved the rank of captain.

Later that year, Mr. Alsop was transferred to the United States Army as a parachutist with the Office of Strategic Services and shortly after D-Day was parachuted into France to join the force of the Maquis, the French underground resistance. In 1945 he resigned his commission and returned to the United States. The French awarded him the Croix de Guerre with palm.

With Thomas Braden, another O.S.S. parachutist, Mr. Alsop wrote "Sub Rosa: The O.S.S. and American Espionage," published in 1946. The volume described the achievements and failures of the special intelligence office, its training program and the aid furnished the guerrilla armies in the various theaters of the war.

With his brother, Joseph in 1955 he wrote, "We Accuse," and in 1958, "The Reporter's Trade," a plea for governmental candor in dealing with the press.

In 1960, Mr. Alsop wrote "Nixon and Rockefeller, A Double Image," then in November, 1973, employed his talents to write "Stay of Execution, A sort of Memoir," about his impending death as a 57-year-old man condemned to die of a rare form of cancer.

#### DISEASE DIAGNOSED

Mr. Alsop told how on the morning of July 19, 1971, while performing closing-up chores at his Maryland weekend house, he was suddenly overcome with breathlessness and heart-pounding and suddenly knew "that something was terribly wrong with me."

His disease was diagnosed as acute myeloblastic leukemia, a cancer of the blood-producing marrow. Mr. Alsop did not shrink from telling his most difficult story of coming to terms with death, and in telling it, a reviewer noted, he showed once again how possible it is for even a desperate and dying man to grow.

Mr. Alsop wrote at the end of his book: "A dying man needs to die as a sleepy man needs to sleep, and there comes a time when it is wrong, as well as useless, to resist."

After eight weeks of intensive cancer treatment at the National Institutes of Health last spring, he was released to resume writing his Newsweek column when doctors decided that the disease had apparently been arrested. He last entered the hospital this month.

In addition to his brothers he is survived by his widow, the former Patricia Hankey, whom he married in June, 1944, in London during the blitz; five sons, Joseph, Ian, Stewart, Richard and Andrew; a daughter, Mrs. Walter Butler Mahony 3d, and a sister, Mrs. Corinne Chubb.

[From Newsweek, June 3, 1974]

STEWART ALSOP, 1914-74

(By Mel Elfin)

Stewart Alsop, "Stay of Execution":

"A dying man needs to die, as a sleepy man needs to sleep, and there comes a time when it is wrong, as well as useless, to resist."

There seemed, for so long, no limit to Stewart Alsop's will to resist. All through a debilitating, wasting illness, Stew lived so gracefully, so courageously and so productively that



sometimes it was hard to believe him a man under sentence of early death. This week, however, 34 months after that summer day when he climbed to the top of a small trash pile at his country home and found himself "gasping like a fish on a beach," Alsop's stay of execution was abrogated. At 60, in a hospital bed at the National Institutes of Health in Washington, he finally succumbed to a by-product of a mysterious leukemia that his doctors could neither adequately diagnose nor treat.

For more than five years, Stew Alsop filled this page with reportage and commentary that was insightful, influential, often brilliant and almost always the envy of those of us in Washington journalism who lacked both his contacts and his clarity of thought. To Stew, the tight little world of political Washington was "The Center" (a title he used for a 1968 best seller on the Capital), and after a quarter century in this city as editor, reporter and columnist, he knew, was respected by and had access to almost every major figure of our era.

Henry Kissinger, on a diplomatic mission to Moscow in 1972, took along Stew's medical records so that they could be analyzed by Soviet doctors. And during his first stay at NIH, Richard Nixon himself called to ask the question that has echoed around "The Center" for more than two years: "How's Stew?"

The answer, until a final erosive siege at the hospital, was that Stew was doing very well, indeed. Whatever toll it may have taken physically, Stew's illness seemed to enhance his already great professional talents. His final columns, notably those on Watergate and the Presidency, pecked out in an office that had almost the entire city of Washington for an appropriate backdrop, were among the most remarkable of his career. Out of a pair of columns on his puzzling illness (which Stew was initially reluctant to run because "nobody would be interested") grew his last book, "Stay of Execution," a memoir, clinical report and poetic essay on approaching death.

Even when rumbled in thought over his typewriter, laughing in a basso-profundo voice at the latest political joke or padding about the NEWSWEEK bureau in an ancient pair of bedroom slippers, Stew projected an aristocratic mien. His erect bearing combined with a wonderfully ruddy complexion to make him look as if he had always just come in from grouse-shooting on the moors.

With Roosevelts (including two Presidents) as kin on his mother's side and a distinguished lineage stretching back seven generations almost to the Mayflower on his father's, Stew was the very model of the Connecticut Yankee gentleman. Raised in a sprawling white-clapboard farmhouse in Avon, a beautiful New England village near Hartford, Stew received the very model of a Connecticut gentleman's education—first Groton, where his head was stuffed with English literature, English history and English manners, then Yale, class of '36.

Stew rarely raised his voice or lowered his guard in public. He was respectful of his elders, gracious with his colleagues, considerate of children, loyal to friends, and at all times manifested a pre-liberation attitude of courtesy toward women. Even when his body was corroded with pain, Stew would struggle to his feet when a woman entered the room.

Like other members of the WASP elite (whose decline he viewed with the same clinical detachment as he did his own approaching death), Stew took a semischolarly interest in his forebears. Yet far from being afflicted with a "Mayflower complex," Stew was amused that, along with the poets and politicians, his ancestors included a murderer and an indentured servant and that the family name probably was derived from "ale shop."

In his own generation, Stew remained steadfastly loyal to the family and family

name (he was privately annoyed when anyone persisted in mispronouncing it "Al-sop" instead of "All-sop"). He deeply loved his sister and two brothers and although he could argue politics long into the night with Joseph, four years his senior, Stew would vigorously defend him outside the family circle. So satisfying did he find the "sense of being part of a continuum" that he had six children of his own and often said he would have liked to have had more.

It was the family connection that drew Stew into journalism in the first place. After four years of war service with the British Army in Africa and later with the OSS (in 1944 he parachuted behind German lines in France), during which he won several medals and a beautiful British bride, Patricia Hankey, Stew accepted what he felt was brother Joe's "eccentric invitation" to join him in producing his syndicated column. In 1958, Stew left Joe to become national-affairs editor and later Washington editor of The Saturday Evening Post. Then, in July 1968, he joined NEWSWEEK as a Washington columnist.

As a stylist, Stew favored the simple declarative sentences he learned at Groton. But he gave to the political lexicon such memorable phrases as "hawks and doves," "egg-head," "Irish Mafia," "eyeball to eyeball" and "Masada complex," a description of Israeli foreign policy that drew the personal, albeit grandmotherly, wrath of Golda Meir upon him at a Blair House luncheon last year.

As did many journalists of his generation, Stew started out with vaguely New Deal sympathies but moved progressively back toward the political middle as he grew older. Personally, he was closely attuned to sophisticated politicians like Nelson Rockefeller and John Kennedy; still, he long harbored a grudging admiration for Richard Nixon as one of the shrewdest operators of his time—until Watergate.

To the end, Stew considered himself a reporter first and a pundit second. He abhorred writing columns on the basis of cerebration alone, and nothing frustrated him more about his illness than the long, enforced absences from "The Center" of which he was such a vital part.

As he had vowed he would, Stew Alsop did not go gentle into the night. The way he died kept faith with the way he had lived—proudly, fully, wisely, lovingly. He did us honor by having been our friend.

#### COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

AUDIT REPORT OF THE AMERICAN SYMPHONY ORCHESTRA LEAGUE, INC.

A letter from a certified public accountant of McLean, Virginia, transmitting, pursuant to law, a copy of the audit report for the American Symphony Orchestra League, Inc., for the fiscal year March 31, 1974 (with an accompanying report). Referred to the Committee on the Judiciary.

#### PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A petition from a citizen of the State of New Jersey seeking a redress of grievances. Referred to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services, with amendments:

S. 3000. A bill to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Research component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes (together with additional views) (Rept. No. 93-884).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. 649. A bill to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes (Rept. No. 93-885).

#### SUBMISSION OF PART II (MINORITY VIEWS) OF REPORT NO. 93-883—THE CONSUMER PROTECTION AGENCY ACT

Mr. ERVIN, from the Committee on Government Operations, under the order of the Senate of May 28, 1974, submitted Part II (Minority Views) of Report No. 93-883, on the bill (S. 707) to establish an independent Consumer Protection Agency to protect and serve the interests of consumers, and for other purposes, which was ordered to be printed.

#### EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare and the Committee on Foreign Relations:

John L. Ganley, of New Jersey, to be Deputy Director of the ACTION Agency.

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Virginia Y. Trotter, of Nebraska, to be Assistant Secretary for Education in the Department of Health, Education, and Welfare.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. MOSS (for himself and Mr. GOLDWATER):

S. 3542. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development relating to the seventh Applications Technology Satellite, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

By Mr. CRANSTON (for himself, Mr. KENNEDY, and Mr. MONTAYA):

S. 3543. A bill to amend the Public Health Service Act to promote the training of bilingual persons in the health, nursing, and allied health professions, to establish bilingual health training centers for such purpose, to provide for a special study of health

education institution admissions, examinations, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. THURMOND:

S. 3544. A bill to amend the Fair Labor Standards Act of 1938, with respect to exemptions for baby sitters, and for other purposes; and

S. 3545. A bill to amend the Fair Labor Standards Act of 1938, with respect to an exemption for certain employees who are baby sitters, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. EAGLETON (for himself, Mr. SYMINGTON, Mr. STEVENSON, and Mr. PERCY):

S. 3546. A bill to extend for 1 year the time for entering into a contract under section 106 of the Water Resources Development Act of 1974. Referred to the Committee on Interior and Insular Affairs.

By Mr. KENNEDY:

S. 3547. A bill to establish procedures relating to licensing of certain activities by the Atomic Energy Commission. Referred to the Joint Committee on Atomic Energy.

By Mr. MOSS (for himself and Mr. WILLIAMS):

S.J. Res. 212. A joint resolution to authorize the erection of a Children's Gift Bell memorial bell tower on the Capitol grounds, and for other purposes. Referred to the Committee on Public Works.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOSS (for himself and Mr. GOLDWATER):

S. 3542. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development relating to the seventh Applications Technology Satellite, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

Mr. MOSS. Mr. President, today I am introducing legislation which, if enacted, would authorize appropriations of funds to the National Aeronautics and Space Administration for the preparation for launch and launch of an additional Applications Technology Satellite.

Launch of the Applications Technology Satellite known as ATS-F is scheduled for tomorrow morning. Under present planning, this satellite will be the last in the highly valuable series of Applications Technology Satellites launched by NASA over the past 8 years. The ATS-F will provide a facility for carrying out several advanced communications user experiments. It also serves as a vehicle for a number of ancillary experiments in communications, navigation, meteorology, particles and fields and spacecraft technology.

Of particular interest among the experiments that will be conducted by this satellite, is its use for beaming educational television programs into remote areas in Appalachia, into the western continental United States, and into Alaska. Under a program sponsored by the Department of Health, Education, and Welfare, numerous schools in the United States over the coming school year will receive educational television programs through the only means presently available, the ATS-F satellite.

This experimental program will be available only during the coming school year. Thereafter, under a long standing agreement between the United States

and India, the satellite will be shifted for the next year to an orbit that will permit the Indian Government to beam educational and medical television into thousands of remote Indian villages. But there is no commitment beyond that 1 year. Thus we have terminal gaps in both areas.

Considerable interest is building in the domestic 1-year experimental program, and in a means for extending the period of availability of an ATS satellite for longer or even permanent use in this country. One means would be to launch the "back up" satellite, known as ATS-F prime. Since this is now a "back up satellite" it has not been fully prepared for launch. The best current estimate of cost to complete its preparation and to launch it is \$41,700,000.

Mr. President, if the launch tomorrow is successful and the ATS-F satellite operates properly in orbit, there are no present plans to use the backup satellite.

In addition to providing an extended period for the educational and other experiments planned for the ATS-F satellite, launch of an additional satellite would greatly increase the in-orbit coverage of the Apollo/Soyuz joint United States/U.S.S.R. docking mission next summer. The ATS-F will be used to increase the communication time on this joint mission from about 20 percent to about 50 percent of the mission. An additional satellite would provide a communication link during an additional 30 percent of the mission, thus increasing both the safety and the scientific return from this flight.

Believing, as I do, that careful consideration should be given to flying an additional ATS mission, I am introducing this bill to provide the necessary first step to focus further consideration of an additional satellite. Enactment of this legislation would authorize the appropriation, possibly as part of a supplemental appropriation bill later this year, of the necessary funds for preparing, launching and operating the ATS-F prime satellite.

Mr. President, I send to the desk on behalf of myself and the distinguished Senator from Arizona (Mr. GOLDWATER) this bill which would authorize the appropriations for this particular satellite, and ask that it be appropriately referred.

The PRESIDING OFFICER (Mr. BIDEN). The bill will be received and appropriately referred.

By Mr. CRANSTON (for himself, Mr. KENNEDY, and Mr. MONTROYA):

S. 3543. A bill to amend the Public Health Service Act to promote the training of bilingual persons in the health, nursing, and allied health professions, to establish bilingual health training centers for such purpose, to provide for a special study of health education institution admissions, examinations, and for other purposes. Referred to the Committee on Labor and Public Welfare.

BILINGUAL HEALTH OPPORTUNITIES ACT OF 1974

Mr. CRANSTON. Mr. President, today I introduce for appropriate reference, the third part of a program I began some years ago to build upon the great

strengths of this Nation derived from the diversity of its cultural and linguistic heritage, in the fields of education, manpower and job training, and health services and education programs. I am joined in introducing this legislation today by the distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from New Mexico (Mr. MONTROYA).

The first part of this program was the inclusion in the Comprehensive Employment and Training Act of 1973, Public Law 93-203, of bilingual manpower provisions which I authored with Senator KENNEDY last year. These provisions are now supplemented by special bilingual amendments to the bilingual vocational education program, which I authored with Senator KENNEDY, and a new vocational training program, which I co-authored with Senators DOMINICK and TOWER, now pending final action in conference between the two Houses on the Elementary and Secondary Education Act Amendments of 1974.

The second part of this program was my introduction of S. 2553, the proposed Comprehensive Bilingual Education Amendments Act of 1973, with the Senator from Massachusetts (Mr. KENNEDY) and the Senator from New Mexico (Mr. MONTROYA). That legislation is also now incorporated into the Elementary and Secondary Education Act Amendments of 1974 currently in conference.

#### BILINGUAL HEALTH EDUCATION AND SERVICES AMENDMENTS

Today, Mr. President, I am introducing the Bilingual Health Opportunities Act of 1974, and a series of amendments to S. 3280, Senator KENNEDY's Health Services legislation now pending before the Health Subcommittee.

Mr. President, an area in which the individual whose primary language is not English meets particular difficulties is that of securing health care. There are three major factors involved:

First, the inability of the non-English-speaking individual to enter the system as a patient because of his inability to make himself understood, or to understand the system;

Second, the cultural sensitivities which interfere with communication about or the understanding of the nuances of or benefits available under various health programs; and—

Third, the fierce competition for student places in health training institutions which mitigates against the enrollment of the student whose background hinders him from performing well on standard entrance examinations geared to the scope of knowledge of the more affluent middleclass who share certain linguistic and cultural attributes and characteristics.

In addition, these cultural and language difficulties are frequently compounded by financial difficulties which deter many young people from seriously considering education in the health field because of the years of financial commitment required for training at the professional level.

In the 92d Congress, I authored the amendments to the Health Manpower Act which provide for recruitment and retention of socially and economically



disadvantaged students in the health professions. I also authored at that time similar provisions amending the Nurse Training Act, broadening that act to provide for greater career mobility and particularly to establish programs to encourage licensed vocational nurses, nursing assistants, and aides, and other paraprofessional nursing personnel to move into the so-called professional nursing positions. I have sought full funding for these provisions, with limited success.

The two pieces of legislation I am introducing today seek to achieve the following objectives:

First. The development of special programs at medical and nursing schools to make health personnel aware of the cultural sensitivities of individuals with limited English-speaking ability. Such programs are not to be limited to students in training but are also to be made available, as a part of continuing education, to health personnel practicing in the community, particularly in those communities where a substantial proportion of the population served is of limited English-speaking ability.

Second. Special programs to recruit and retain bilingual students in the health professions, in nursing and in the allied health professions.

Third. The establishment of up to four bilingual/bicultural health training clinical centers in communities where a substantial proportion of the population is of limited English-speaking ability in which centers special emphasis shall be placed on the recruitment and training of bilingual individuals and on training English-speaking professionals in the language and cultural heritage of the population served.

Fourth. Requiring that health centers serving populations where a substantial proportion is of limited English-speaking ability, identify on their staff an individual who is bilingual and whose responsibilities shall be to conduct seminars for staff—including staff of contract providers—to increase their awareness about the cultural sensitivities related to health of the population served, and to help staff patients in bridging cultural and language differences.

Fifth. Requiring that such centers utilize outreach workers who are bilingual to encourage appropriate utilization of community health resources and other community resources by the residents who are of limited English-speaking ability.

Sixth. The conduct of a special study to evaluate the effectiveness of admissions examinations to health training institutions and schools of higher education to test fairly an individual's ability to participate and succeed in the educational programs taking into account the need to eliminate any cultural and linguistic bias which may be built into the tests. The findings of the study must be reported to the Congress along with recommendations for any necessary action, including recommendations for any necessary legislation.

#### BACKGROUND

Mr. President, I came to the conclusion that these objectives are necessary during hearings I chaired, held by the Special Subcommittee on Human

Resources, which I chair, with the Subcommittee on Education, in Los Angeles last year, in which we examined the problems of limited English-speaking communities in obtaining meaningful access to health care and health manpower programs. This conclusion was reinforced by subsequent discussions with leaders in those communities where a substantial proportion of the population is of limited English-speaking ability.

My legislative package, Mr. President, consists of two parts. One is a bill, entitled "The Bilingual Health Opportunities Act of 1974," which would amend the Public Health Service Act, titles VII and VIII, related to training in schools of public health, health professions training, allied health training, and nurse training. The other part is an amendment, which I am submitting for printing and appropriate reference, to amend S. 3280, the proposed Health Services Act of 1974, introduced by the distinguished Senator from Massachusetts (Mr. KENNEDY), chairman of the subcommittee on Health of the Labor and Public Welfare Committee. S. 3280 would authorize the establishment of community health centers, migrant health centers, and community mental health centers.

#### HEALTH SERVICES

My amendments to S. 3280 would require such centers, where they serve populations with substantial numbers of individuals of limited English-speaking ability, to identify on their staff an appropriately bilingual individual. This individual would be responsible for increasing the awareness of the staff—and of the staff of contract providers—about the cultural sensitivities related to health of the population served, and for helping staff and patients in bridging cultural and language differences. These centers would also be required under my amendments to utilize the services of bilingual outreach workers, who optimally would be recruited from the community to be served, to encourage residents of limited English-speaking ability to utilize community health and related resources in the most appropriate and effective manner.

I intend to offer comparable amendments to other appropriate health services legislation currently in committee.

Mr. President, our health care system is ingrown and one dimensional. The strength of the Nation's cultural diversity is not reflected in its health care system.

This is evidenced by the practice of many chicanos living near the Mexican border of seeking medical care in Mexico, where they can be assured of being understood both orally and emotionally. I have been advised of the chicano male's attitude that to be macho he must not admit pain or suffering. The result may be his advising the doctor that he is all right when in truth he is in great pain. This attitude obviously hinders any physician in making a diagnosis, let alone one not versed in the culture or language of his patient. This is just one example of cultural barriers to the receipt of good health care by persons of limited English-speaking ability.

In California, where I believe much dynamism is generated by the diversity of its population, the cultural barriers to receiving good health care among the residents of San Francisco's Chinatown are clearly described in excerpts from the original proposal prepared in 1970 for a comprehensive health program submitted by the North East Medical Services, Inc., now a thriving health center receiving support from HEW and the community. I ask unanimous consent, Mr. President, that appropriate excerpts from this grant proposal be printed in the RECORD at this point.

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

#### EXCERPTS

Like the linguistic differences that have led to an isolation of the Chinese immigrant in America, the cultural differences have also augmented this isolation. Because of the necessity for communication, the language barrier is much more evident than the cultural barrier. However, the isolating effect of the latter is also very real. The differences in culture are difficult to describe and only a brief attempt will be made to point out the great variety of differences between the Chinese and American cultures.

a. Orientation towards the aged versus orientation towards youth:

The total orientation to age in the Chinese society meets with disaster here in the American scene. Respect and position are acquired by age in the Chinese cultural setting. Not only are the elders to be obeyed without question, but it is also an honor to be old. The frank, explosive, and outspoken youth in America diametrically oppose this very central nerve of Chinese culture. It is not only desirable to be young rather than old in America, there is almost a real rejection of the aged. Not only is it desirable to be young, it is almost "sinful" to be old. The young not only do not think in terms of providing for the old, and often feel that they are in the way. Especially acute is this situation when there is a "generation gap" or "communication gap", then the tendency is to avoid the elderly rather than to honor and respect them. This complete reversal of values in the experience of one who had looked for honor in his old age, but is now greeted with rejection from his own children, is truly an alienating experience.

The youth finds that he has adjustment problems also, although they are not as severe as that of his elders. He feels that the values clung to by his parents are of the "old Country", and that they "don't know anything". Losing identity with his parents, rejecting what they stand for, and their expectations of him, he is left at the mercy of the bewildering practices of American teenagers to which he is exposed in real life as well as from the larger-than-life images bombarding him from advertisements, movies, radio, and television. In families where both parents work, the young have no family life to go back to after school. These family problems arising out of language and cultural barriers, set in the hot bed of economic and cultural poverty, lead to the depletion of values and motivation for the young. Without the sense of "something of value" they often result in school failures, drop-outs and juvenile delinquency.

b. Extended family versus nuclear family:

The attitudes of the immigrants toward their children are carried over from a previous family context, that is, from the former Chinese extended family of several generations living together, to the nuclear family in America consisting only of the father, mother and their children. In the extended family system where the child's relationships and emotional attachments are dispersed among many different members such as his

grandparents, aunts, uncles and cousins, the parents do not play a total and comprehensive role in the up-bringing of the child. However, a young child in the nuclear family, before he is old enough to have any friends or attend nursery school, is almost completely dependent on his parents, particularly his mother. In the United States where the emotional currents of the extended and nuclear families are mixed, unsuspected problems often arise. The adolescent's rebellion to authority has only his parents as targets. The parents, with only the extended family as experience, see their adolescent's behaviour as most unnatural and do not know how to handle the situation. In turn, the parent's inability to react with proper amounts of firmness and flexibility, often creates an emotional insecure foundation for the youth's development. The immigrant's family problems are further complicated by the fact that both parents often work long hours and could not give the proper attention to the family even assuming there is the understanding of the nuclear family.

In urban America, families live apart when the children are married. Long before marriage, the children participate in activities that the parents cannot join in nor understand. The generation and communication gaps that exists in the average American family are magnified several times. The American born who has never experienced the emotional security inherent in the extended family, would not feel the loss of it. The immigrant, however, feels a tremendous loss and feels that he is despised and rejected. Since the family is the fundamental unit of society, such rejection again, results in alienation.

#### Part Two—C. Health Attitudes and Practices:

An understanding of the dynamics of health attitudes and practices within the Chinatown-North Beach community is essential in understanding the critical role that a Comprehensive Neighborhood Health Center would play in this community not only in modifying health attitudes and practices but also in facilitating the acculturation process.

Medicine is a part of culture the world over and consists of much more than simply a list of cures and techniques. Medical practice not only relates to religion, customs, rituals and the like, but is in itself a social activity. As Saunders (1954: 7) stated it: "In whatever form it may occur, the practice of medicine always involves interaction between two or more socially conditioned human beings. Furthermore, it takes place within a social system that defines the roles of each of the participants, specifies the kinds of behavior appropriate to each of these roles, and provides the sets of values in terms of which the participants are motivated".

The traditional Chinese view of the etiology of disease conflicts directly with the Western one in which pathogenic organism are responsible for most conditions. The Chinese stress harmony and moderation as the means of maintaining good health and immorality as the cause of most pathology. The seven emotions, diet, physical activity, and behavior in general, contribute to one's state of health, and all of these are more or less subject to human direction. Other factors such as age, economic level, and the elements of nature are also important but since they are not subject to human control, give rise to a fatalistic attitude, so much in evidence among the Chinese. This combination of fatalism and control over one's behavior give rise to the second major conflict between Chinese and Western medicine. Among most Chinese, one is not either ill or well, as in Western society, because illness and well-being are but two parts of the same continuum. One may be less well today than yesterday or twenty years ago but since

most conditions are caused by imbalance in diet or too strong emotional feeling, bodily functions may be brought back into harmony through the application of self restraint and the use of proper medicines. Thus, it is not a question of taking drugs to kill certain organisms which can be controlled, but rather to help the body toward a balanced state by countering forces which result from immorality.

This traditional view of illness has been changed to a certain extent through contact with Western culture. There is recognition on the part of many older Chinese in Chinatown that certain diseases are infectious, such as tuberculosis and venereal disease. However, this has not brought about a corresponding change in therapy on the part of herbalists who continue to insist on the virtues of their traditional cures.

Thus, the patient is confronted with two distinct schools of practice, and in seeking medical care he often must make the choice between them. As a result of experience with both types of practitioners, there seems to be a degree of unanimity among the older men that certain ailments and procedures should be left to Western doctors (e.g. surgery, VD), and certain others to herbalists (e.g. broken bones and ailments of the gastro-intestinal tract). But fortunately, folk medicine is a highly disorganized body of knowledge and individual habits vary according to levels of acculturation and personal experiences. Therefore, while some Chinese go to a herbalist for a particular disease and others go to Western doctors, still others partake of Western and Chinese medicine simultaneously.

Practitioners of Chinese medicine may be divided into three specialties: herb specialists, acupuncturists, and pharmacists. These specialties however, are by no means distinct, for it is not uncommon to find herb specialists dispensing their own medicines or acupuncturists treating diseases with herbs. But several decades ago when foreign born Chinese were present in this country in greater numbers than at present, and when Chinese herbs were plentiful, each tended to confine his practice to his own specialty.

The herb specialists particular area of specialization includes skin diseases, internal medicine particularly in relation to the gastro-intestinal tract, and blood disorders. The general classification of infective diseases also comes under his area of competence. Techniques used in diagnosis include interrogation, observations, listening to sounds of the body, and most important, pulse taking.

An examination of the body is not performed, partly because of the belief that the site of the pathology can be precisely determined through feeling the pulse. Treatment of broken bones is accomplished without immobilizing the injured bone or the use of plaster casts. Though it is difficult to believe that compound fractures can be successfully treated in this way, older informants steadfastly maintain the superiority of Chinese skills in this regard.

At the present time there are eight herb specialists in Chinatown. Some of the Chinese attitudes toward Western doctors have been conditioned by the traditional position of herb specialists in Chinese culture and the way in which they performed their cures.

For example it is not considered unethical for herb specialists to advertise that he has exclusive possession of medical knowledge and to try to lure patients away from other herb specialists and to criticize the technical competence of colleagues. The inevitable result of this state of affairs is the shopping around by patients for the medical care considered best. Indeed, in China, it was not uncommon for wealthy people to summon several competing doctors to the bedside in order to choose the most promising cure among

those offered. This pattern of medical knowledge can be seen in Chinatown today. Cases are not infrequently found in which several doctors have been involved, each unknown to the others.

Acupuncture is a traditional system of Chinese medicine dating from prehistoric times that is now being practiced in various parts of the world. Treatment consists of pricking various strategic spots on the human body with a fine needle. These spots are conceptualized as being related to internal organs via a network of protoplasmic tracts or meridians. The curative effect of the needles is believed to result from their action in regulating the Yin and Yang, a negative and positive homeostasis of the internal organs.

Another area of conflict between traditional Chinese and Western medical practice is that of the use of drugs. While the Chinese of Chinatown recognize the value of Western drugs, particularly antibiotics, they continue to use their traditional cures for many of the more common ailments. Chinese medicine unlike Western medicine, is nearly always taken in the form of a broth. The particular ingredients recommended by the herb specialists are boiled together and the resulting liquid contains the therapeutic elements. Injections are not part of this traditional practice. In many cases, patients who seek help from both Western and herb specialists will take both types of medicine together.

Another problem, nutrition, feeds directly into the already identified conflict between Western and Chinese medicine. Chinese classify foods as "hot" and "cold"; a balance between the two implements good health. The "hot" and "cold" foods have no relation to temperatures. For example, chicken is hot food, and melon is cold food—the two, hot and cold preparations, constitute a balanced diet. While too much of the wrong kind of food can make one sick, it is also true that certain illnesses can be cured by the proper foods. This is because bodily disorders are also considered either "hot" or "cold".

Therefore, while too much "hot" food may cause one to come down with a "hot" illness, a "hot" disease may be counteracted by a "cold" food. Thus a sore throat and fever ("hot") may be treated with watercress or wintermelon soup ("cold") while beef tea ("hot") may be used to overcome poor appetite ("cold").

One of the most disturbing problems faced by Western practitioners in Chinatown is the post-partum diet adopted by many of the foreign born. These women feel they are being up to date by bottle feeding their infants but because pregnancy and birth weakens the body and is accompanied by a loss of blood, a "cold" condition, a "hot" diet is adopted for a whole month following delivery.

This diet consists of dishes which include rice wine, chicken, lichen, mushrooms, and ginger. Fresh fruits and vegetables are omitted during this period.

Another area of conflict lies in certain Western medical procedures. For example, the taking of blood for laboratory analysis or its loss in surgery is resisted by older Chinese who believe that blood is not replaced by the body and any that is lost, even a small amount, is lost forever.

Therefore, the fear of this procedure tends to keep many from treatment until symptoms become intolerable. Also, there is a feeling among older Chinese that the hospital is simply a place to die.

This fear is reinforced by the belief that one should die in familiar surroundings so that one's ghost will not get lost and wander about. This belief causes many to put off the day they must enter a hospital until the last moment and then, if the patient lives in a hotel or rooming house it is his roommates or the manager who often force the



issue because they do not want a death on their hands.

Various factors are contributing to a decline in the use of Chinese herbs and food as therapeutic agents but the health attitudes and practices described above continue to play an important role in the Chinatown-North Beach area. These attitudes and practices are strongest among the older, more conservative Chinese but because of their strong position in the community and in the family structure, younger generation's mature feeling is that there is some validity to Chinese medicine. Some of those who fully accept the validity of Western medicine may defer to the judgment of their elders.

Sometimes the parents of a child will not follow the advice of a Western practitioner even though they believe in Western medicine. This is because they feel they must follow the directions of the grandparents who often have different ideas. For example, a mother will often not agree to have her child vaccinated against measles even though she thinks it is the correct thing to do. That is, the parent of the child is willing to have the vaccination but the culture requires that she consult with an elder and follow their advice.

This strong and persisting belief in Oriental medicine thus creates complex ramifications in the area of health attitudes and arises when a patient with cancer needs immediate surgery, but the patient tries to treat his condition with herbs. Surgery is thus delayed and his chances for survival are reduced.

It is frequently a difficult, if not impossible, task to convince a person of the need for immediate surgery. Relatively minor illnesses become acute because of delays involved with experimentation with herbs. Even the younger generations are directly involved because of the strong obligation to respect one's elders. Perhaps most importantly, the low status of the Chinese physician in traditional Chinese society continues to play an important role in patient behavior today.

Patients frequently shop around for the best treatment. The doctor only gets one chance. Frequently a patient will have seen three doctors in three days. Because they are aware of the Chinese patient's tendency to see several doctors, physicians must be especially careful in ascertaining what drugs or treatment the patient is already using.

Because these patients expect quick results, a doctor in Chinatown does not expect to be a patient's only doctor. But, these unique cultural barriers to good health are not even recognized and certainly not systematically confronted by any public or private agency through extensive community involvement and health education.

The existing physicians must be involved in this program because they have an understanding of the Chinese cultural background. The matter of "face" was presented in the section on "Culture." It was stated there that the "face" concept is an extremely complicated cultural matter. For example, a patient may feel that a physician has prescribed a drug or treatment that is not good.

The patient will not say so bluntly, for that would offend the physician's face. If the physician does not understand the patient's "round about" procedure, he will not get the patient's message. Another such example of "face" may be that the patient is told by the physician to remain home from work due to his illness. Since the patient is working for an uncle, he couldn't possibly offend his uncle with such a "minor" illness.

Unless the physician is quick in his understanding of his patient's mild objections, he would assume the patient will remain home from work, even though his nod to the physician's order did not mean that at all. With-

out an understanding of the cultural background of the Chinese, the physician cannot offer high quality medical care.

As stated previously, an understanding of the health attitudes and practices in Chinese culture is also necessary to provide high quality medical care. A physician who realizes that his patient with a particular illness will probably take certain herbs along with the medicine he prescribes, will be able to carefully explain the reasons why such herbs must not be taken. Furthermore, without an understanding of the "hot" or "cold" qualities of food, which is very basic in the Chinese concept of health care, a physician would not be able to understand his patient and hence affect the treatment process.

It should be once again pointed out that the understanding of the Chinese cultural background would fit into this program very well. Such physicians who are not of Chinese National origin are quite rare, but the physicians practicing in Chinatown do understand the culture and speak the Chinese language and their involvement in this program is imperative.

#### HEALTH EDUCATION

Health Education or knowledge in health care is basically the most important area of health care. This is true with those who are in the middle class, upper class or with the poor.

In the middle and upper class, they have acquired basic knowledge in health care through their system of education or in the process of acquiring medical attention when they were ill.

The poor, besides having deficient education, have not been able to afford adequate medical care and thus have not acquired the knowledge in good health care. The Health Education, then will be a very important aspect in this comprehensive health program.

Furthermore, the immigrant who is poor would have even less understanding in health care, being influenced by some erroneous concepts of folk medicine. The Health Education Program of the North East Medical Services will be tailored to the specific and special needs of this community.

The physicians, dentists and nurses, who have had experience in dealing with this particular ethnic group, will be called upon to help the Health Education Coordinator to develop a plan of education with group as well as individual approaches.

The Health Education Coordinator will have an assistant in the general area of health education as well as an assistant who has skills directly in the field of family planning and sex education.

In the area of Health Education, family planning will be an important unit. Even among the English educated American-born generation, there are many who are not familiar with the concepts of family planning and birth control.

There will be an effort at continuous and concentrated health education and enlightenment into western type medical care and standards. Many of these patients have deep seated beliefs in folk medicine. In some, there is an awareness that western type medicine is superior but may take Chinese herbs and other forms of folk medicine to "be safe."

Others will combine western and Chinese medications at the insistence of parents and other relatives. Some are convinced of the superiority of herbs and folk medicine but yield to western medical care only because the necessary herbs are not available. Due to these wide differences, it will be necessary to individualize the approach in health education.

The Health Teams particularly the Community Health Aides, will get to know the family, win their confidence and discover what concepts they may hold regarding folk medicine.

In the case seminars, such matters will be discussed and the best approach in health

education in harmony with the treatment will be determined. The patient or family must be made "comfortable" with his treatment, being careful not to run roughshod over cherished beliefs, and at the same time continuing their health education.

In light of the great differences between the Chinese and Western concepts of the etiology of disease and the method of cure of such ailments, an important aspect of the health education program will be to help the staff to better understanding of Chinese folk medicine and its concept of health. The medical personnel will guide the staff to differentiate between those practices which may not be harmful and may have some psychological good and with those other practices which are definitely harmful.

This training would include seminars on Chinese folk medicine giving staff a deeper understanding of its philosophy and practice. With such understanding and guidance from the medical personnel, the public health nurse, social worker, and especially the neighborhood health worker, we will be able to reach deeper into the patient's problems and bring such problems to the attention of the medical staff.

#### NUTRITION

In meeting the needs of those requiring in-home health care, the provision of an adequate diet plays a dynamic role in the improvement and rehabilitation of a patient and his family.

A quick return to self-care and independent activity after illness is often more readily accomplished when attention is paid to adequate and nutritious eating habits. Nutritional consultation should be provided to staff and patients by a competent nutritionist, who will be well versed in Chinese foods and thus able to give truly practical assistance.

In terms of specifics, many of the ill and aged need special training and orientation to proper resources for the provision of an adequate diet. When this situation is complicated by specific instructions or limitations on diet, then the need for professional guidance and training becomes even more apparent.

Far too often an elderly patient is discharged from the hospital or extended care facility with instructions to avoid certain foods or eat others, but with no specific instructions as to how to provide this for himself. Oftentimes, this situation is even more complicated because of the patient's particular ethnic background, living arrangement, income, and cooking facilities.

Experience has demonstrated that the elderly patient has great difficulty coping with the "foreign" diet regime, let alone the restrictions of habit, and the economic necessity for planning meals and menus in advance.

#### HEALTH, EDUCATION, AND TRAINING

Mr. CRANSTON. Mr. President, at the Los Angeles hearings a year ago, Mr. Jose Duarte, executive director of the East Los Angeles Health Task Force, spoke very forcefully of the shortcomings of our health training programs to recruit Chicanos as students. I ask unanimous consent, Mr. President, to print appropriate portions of his testimony at this point in the RECORD.

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

STATEMENT OF JOSE DUARTE, EXECUTIVE DIRECTOR, EAST LOS ANGELES HEALTH TASK FORCE

MR. DUARTE. One of the urgent needs in this country today is making available health

manpower and education to fill the gap that now exists between the increasing need for medical services and the medical professionals' ability to provide such services. This problem is particularly greater in Spanish-speaking communities and more specifically in East Los Angeles.

Some 100,000 additional health professionals will be needed every year. Manpower deficiencies in the health occupations are further complicated by the changing goals in the national commitment for comprehensive care of the total population. Surveys and studies made recently indicate that health care provisions fall far short of providing equal care and that health service goals must be enlarged beyond treatment of acute illness to the more positive aspect of preventative and rehabilitative medicine. Anglo scientific health services have not been very successful in reaching the Chicano population in the United States. One cannot take for granted that because a Chicano lives in the United States he has the same level of health and understanding of disease as the middle class white Anglo-Saxon. The training afforded health care service personnel by American training facilities do not take into consideration cultural, language and socioeconomic factors which would help health professionals to relate effectively to Chicano people—the second largest minority in the United States. More than 3 million Chicanos live in California, of these, more than 1 million live in Los Angeles County of which half live in the barrios of East Los Angeles. If past records indicate anything, the Spanish surname Chicano population will be a majority in Los Angeles County within the next 20 years. The Chicano population is increasing by leaps and bounds; from 1960 to 1970 the Chicano population of Los Angeles County increased from 875,000 in 1960 to 1.3 million in 1970 as reported by the Bureau of Census 1970 preliminary report—and still the Chicano was undercounted by at least 20 percent.

Appropriations in 1972 for Federal nursing programs was \$144.8 million, 1973 appropriations for Federal nursing programs was reduced to \$122.9 million, but the House Appropriations Committee increased that to \$168.4 million. The Federal programs are attractive to California institutions and those which finance student assistance and innovative programs are certainly desirable. California 4-year institutions should change their intent from training bedside nurses to training clinical specialists and nurse practitioners; in the same time not only would this produce a highly trained nurse, it would also qualify the institution for capitation grants nearly double those offered for conventional nursing programs. Many Federal programs such as Medicare will require the expansion of physicians which are limited to an expansion in the demand for nursing services.

University of California at Los Angeles (UCLA) is the only university in southern California that has a nursing school. The Federal Government is able, because of its size, to influence the proportions of various types of nursing personnel instructed and employed by many institutions.

1. In 1971, over 4,000 R.N.'s migrated to California and since less than 2,000 R.N.'s left the State, this represented a net increase to the State of over 2,000 R.N.'s.

2. Nurses tend to be concentrated in urban areas or in suburbs and away from rural or ghetto areas where the need for health care is acute. "There are indications that nurse vacancy rates are highest in urban ghetto areas or rural areas, it is possible that this is partially due to obvious lack of incentive or less pleasant working conditions.

The greatest barriers to the provision of adequate health care for Chicanos stem directly from the language and cultural differences. In spite of the fact that 80 to 90 percent of Chicanos are native born, they retain many aspects of the Mexican culture. The socialization process is very slow for

Chicanos as a result of family ties. Children tend to adopt the values and behavioral patterns of their parents, and from generation to generation there is a slow progression toward socialization and acculturation into the predominant society.

Mexican immigration has been rapid despite stiff controls on quotas and restrictions which have been applied by the Federal Government. New immigrants bring fresh reminders of language and traditions. In addition, the close proximity to Mexico involves communication with that country which tends to retard the change in culture. Many Chicano families travel to Mexico to buy medical services and specifically to consult with Mexican doctors.

Although county and Federal agencies have made efforts to improve their methods for delivering health services, statistical analyses point up the fact that health problems of Chicanos are at crisis proportion; higher morbidity rates in the following disease categories as compared to his Anglo counterpart:

Tuberculosis, 46.7 per 100,000 population compared to county average of 25.8.

Salmonella, 30.1 per 100,000 compared to county average of 12.3 per 100,000.

Scarlet fever, 43.5 per 100,000 population compared to county average, 25.8 per 100,000.

Shigella infections, 100.4 per 100,000 compared to county average, 13.9 per 100,000.

Amebiasis, 7.8 per 100,000 compared to county average of 2.8 per 100,000.

East Los Angeles children needing dental care, 72.2 percent of K-1 to K-4 grades.

Fifty-five percent of general East Los Angeles population have never in their lives been to a dentist.

Forty-five percent of Chicano women delivering in public hospitals have had no prenatal care. These women tend to be sick, have sick children, have large families, and are poorly informed about the ways to achieve basic health care.

Thirty-five percent of Chicano women discovered cancer of the cervix at women's hospital.

Chicanos have a high birth rate, yet infant deaths pose a major problem in the East Los Angeles area; fetal deaths are the most notable. Prenatal education remains one of the areas of greatest concern.

There is not much evidence that existing medical schools, nursing schools, and schools that provide health professional educations will alter their ways and provide equal opportunities for Chicanos in their schools. If the following statistical data is any indication of their commitment (schools), then we can assume that no substantial increase of Chicano student representation will occur. Consequently, Chicano health professionals will be scarce to find to fill positions as health care providers in medicine, nursing, dentistry, optometry and pharmacy. The Association of American Medical Colleges (AAMC) reported that in 1972 out of 43,399 medical students in the United States only 247 or 0.57 percent are Chicano students. The majority of these students are in their first or second year of study. Similarly, the American Dental Association reports that out of 17,305 dental students in the United States only 67 or 0.04 percent are Chicano and again the majority are in their first or second year of study. Statistical data on other health professional schools are unavailable except for UCLA School of Public Health: A 6-year study was made from 1966 to 1971 of 1,396 total applications accepted 32 were Chicano or (2.3 percent), yet in the same period 102 foreign students were accepted and probably graduated. For the fall quarter of 1972 of a class of 373, 25 were Chicano or (8.6 percent) as compared to 37 foreign students or (10 percent). Now, where's the priorities at?

Again, at UCLA one of two schools of nursing in the university system, prior to 1968 UCLA had not graduated 1 Chicano nurse. To this day UCLA School of Medicine has not

graduated 1 Chicano doctor of medicine. At a county supported school of nursing; Los Angeles County/USC Medical Center School of Nursing in the years 1965 to 1972 in a span of 7 years, this school graduated 21 Chicano R.N. nurses, yet the school sits right in the heart of our community. In 1973 there are five Chicanos currently enrolled. The University of South California Medical school (private-school) but receives Federal support in many ways, has 9 Spanish-surnamed students out of a class of 313. Its most recent graduating class had no Chicano, in 1971 they graduated two Chicanos of a class of 72.

The statistics and percentages of the other four medical schools in the southern California area are just as depressing, along with the statistics from the State college school of nursing, community college school of nursing, the schools of dentistry, optometry, and pharmacy. (These last schools mentioned are worse.)

The demand for Spanish speaking physicians, nurses and other allied health personnel is increasing rapidly in East Los Angeles, as well as other Spanish speaking communities. In East Los Angeles there is planning and activities for the development facilities and programs to provide meaningful health care to this area, examples are: Establishment of a community health network by the Community Health Foundation of East Los Angeles, Family Health Center and by the East Los Angeles health task force. The County Department of Health Services is planning to convert some facilities in the area to ambulatory care facilities. They are also planning to establish a neighborhood health center that will eventually employ 400 persons. All of the programs mentioned and more, are desperately needed but will not begin to meet the health needs of the area. The concern of the East Los Angeles health task force, East Los Angeles Health System, Community Health Foundation of East Los Angeles, National Chicano Health Organization, Chicanos for Creative Medicine, Concerned Chicano Nurses Association and many more groups and organizations is to look at the total health needs of the entire area and to see that efforts be started now to supply the physicians, nurses and allied health personnel that will be required in order for the planned programs to succeed.

#### RECOMMENDATIONS (OR SHORT TERM SOLUTION)

1. The Federal Government establish fellowships in community health: Fellowship would be awarded to community health care personnel serving in a variety of functions. Physicians would be supported during a period of community health service designed to meet training requirements in appropriate medical specialties. Fellowships and stipends might also be used to supplement the salaries of those recruited in community health centers, where local situations make adequate salaries impossible. While fellows will be largely drawn from those in medicine, special stipends should be provided to nursing students with economic problems.

2. This Senate Joint Subcommittee on Education should communicate with the appropriate regional institutions to develop programs for recruitment and identification of minority Chicanos students for medical, dental and nursing schools. Strong emphasis should be put on those schools that lack of cooperation could result in withdrawal of Federal support and capitation grants.

3. That colleges and universities establish program assistance, that will:

- (a) Utilize minority/Chicano group consultants on campuses to identify problems that obstruct minority/Chicano students from applying for health career training.
- (b) Create guidance, advisory and tutorial services for retention purposes.
- (c) Establish a liaison between particular



colleges, with heavy enrollments of students from the Chicano/minority groups and interested professional schools. Recruitment and career development programs can best be fostered through combined efforts.

4. Provide stipends or fellowships to Chicano/minority nurses to be trained in extended nurse role, nurse practitioners, pediatric nursing. This paramedical category performs medical exams and routine medical procedures.

5. Federal scholarships be provided to Chicano/minority students with stipulation that after training is completed those persons will return to the barrios to serve the people.

#### LONG TERM SOLUTION

If health care programs for East Los Angeles and other parts of the Nation with large Spanish speaking populations, are to succeed, then the supply of Spanish speaking health care personnel, from physicians to nurses, technicians and other allied health professions must be increased. One direct approach to solving this problem would be to establish a bilingual medical training center (or institute) in the East Los Angeles community.

A community medical center, primarily for training physicians and nurses, but with programs in the allied health professions as well, has many interesting possibilities. Not only will it supply the much needed bilingual professionals, but it can be a source of health care services for the community at large. Through community involvement, it could also be an excellent source of health education for the residents of East Los Angeles.

As currently envisioned, an academic teaching center with outpatient clinics would be conveniently located in the community. Actually the clinics could be in several locations. Clinical training could also be accomplished in the local community hospitals, (e.g., Santa Marta Hospital and Clinic and the Monterey Park Intercommunity Hospital).

The curriculums would be basically oriented to providing the knowledge and skills required for accreditation of the school and licensure of its graduates. In addition emphasis will be placed on the social and cultural aspects of the Spanish speaking community particularly as it related to health matters. Communicative skills in both Spanish and English will also be emphasized. Where necessary, basic language classes will be available.

To insure community involvement, a board of regents will be established with majority representation from residents of the area selected by their peers. Their responsibilities will include; establishing new programs, selection of teachers, counselors, and administrators, and passing on admission of students.

#### JUSTIFICATION

The East Los Angeles health task force proposes that the U.S. Congress designate a direct line item on the Federal budget to plan and implement the concepts introduced in this paper. The precedent for this has been established by the Federal Government through the creation of Howard University founded in 1867. Howard University is jointly supported by congressional appropriation and private funds. It is a comprehensive university with 13 schools and colleges "discharging special responsibility for the admission and training of Negro students."<sup>1</sup>

In fiscal year 1972 the Office of Education received \$51.9 million to aid black colleges. For fiscal year 1973, HEW requested \$60 million to aid black colleges and was authorized \$100 million, or \$40 million more than requested.<sup>2</sup>

The East Los Angeles health task force, therefore, request that Congress authorize

a special appropriation to create a bilingual medical training center in the East Los Angeles community and that initial appropriation be made before June 30, 1973.

Los Angeles Medical Association (total members)-----	8,250
Spanish surnamed medical doctors (members) (2.2 percent)-----	180
Educated in schools outside United States (52.2 percent)-----	94
Educated in schools in United States (47.7 percent)-----	86

#### SPANISH SURNAMED STUDENTS—UNIVERSITY OF SOUTHERN CALIFORNIA (1971)

	Spanish surnamed students enrolled	Number of students enrolled
1st year-----	7	85
2d year-----	0	76
3d year-----	2	78
4th year-----	0	74
Total-----	9	313
Percent-----		(2.9)

1970 graduating class-----	72
Spanish surname-----	1
Licensed medical technician (State, 1965)-----	10,982
Spanish surname (3.9 percent)-----	429

Mr. CRANSTON. Mr. President, Mr. Duarte went on to testify that the Association of American Medical Colleges in 1972 reported that out of 43,399 medical students in the United States, only 247 were Chicano students; and that even more depressing was the report of the American Dental Association that out of 17,305 dental students in the United States, only 67 were Chicanos.

Mr. President, the national health training institutions are making a strong effort to increase these numbers. The 1973 figures indicate enrollment of Chicanos in medical schools had increased to 361 and in dental schools to 119. This is still not enough for so major a population group where the incidence of physicians to population in Chicano communities is 1 per 40,000, while that for the total U.S. population is 1 per 700.

Although the Chicano is under-represented in the health disciplines, he or she is not alone. Other minority groups share in this exclusion from the inner circle. The results are particularly poignant, however, among those groups whose language and culture make proper utilization of the health care system most difficult.

Mr. President, these excerpts vividly describe the difficulties in proper utilization of the health care system by persons of limited English-speaking ability. It is to these concerns that our legislation is addressed.

#### SUMMARY OF AMENDMENTS REGARDING HEALTH EDUCATION AND TRAINING

Specifically, my bill to amend the health training authorities of the Public Health Service Act would:

First. Amend the authority providing grants to hospitals for training in family medicine to give priority to the recruitment of bilingual individuals for such training programs, and to establish special programs to increase the awareness of trainees in such programs to the cultural sensitivities of individuals with limited English-speaking ability where

the hospital serves a catchment area where a substantial proportion of the population is of limited English-speaking ability.

Second. Add a new section to that same title to authorize the establishment of up to four bilingual health training clinical centers affiliated with university medical centers in communities where a substantial proportion of the residents is of limited English-speaking ability. These new centers would place a priority on the recruitment and training of personnel with bilingual backgrounds, in internship, residency, and other health training programs. I believe such a center should utilize the concept of team training to the maximum extent and, of course, its primary concern should be the provision of health care services to the surrounding community on an ambulatory as well as on an inpatient basis.

Third. Add to titles VII and VIII, as a purpose for which both special project grants and contracts and health manpower education initiative awards may be awarded, the establishment and operation of projects in medical schools and nurse training institutions to increase the awareness by health personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on combining such training with clinical training, utilizing team training and continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

Fourth. Amend provisions in titles VII and VIII which provide for recruitment of individuals who are financially or otherwise disadvantaged, by specifying that individuals who are bilingual should be included specifically among those for whom recruitment programs are established for training in the health professions, nursing, and the allied health professions.

Fifth. Mandate the conduct of a special study to determine the effectiveness of entrance examinations to health training institutions in accurately detecting the student's potential to participate in and benefit from such education and training programs and thereafter effectively to apply the training in the practice of the particular discipline.

Mr. President, I ask unanimous consent that the text of the bill I am introducing today as well as the amendments I am submitting to S. 3280 be printed at this point in the Record.

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

#### S. 3543

A bill to amend the Public Health Service Act to promote the training of bilingual persons in the health, nursing, and allied health professions, to establish bilingual health training centers for such purposes, to provide for a special study of health education institution admissions examinations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bilingual Health Opportunities Act of 1974".

Sec. 2. Title VII of the Public Health Serv-

ice Act (42 U.S.C. 201) is amended as follows:

(a) Section 767 of such title is amended by—

(1) amending clause (2) by adding before the semicolon a comma and "with special priority to those who are bilingual with respect to the predominant language in those areas served by the hospital where a substantial proportion of the population is of limited English-speaking ability"; and

(2) adding a new clause (3) as follows and renumbering clause (3) as (4):

"(3) to plan, develop, and operate, special programs to increase the awareness of trainees in such programs to the cultural sensitivities of individuals with limited English-speaking ability where the hospital serves a catchment area where a substantial proportion of the population is of limited English-speaking ability; and"

(b) Section 769B of such title is designated as section 769C, and a new section 769B is added as follows:

"Sec. 769B. There are authorized to be appropriated for the fiscal year ending June 30, 1974, and for each of the succeeding three fiscal years, such sums as may be necessary to establish up to four bilingual health training clinical centers, in affiliation with university medical centers, in dispersed areas of the United States in communities where a substantial proportion of the residents is of limited English-speaking ability, such centers to place special emphasis (1) on the training of personnel with bilingual backgrounds, in internships, residency, and other health training programs utilizing to the greatest extent the concept of team training and (2) on the provision of health care services to the surrounding community." (c) Section 772(a) of such title is amended by—

(1) striking out "or" at the end of clause (13),

(2) striking out the period at the end of clause (14) and inserting in lieu thereof a semicolon and "or", and

(3) inserting after clause (14) the following new clause:

"(15) plan, develop, and operate projects to increase the awareness by health personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on combining such training with clinical training utilizing team training and continuing education programs in communities where a substantial proportion of the population is of limited English-speaking ability."

(d) Section 774(a)(1) of such title is amended by striking out "or" at the end of clause (E), designating clause (E) as clause (F), and adding a new clause (E) as follows:

"(E) to plan and develop special programs to increase the awareness by health care personnel of the cultural sensitivities related to health of individuals of limited English-speaking ability, such programs to be established at academic health centers situated in communities where a substantial proportion of the population is of limited English-speaking ability, and such programs to offer training in cultural sensitivity awareness to all types of health care personnel in training as well as in practice in the community; or"

(e) Clause (2)(A) of section 774(b) of such title is amended by adding after "field" in the parenthesis "and individuals who are bilingual in an appropriate native language as determined by the Secretary."

(f) Clause (1) of section 794(a) of such title is amended by adding "and individuals who are bilingual in an appropriate native language as determined by the Secretary," after "field."

Sec. 3. Title VIII of the Public Health Service Act is amended as follows:

(a) Section 805(a) of such title is amended by—

(1) striking out "or" at the end of clause (11),

(2) striking out the period at the end of clause (12) and inserting in lieu thereof a semicolon and "or", and

(3) inserting after clause (12) the following new clause:

"(13) plan, develop, and operate projects to increase the awareness by health personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on combining such training with clinical training utilizing team training and continuing education programs in communities where a substantial proportion of the population is of limited English-speaking ability."

(b) Clause (1) of section 868(a) of such title is amended by inserting after the comma in the parenthesis "individuals who are bilingual in an appropriate native language as determined by the Secretary."

Sec. 4. The Secretary shall arrange for the conduct of a study or studies to determine the effectiveness of health education institution admission examinations in evaluating accurately the potential and ability of the student applicant of limited English-speaking ability to participate in and benefit from the educational program, taking into account the need to eliminate any cultural bias in the presentation of admissions examinations offered at institutions supported under titles III, VII, and VIII of the Public Health Service Act. Not later than 12 months after the date of enactment of this section, the Secretary shall report to the Congress on the findings and recommendations of such study or studies and the steps he has taken or proposes to take to carry out such findings and recommendations, including recommendations for any necessary legislation.

#### AMENDMENT No. 1359

On page 2, line 9, insert "the limited English-speaking ability of its or a substantial portion of its population," after "location,".

On page 4, line 22, insert before the period a comma and "including, in those areas where a substantial proportion of the population is of limited English-speaking ability, the services of outreach workers fluent in an appropriate native language as determined by the Secretary."

On page 6, line 9, insert "linguistic," after "cultural,".

On page 19, insert between lines 2 and 3 the following new clause:

"(12) the applicant, where a substantial proportion of the population of its catchment area is of limited English-speaking ability, has identified an individual on its staff who is bilingual and whose responsibilities shall include providing for training for members of its staff and of the staff of any providers of services with whom arrangements are made on the cultural sensitivities related to health of the limited-English-speaking population served and providing guidance to appropriate staff and patients in bridging linguistic or cultural differences; and"

On page 19, lines 3 and 13, renumber clauses (12) and (13) as (13) and (14), respectively.

On page 27, line 16, insert before the period a comma and "including, in those areas where a substantial proportion of the population is of limited English-speaking ability, the services of outreach workers fluent in an appropriate native language, as determined by the Secretary."

On page 30, line 1, insert "linguistic," after "cultural,".

On page 42, between lines 4 and 5, insert the following new clause:

"(12) the applicant where a substantial proportion of the population to be served is of limited English-speaking ability, has identified an individual on its staff who is

bilingual and whose responsibilities shall include providing for training for members of its staff and of the staff of any providers of services with whom arrangements are made on the cultural sensitivities related to health of the population served and providing guidance to appropriate staff and patients in bridging linguistic or cultural differences;"

On page 42, lines 5 and 15, renumber clauses (12) and (13) as (13) and (14), respectively.

On page 44, line 5, strike out "families." and insert in lieu thereof "families: *Provided*, That any such grantee, where a substantial proportion of the population to be served is of limited English-speaking ability, has identified an individual on its staff who is bilingual and whose responsibilities shall include providing for training for members of its staff, or of the staff of any providers of services with whom arrangements are made, on the cultural sensitivities related to health of the population served and providing guidance to appropriate staff and patients in bridging linguistic or cultural differences."

On page 53, line 8, insert "linguistic," after "cultural,".

On page 67, insert after line 25 the following new clause:

"(12) the applicant, where a substantial proportion of the population to be served is of limited English-speaking ability, has identified an individual on its staff who is bilingual and whose responsibilities shall include providing for training for members of its staff and of the staff of any providers of services with whom arrangements are made on the cultural sensitivities related to health of the population served and providing guidance to appropriate staff and patients in bridging linguistic or cultural differences;"

On page 68, lines 1 and 11, renumber clauses (12) and (13) as (13) and (14), respectively.

#### By Mr. THURMOND:

S. 3544. A bill to amend the Fair Labor Standards Act of 1938, with respect to exemptions for babysitters, and for other purposes; and

S. 3545. A bill to amend the Fair Labor Standards Act of 1938, with respect to an exemption for certain employees who are babysitters, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. THURMOND. Mr. President, as everyone knows, we now have a new minimum wage law in this country, the coverage of which extends for the first time to domestic labor. Although I felt that this extension was unwise, the measure is now law and I am not going to argue about it. However, there is one particular area in which this new coverage is producing unforeseen, unintended, and disastrous effects, and it is to this area that I direct the attention of my colleagues. I am referring to the law's coverage of babysitters.

Mr. President, throughout our country there are countless families in which both the husband and wife must work in order to make ends meet. As inflation continues, their problem grows. In many of these families, particularly the younger ones, there are small children who cannot be left alone at home. They have to be cared for. Sometimes day care centers are available but often they are not. The only answer is a babysitter.

Before the new minimum wage law became effective, this presented no particular problem. There seemed to be a



fairly generous supply of babysitters. Typically, these were older women who, for various reasons, were unable to perform other types of employment but were quite willing and able to come to the employer's residence and care for the young child or children. The duties were relatively light and consisted of such things as changing diapers, preparing bottles and meals, seeing that the child rested properly, and otherwise meeting the child's needs. Although these duties were important and necessary, it was their nonstrenuous nature which enabled these women to perform them. While caring for the child, these babysitters could enjoy the television, radio, and other conveniences of the house and perhaps even take care of some handiwork brought from home. In most cases they neither asked for nor received the minimum wage. They were happy to get the work and the working mothers were pleased and relieved to have them.

Then came the new minimum wage law. In theory it sounded good: these babysitters would make more money, thereby enjoying a higher standard of living, and so on. In reality, however, this was simply not the case.

Mr. President, I have received literally hundreds of letters and telephone calls from persons who are being adversely affected by this new law. Many of these communications are from persons living outside of South Carolina. While most of them have come from the working mothers themselves, some have come from their employers and some have come from the babysitters. The working mothers are saying, "I simply cannot allocate such a large portion of my budget to our babysitter." The employers are saying, "Many of my employees are planning to quit work and stay home with their children." The babysitters are saying, "I would rather be paid less than \$1.90 an hour than not work at all."

Mr. President, these people are not raising idle complaints. This law has dealt them a severe blow and they are suffering. Figures are readily available to substantiate their claims. For instance, employees in the textile mills in this country number 1,022,100; in 1973 their average hourly wage was \$2.94; in January 19 this average had risen to \$3.06.

The plain fact is that the cost of living differs in various parts of our country and different workers, accordingly, earn different wages. It is much cheaper to live in a small town in South Carolina than in New York City, and this is reflected in the respective wages paid. Many workers have reasonably concluded that it is not practical for them to go to work and then pay almost their entire salary to their babysitter. So, they are staying home, quitting their jobs, and in turn the babysitters are losing their jobs. Unemployment is only the immediate effect; in addition, we will experience a loss of tax revenues and an increase in welfare recipients.

I do not feel that this is what the Congress had in mind when it passed this law. However, unless something is done these consequences are inevitable. Therefore, I am offering two bills, either of which I feel will provide the necessary relief.

The first would simply exempt all babysitters from the law's coverage. Thus, it would be a guaranteed cure for the problem. Let me point out, however, that it would have absolutely no effect on other domestic employees such as cooks, butlers, valets, maids, housekeepers, governesses, janitors, laundresses, caretakers, handymen, gardeners, footmen, grooms, and chauffeurs.

The second bill is offered as an alternative to the first. It is not as broad as the first and would provide relief only in the most severe cases. It would exempt from the coverage of the minimum wage law only those babysitters who are employed by a person who is, in turn, employed substantially full time and who is paid less than twice the minimum wage. In effect, it says that a working mother making less than \$3.80 an hour and her babysitter can agree to a salary without regard to the minimum wage. This is the single purpose of this bill. A working mother making more than \$3.80 an hour would still have to pay her babysitter the minimum wage. If the babysitter also performed household duties such as washing clothes or cleaning the house to such an extent as to be classified as a maid or other type of domestic employee under the law, then he or she would still be entitled to the minimum wage. The only working mothers who would obtain relief under this second bill are those who are paid low wages themselves.

Both bills would offer relief to all those persons who are able to perform babysitting duties but may be otherwise unemployable. Although they may make less than \$1.90 an hour, they would still have a job and be drawing a salary.

Mr. President, I hope my colleagues will act favorably on one of these bills. I emphasize that I am not attempting to preserve a cheap labor force or deny dignity to any segment of our society. My only purpose is to prevent this new law from imposing an insurmountable hardship on a very limited group of persons: low-paid working mothers and the babysitters, generally unemployable in other capacities, who take care of their children.

My proposals would not undercut the effectiveness or intent of the new minimum wage law. The provisions of this law would still apply to the vast majority of domestics.

Mr. President, all I am asking is that my colleagues correct what seems to have been an oversight. If the purpose of the new minimum wage law is to eliminate one inequity, it should not begin by creating another.

Mr. President, I ask unanimous consent that some letters received by me from working mothers, babysitters, and employers be printed in the RECORD following these remarks.

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

BENNETTSVILLE, S.C.,  
April 25, 1974.

Senator STROM THURMOND,  
U.S. Senate,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR THURMOND: I am writing to you in regard to the recently signed minimum wage law. I along with a great number

of young, working mothers in Marlboro County are very concerned over this bill and how it will affect so many people.

I work as a legal secretary and on my salary there is no way possible that I could pay a maid or baby sitter \$1.90 per hour to keep my three small children, and the Day Care facilities available are already filled to their capacity. It is imperative that I work to help meet the financial needs of our family because of the high cost of living, and if this new bill goes into effect I do not know what may be the consequences.

I sincerely request that you give this matter your immediate consideration.

Sincerely yours,

(Mrs.) NANCY E. WOOD.

UNION, S.C.,  
May 20, 1974.

Senator STROM THURMOND,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR THURMOND: I have recently been very upset and concerned about the new Minimum Wage law that went into effect May 1 of this year. I am the mother of two small children and I work to help support my children. I have a lady who works for me to care for my children while I work, and I do not bring home enough money each week, after deductions, to pay my babysitter the required \$1.90 per hour. If I am forced to pay her this much, I will be forced to quit work. Thus, this will add two, my babysitter and myself, to the unemployed in South Carolina. I have discussed the problem with my babysitter and she is just as concerned as my husband and I are. She wants to continue working at the salary that I pay her. She is an older lady and is not able to do any type of work except babysitting, and there are very few working mothers in Union County who can afford to pay a babysitter any more than I can. So there is very little chance that she could find work.

Yesterday I read in The State paper that there is a possibility that domestic help who care for the very young or the very old may be exempted from the \$1.90 per hour. Rep. Edward L. Young was quoted as saying that he has asked both the White House and the Department of Labor for "liberal interpretations" of the law "including exemption for certain domestics." The decision by the Department of Labor is to be made sometime later this month or early in June.

I would very much appreciate anything that you could say or do to help get this decision made to help the working mothers of this country and this state. I am sure that you will be remembered for any help that you can give us, because I need to work as does my babysitter, and unless we are granted these exemptions, it looks as if we both may have to stop work.

The article that I referred to concerning Rep. Young and the decision that is pending before the Department of Labor is on page 10-B of THE STATE paper for Sunday May 19, 1974.

Thank you for any help you may be in this matter.

Sincerely,

Mrs. JOHN M. JENKINS.

LITTLE MOUNTAIN, S.C.,  
May 2, 1974.

Hon. STROM THURMOND,  
U.S. Senate,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR THURMOND: With reference to Public Law 93-259, 93rd Congress, S. 2747, April 8, 1974, which brings all domestic employees under the new minimum wage law which is effective May 1, 1974, I, as a working mother feel that this is an unjust law which will result in hardships and unemployment for both working mothers and domestic help they employ to care for their small children.

There is no way the average paid female

employee can earn enough to pay these wages. First of all, the working mother is required to be at her place of employment eight hours a day, excluding time allowed for a lunch break. Also, it takes time to commute to her place of employment. Therefore, a domestic employee would be at her employer's home a total of from ten to eleven hours a day. That would be eight hours at regular time and two to three hours of overtime at time and one-half. In other words, a working mother will end up paying her domestic help two to three hours of overtime pay which would be above and beyond the eight hours the mother receives her regular salary. Wouldn't you consider this a hardship or disadvantage to working mothers?

Another thought to keep in mind is that most domestic help of this type do not have the expense of transportation and meals while on the job which are incurred by employees in other fields of work. In addition, they receive fringe benefits such as paid sick leave, paid holidays and other paid excused absences as well as food and/or clothing given them by their employer. Also, how many other employees have an opportunity to sit down and look at TV or just simply sit down and relax while on the job?

I am sure you realize the adverse effect this new law will have on the unemployment rate! It will probably jump by "twos". First it will be the working mother who can't afford to pay domestic help to care for her children and secondly, it will be the domestic help who will be out of employment because her employer can no longer afford to pay her this high rate of salary.

For example, here in Little Mountain, South Carolina, an elementary school teacher has resigned her position effective at the end of this school term because she can no longer pay her domestic help the wages required by law to care for her two pre-school children on the salary she now receives as a teacher. This is only one of many resignations which have taken place since the passage of the minimum wage law to include domestic help.

My personal outlook is very dim! Unless we working mothers are given some type of relief in regard to our domestic employees' wage rate, I have no alternative but to resign from my position because my salary will in no way exceed that which will be required to pay domestic help.

I earnestly request that you give serious thought and consideration to the effect this law will have on the economy of the country as well as the unemployment rate.

Please use your influence to see that employees of this type are either exempt from the law or that guidelines issued will not require them to be covered.

Your early action will certainly be appreciated by all who are affected.

Sincerely,

Mrs. GERALDINE W. STOUDEMIRE.

GAFFNEY, S.C.,  
April 26, 1974.

Senator STROM THURMOND,  
Senate Office Building,  
Washington, D.C.

DEAR SIR: Would you please do something about the most recent ruling about the minimum wages for domestic help. I am very much opposed to this because I know my employer could never pay me \$1.90 an hour as I work about 50 hours a week, just as she does. If something is not done, I will be out of a job because she is planning to quit rather than send the kids away from home. She knows that I love them as though they were my own and I take excellent care of them.

Your cooperation is appreciated.

Very truly yours,

Mrs. RUTH BLACK.

PRATT, READ & Co.,  
Central, S.C., May 10, 1974.

Re: New minimum wage laws.  
Senator J. STROM THURMOND,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR THURMOND: We have become very much concerned with an advisory opinion received from the Regional Administrator in Atlanta, relative to the "Casual Baby-sitter" section of the new minimum wage amendments.

The Regional Administrator's opinion stated that "casual baby-sitting" would not include "regular and recurring employment" as is necessary in order for a great many of our female employees to be able to continue working.

We have some 750 employees, three fourths of which are female and a number of them have stated that they would have to quit work if they have to pay the minimum wage required under the new Act.

If the interpretive bulletin to be issued by the Acting Administrator, Warren D. Landis, follows the Regional Administrator's interpretation, it would mean that our working mothers would have to pay from \$75 to \$90 per week in order to be able to work. This would result in most of them having to quit work.

For instance, a mother earning \$2.75 per hour and claiming one dependent, would pay a baby-sitter \$76, \$22.29 for Federal, State and S.C. Taxes leaving her a net for the week of \$11.71 from her \$110 earnings.

As you see, this is a very, very serious problem and would seriously affect our industries, as well as the take home pay of our people, at a time when prices are the highest they have ever been.

We sincerely urge you to use your influence requesting the Acting Administrator to consider these facts in issuing his interpretive bulletin, or whatever action you may deem advisable.

Very truly yours,

G. EDW. DICKARD,  
Personnel Manager.

POWELL MANUFACTURING CO., INC.,  
Charlotte, N.C., April 29, 1974.

Mr. WARREN D. LANDIS,  
Acting Administrator, Wage and Hour Division,  
U.S. Department of Labor, Washington, D.C.

DEAR MR. LANDIS: We are deeply concerned about the new Minimum Wage Law, as applied to household domestics, and its impact upon our female employees. Of particular concern is the definition of the term "casual baby-sitter". The interpretation of this term will determine whether our employees, who are mothers, will be able to continue their employment.

Our employment is in excess of 600 people and 29% of these are female, with a large portion being mothers of one or more small children. The average wage is approximately \$2.54 per hour. There would be little purpose in their working and paying a baby-sitter \$1.90 an hour.

To further complicate matters, our female employees working an 8 hour day, plus an hour for lunch, and an hour to go to and from work must have a baby-sitter 10 hours a day or 50 hours a week. The baby-sitter must be paid \$104.50 per week while the employee, at the average of \$2.54 per hour earns \$102.60, less required deductions. Many of our employees work 9 hours and 10 hours to make matters even worse.

It appears not only would some one hundred and fifty people be forced to give up their jobs, but also a number of domestics would be out of work. Some are investigating nurseries, but it seems their charges are being forced up also. Some of our women employees have already given their domestic help notice, and some have already informed us that they can not continue to work.

We will appreciate any consideration your department can give to rendering a broad interpretation of "casual baby-sitter", and also will appreciate any information you can give us.

Sincerely,

J. T. POPLIN, Jr.,  
Personnel Director.

By Mr. KENNEDY:

S. 3547. A bill to establish procedures relating to licensing of certain activities by the Atomic Energy Commission. Referred to the Joint Committee on Atomic Energy.

#### NUCLEAR POWER LICENSING LEGISLATION

Mr. KENNEDY. Mr. President, I send to the desk legislation to provide one-stop approval for the licensing of nuclear powerplants and to provide for fuller and more effective public involvement in the licensing process, including the payment of their costs of participation.

Currently, both the Joint Committee on Atomic Energy and the Government Operations Committees are working on legislation affecting the future operations of the Atomic Energy Commission. I am pleased at the indications that the Government Operations Commission intends to recommend the division of the development and regulatory functions of the AEC. In that regard, I am hopeful that the legislation I am submitting today, both in the form of a bill directed to the JAEC and an amendment to S. 2744, will be considered by both committees.

I am particularly hopeful that the Government Operations Committee will incorporate into S. 2744 provisions authorizing the payment of legal and technical expert fees to public interest intervenors.

The past decade has seen a continuing controversy over the future of nuclear power. Part of that controversy has centered on the claim by nuclear power advocates that the licensing and approval procedure of the Atomic Energy Act is unwieldy and burdensome. The opposing claims from environmentalists, from a significant segment of the scientific community and from local community groups has been that nuclear powerplants are proposed without adequate information and data and without the public having an opportunity to adequately present their views on the potential hazards and potential degradation of the environment resulting from nuclear powerplant construction.

Although statistics presented last year by AEC Commissioner William O. Doherty show that legal challenges accounted for only 4 percent of the actual delays in 28 nuclear plants scheduled for 1973 operations, virtually everyone affiliated with the nuclear powerplant licensing process agrees that the system can be improved, shortened and reformed. Yet, there is a parallel concern that the changes in the licensing process cannot be allowed to diminish the right of public interest groups to be heard.

Legislation already introduced this session focuses almost entirely on ways to shorten the licensing process, in some cases by removing the requirement for adjudicatory hearings, in others by eliminating some of the duplicative hearing requirements now in law, and by encour-



aging the development of standard powerplant designs. Unfortunately, those bills totally ignore the need to bolster the role of public participation in the licensing process and in some cases seem based on the proposition that public participation in the licensing process is both unwarranted and undesirable.

As chairman of the Senate Subcommittee on Administrative Practice and Procedure, I have long advocated expansion of the role of citizens in the Federal regulatory process. I have introduced legislation, S. 1421, to encourage that goal. I believe also that the matter is of paramount importance when we are considering the issue of nuclear powerplant siting, construction, and operation.

Essentially, therefore, I have attempted in the legislation being introduced today to streamline the licensing process by removing unnecessary and duplicative procedures and, at the same time, to increase the capacity of the public to make its voice heard in that decisionmaking process.

The legislation introduced today incorporates the following three basic changes in nuclear powerplant licensing process:

First, it eliminates duplicative and mandatory hearings and offers the opportunity for a one-stop licensing approval of all aspects of nuclear plant construction and operation.

Second, it requires sufficient leadtime in the preparation of applications to enable both the applicant and the intervenor to prepare for any hearings and to permit simultaneous resolution to the National Environmental Policy Act issues at those adjudicatory hearings.

Third, it offers public interest parties funding to insure that the technical experts and the legal groundwork necessary to represent the public interest will be available at the time of any hearing.

It should be emphasized that the concepts of broad public participation during a single, well-documented hearing are incorporated as well into the provisions permitting generic hearings to resolve major issues of safety and design.

The rationale behind the reform in the licensing process has been made by industrial proponents, by Government energy officials and, to a certain extent, by the AEC itself. The recent energy crisis has brought demands for immediate acceleration of the licensing process from former energy czar William Simon, from FEO director John Sawhill and President Nixon.

However, it is vital to note once again Commissioner Doub's comments that most delays do not result from the licensing process but from other and more traditional obstacles. Thus, of the 28 plants scheduled for 1973 operation, the Commissioner found the following delays:

Chart 1—Causes of schedule delays in 28 nuclear plants scheduled for 1973 operation

(Chart accompanying remarks by William O. Doub, Commissioner, U.S. Atomic Energy Commission, before the Atomic Industrial Forum Annual Conference, San Francisco, Calif., November 12, 1973.)

Cause	Number of Plants Affected	Plant/ Months of Delay
Poor productivity of labor.....	16	84
Late delivery of major equipment .....	9	68
Change in regulatory requirements .....	8	23
Equipment component failure .....	6	15
Strikes of construction labor.....	5	18
Shortage of construction labor.....	5	18
Legal challenges.....	4	9
Strike of factory labor.....	4	5
Rescheduling of associated facilities .....	1	12
Weather .....	1	9

Mr. KENNEDY. Even if one were to lump together the 9-month delay from legal challenges and the 23-month delay from changes in regulatory requirements, those factors would pale beside the 229 months lost from other factors.

It seems doubtful that any substantial share of the blame for delays in the construction and operation of nuclear powerplants can be laid on public participation in the process.

I firmly believe that full public participation in the licensing process is not only required for the protection of the public interests, but for the future of the nuclear power industry as well. It is only when public fears and concerns as to the safety of nuclear power have been answered are we likely to see the industry moving much beyond its current 1-percent share of total energy capacity and 5 percent of our total electrical generating capacity. The issues of accidents, waste disposal, sabotage, and theft must be met before the pace of nuclear power development is accelerated.

The importance of effective public participation can be found in a wide variety of sources. The Administrative Conference of the United States in 1971 specifically stated:

Agency decision-making benefits from the additional perspectives provided by informed public participation.

The Joint Committee on Atomic Energy in 1972 in its report on S. 3542 stated that—

It was designed to be responsive to the concerns expressed by interested members of the public that they not be deprived of an opportunity for a complete review of the safety and environmental aspects of the operation of a nuclear power plant, and that the licensing of nuclear power reactors continues to be the subject of public proceedings in which members of the public whose interest may be affected by the proceedings have an opportunity to present their views.

However, the most impressive statements supporting full and informed public participation come from those who make the licensing decisions themselves.

Thus, in Con Edison's Indian Point No. 2 operating licensing hearing, the Atomic Safety and Licensing Appeal Board made the following statement after the public intervenors challenged the adequacy of the plant's security system to cope with sabotage:

Our review of the incamera record convinces that the development of plant security requirements was influenced considerably by the probing questions of CCPE's (Citizens Committee for Protection of the Environment) counsel. The Licensing Board found

"reason for some of the questions and concerns of the Citizens Committee." So do we.

Similarly, in a decision in the Gulf States' Utilities Co. cases, the Atomic Safety and Licensing Appeal Board answered the charge that the public has "nothing to contribute" by stating:

While we fail to see the possible legal relevance of these remarks to the question of whether petitioners have satisfied the intervention requirements of Section 2.714(a), we nevertheless cannot leave unsaid our total disagreement with such a sweeping condemnation of intervenor participation as being essentially worthless. Our own experience—garnished in the course of the review of initial decisions and underlying records in an appreciable number of contested cases—teaches that the generalization has no foundation in fact. Public participation in licensing proceedings not only 'can provide valuable assistance to the adjudicatory process', but on frequent occasions demonstrably has done so. It does not do disservice to the diligence of either applicants generally or the regulatory staff to note that many of the substantial safety and environmental issues which have received the scrutiny of licensing boards and appeal boards were raised in the first instances by an intervenor.

Those statements strongly endorse full public participation in the regulatory process, a goal I have previously endorsed and worked to achieve.

Therefore, the legislation proposed today seeks to achieve informed public participation at the earliest possible stage in a way that insures the elimination of repetitive treatment of previously decided issues.

The key elements in assuring the adequacy of public participation are first the requirement that there be early notice and essentially coterminous participation by all parties from the first filing in the licensing process. Second, full access by all parties is provided to all written documents and to meetings concerning the application. Finally, the costs of participation, primarily the costs of technical experts, although including legal fees, would be paid by the Commission under certain circumstances.

The concept of payment of costs to public interest parties has been endorsed by the Committee of Environmental Rights and Responsibilities of the ABA and by a committee of the Administrative Conference. In addition, it is a concept which has been adopted to some extent in the Regional Rail Reorganization Act passed by the Congress last session, in the Federal Water Pollution Control Act and in the Clean Air Act.

It also should be noted that the U.S. Supreme Court and other Federal courts have established a line of precedents for the awarding of legal fees to attorneys who speak not for a private interest but for the benefit of the public at large.

In the *Wilderness Society v. Morton*, (C.A.D.C. decided April 4, 1974), the U.S. Court of Appeals set forth the line of precedents in which—

Recognizing their broad equitable power, some courts have concluded that the interests of justice require fee shifting . . . where the plaintiff acted as a private attorney general, vindicating a policy that Congress considered of the highest priority.

The Court cited the following opinion from *Knight v. Auciello* (*supra*, 453 F. 2d at 853).

The violation of an important public policy may involve little by way of actual damages, so far as a single individual is concerned, or little in comparison with the cost of vindication. . . . If a defendant may feel that the cost of litigation, and, particularly, that the financial circumstances of an injured party may mean that the chances of suit being brought, or continued in the face of opposition, will be small there will be little brake upon deliberate wrongdoing. In such instances public policy may suggest an award of costs that will remove the burden from the shoulders of the plaintiff seeking to vindicate the public right.

In the case of nuclear powerplant licensing, the burden of protecting the public right usually rests on groups which have difficulty acquiring the technical experts who are needed to effectively raise issues of public concern.

Alan S. Rosenthal, chairman of the Atomic Safety and Licensing Appeal Panel, of the AEC, testified last month before the Joint Atomic Energy Commission and stated:

I would think that if some of the responsible intervenors had greater resources at their disposal they could make more effective presentations and part of that would be, I suppose, being able to retain experts to examine the environmental reports and PSAR's and other documents that are available to the public for inspection before the proceeding starts.

In fact, the availability of funds is a clear obstacle to full and adequate public participation in the licensing process. I believe that the authorization of payment of costs, under reasonable controls, will be a major insurance that the voice of the public interest will be heard in licensing decisions.

I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

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

#### S. 3547

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

#### DEFINITIONS

##### SECTION 1. As used in this Act—

(1) the term "regulatory review process" means the process by which the Commission reviews and acts upon applications for licenses to site, construct, manufacture, or operate production or utilization facilities, including any hearings thereon, beginning with the first filing by any person requesting or leading to a request for action and ending when the Commission denies the request or ceases supervision of the activity;

(2) the term "party" means any participant in the regulatory review process, including the applicant and the Commission staff;

(3) the term "license" means the combination of authorizations which enable a person to operate a nuclear facility or in the case of a person not intending to operate a facility, authorization for a site for a nuclear facility or to manufacture one or more nuclear facilities; and

(4) the term "Commission" means the Atomic Energy Commission.

#### APPLICATION

Sec. 2. (a) Any person seeking a license to site, manufacture, construct, or operate a utilization or production facility, as defined in section 11 of the Atomic Energy Act of 1954, shall file an application for such license at least 3 years prior to the time construction of the facility is contemplated to begin. Any such application shall include informa-

tion sufficient to identify the site, size, and type of the proposed facility.

(b) Upon receipt of a license application, the Commission shall—

(1) publish a notice in the Federal Register indicating the receipt thereof and affording 30 days in which persons or organizations may request an opportunity to participate in the regulatory review process with respect to the license; and

(2) appoint an Atomic Safety and Licensing Board for such application.

(c) The Commission shall approve for participation in the regulatory review process any person or organization which has an interest which may be adversely affected by the construction or operation of the facility. An untimely petition to participate may be granted only after consideration of whether there was good cause for late filing, the likelihood of delay of the regulatory review process as a result of participation, and the extent to which the interests to be affected are represented by other parties.

#### PARTICIPATION IN REGULATORY REVIEW PROCESS

Sec. 3. All parties to the regulatory review process shall receive simultaneous service of all documents and written communications relating to the application received by the Commission or from any person or party or received from the Commission or by any person or party. All parties to the regulatory review process shall be given due notice of any meeting related to the application between the Commission or any person or party, and minutes of such meetings shall be distributed to all parties to the regulatory review process. To the extent any document or other communication required to be distributed contains information which is subject to disclosure limitations under any provision of law, it shall be distributed only to parties who sign agreements to limit disclosure of the information to the extent required by law.

#### DISCOVERY

Sec. 4. Any party shall have the right to discover information from any other party or the Commission to the extent permitted by rules adopted by the Commission which shall be substantially the same as Rules 26 through 37 of the Federal Rules of Civil Procedure.

#### REQUEST FOR AUTHORIZATION

Sec. 5. (a) Within one year after the filing of the application, the applicant shall file of the following actions:

a request for authorization for at least one

- (1) site selection and preparation;
- (2) limited construction activities;
- (3) construction or manufacturing of the facility;

(4) amendments to the construction or manufacturing authorization;

(5) fuel loading and subcritical testing;

(6) low power testing and power ascension testing;

(7) limited operation up to two years;

(8) full-power, full-term operation;

(9) amendments to any operation authorization.

If no such request for authorization is filed within one year, the application shall be dismissed without prejudice to a subsequent filing.

(b) No limited construction or construction authorization may be granted unless a prior or simultaneous authorization for the site selection and preparation has been granted for the same facility. No operating authority may be granted unless a prior or simultaneous authorization for construction has been granted for the same facility.

(c) An applicant may request an authorization under subsection (a) at any time, and may request one or more authorizations at one time including additional authorizations. When a request for authorization is filed with the Commission, it shall publish in the Federal Register a notice of receipt of

such request and notice of the provisions of section 2.

#### HEARINGS

Sec. 6. (a) Within thirty days after receipt of a request for authorization, any party may file a notice of intent to request a hearing with respect to the proposed action.

(b) Within thirty days after receipt of all of the material upon which the Commission and the applicant rely for their respective positions on the proposed authorization, including any reports or testimony, any party who previously filed a notice of intent under subsection (a) shall file a specific statement of the issues relevant to the proposed authorization, identifying those issued on which he seeks a hearing, the factual basis for each issue including any direct testimony to be offered, and the areas of any proposed cross-examination including an identification by name or expertise of the witness to be cross-examined. Within fifteen days thereafter, every other party shall file a detailed statement of his position with respect to the issues raised by the party and the factual basis for such position including any additional direct testimony to be offered and the areas of proposed cross-examination including an identification of the name of the witness to be cross-examined.

(c) If the applicant opposes the position of the Commission, then he shall, within 30 days of receipt of the Commission position, comply with the requirements of subsection (b) of this section applicable to any party requesting a hearing.

(d) Any party opposing a hearing with respect to any or all issues may file a motion for summary disposition as to any such issue which motion shall be governed by a procedure substantially similar to Rule 56 of the Federal Rules of Civil Procedure. Such motion shall be filed within 15 days following the filing of a specific statement of issues by a party seeking a hearing.

#### FINALITY OF DETERMINATIONS

Sec. 7. A motion under section 6(d) shall be granted with respect to the determination of any issue which could have been raised in connection with prior proceedings under the same application on the basis of information then available unless the party opposing the motion has established the likelihood that substantial additional protection for the public health and safety, for the common defense or security, or for the environment could result if its position were upheld and, in addition, demonstrates—

(1) a significant change in circumstances (including the issuance of rules and regulations subsequent to the prior proceedings); or

(2) the existence of other special circumstances or public interest factors.

#### SUFFICIENCY OF EVIDENCE

Sec. 8. (a) An authorization for site selection and preparation shall not be granted unless information regarding the final design, method of construction, and proposed operation of the facility is sufficient to permit an analysis of all factors required by the National Environmental Policy Act of 1969 and the completion of the cost-benefit analysis.

(b) Any action taken after the requirements of the National Environmental Policy Act of 1969 with respect to an application are satisfied shall not require further compliance with the National Environmental Policy Act unless the requirements of section 7, relating to finality, are met with respect to the issues sought to be raised under the National Environmental Policy Act of 1969.

#### RELATION TO OTHER LAWS

Sec. 9. With respect to any authorization under section 5(a), the requirements of the Atomic Energy Act of 1954 and the rules and regulations of the Commission relevant to each action shall be met before the action is authorized.



## ADMINISTRATION

SEC. 10. After an application has been filed, all legal and factual issues relating to the application shall be determined by an Atomic Safety and Licensing Board assigned to the application to the extent such issues are contested by any party. Decisions of the Atomic Safety and Licensing Board shall be subject to review by an Atomic Safety and Licensing Appeal Board upon the filing of a request for review by any party. Final decisions shall be subject to judicial review in the same manner as prescribed in section 189 of the Atomic Energy Act of 1954.

## JOINDERS

SEC. 11. The Commission may, upon the request of any person or on its own motion, order commencement of a regulatory review process on any issues common to several nuclear facilities. The hearings shall be governed by the same rules applicable to hearings on individual nuclear plants except that the Commission shall—

(1) include notice of the hearing in publications widely read by the general population;

(2) allow 60 days for any party to file a request to be part of the regulatory review process; and

(3) permit any party to participate in the regulatory review process if its request to participate discloses that its interest could be affected by resolution of the issues if a nuclear facility to which the issues raised are relevant were built near the area with which such party is concerned.

The provisions of sections 2(a) and 6 shall not apply to a proceeding under this section unless such proceedings were commenced either directly or indirectly by the Commission, by parties seeking authorizations under section 5, or by parties reasonably expected to be seeking such authorizations.

## COSTS

SEC. 12. (a) With respect to any regulatory review process or any hearing held for the purpose of adopting any rule or regulation, whether governed by section 553 or 554 of title 5, United States Code, the Commission shall, upon request, pay for the cost of participation, including attorneys' fees, in any hearing or the regulatory review process of any party, except that the amount paid, if any, shall be determined with due consideration to the following factors:

(1) The extent to which the participation of the party helped to develop facts, issues and arguments relevant to the regulatory review process or hearing.

(2) The ability of the party to pay its own expenses.

(b) The Commission shall establish a maximum amount to be allocated to each hearing or other proceeding which amount shall be apportioned among the parties seeking reimbursement of costs based upon the factors enumerated in subsection (a). The maximum amount established pursuant to this subsection shall be established and adjusted from time to time by the Commission with due regard to the following factors:

(1) The actual costs of public participation in hearings based upon a non-duplicative presentation of opposing viewpoints on all relevant issues.

(2) The cost of participation in the proceeding of the Commission's staff and the applicants seeking authorizations under section 5.

(c) Payment of costs under this section shall be made within 3 months of the date on which a final decision or order disposing of essentially all of the matters involved in the hearing is issued by the Commission, except that if a party establishes that—

(1) its ability to participate in the proceeding will be severely hampered by the failure to receive funds prior to conclusion of the proceeding; and

(2) there is reasonable likelihood that its participation will help develop facts, issues

and arguments relevant to the regulatory review process or hearing,

then the Commission shall make from time to time such advance payments as it deems essential to permit the party to participate or to continue to participate meaningfully in the proceeding with due regard to the maximum amount payable for costs of this hearing and the possible requests for reimbursement of costs of other parties.

(d) In the case of any judicial proceedings arising out of an appeal of a decision reached in a regulatory review process or other proceedings before the Commission, the Court may order the Commission to reimburse all costs of such proceedings, including attorneys' fees, to any party which meets the requirements of subsection (a) of this section.

(e) The provisions of this section shall become effective upon the adoption by the Commission of regulations implementing them or upon the expiration of 90 days after the enactment of this section, whichever first occurs. This section shall apply to all regulatory review processes, hearings, and court proceedings in which final decisions or orders disposing of essentially all of the issues involved in the regulatory review process or hearing or final orders of courts have not been issued by the Commission or court when this section is enacted and to all regulatory review processes, hearings and court proceedings subsequently commenced. In the case of court proceedings in progress when this section is enacted, the reimbursement of costs provided for in this paragraph shall apply only to the costs referred to in subsection (d) and not to costs of the regulatory review process or hearing being reviewed.

(f) Nothing in this section shall diminish any right which any party may have to collect any costs, including attorneys' fees, under any other provision of law.

(g) The authorization to make such payments shall not apply to any regulatory review processes, hearings for the purpose of adopting any rule or regulation, or court reviews arising out of such processes or hearings, if the regulatory review processes or hearings for the purpose of adopting any rule or regulation commenced later than the three years after the date of enactment of this Act.

(h) Any decision made pursuant to this section shall be reviewable in Court to the same extent as any other Commission decision, except that no stay may be issued based upon any alleged violation of this section and no court order determining that the provisions of this section have been violated shall, solely as a result of that determination, require a reversal of the Commission's decision with respect to any other issue.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

## EFFECTIVE DATE

SEC. 13. The provisions of this Act shall be applicable to all ongoing proceedings for issuance, revocation, modification, amendment, or revision of construction permits and operating licenses and to all construction permits and operating licenses already issued to the maximum extent practicable consistent with the public interest and the avoidance of unnecessary delay.

By Mr. MOSS (for himself and Mr. WILLIAMS):

S.J. Res. 212. A joint resolution to authorize the erection of a Children's Gift Bell memorial bell tower on the Capitol grounds, and for other purposes. Referred to the Committee on Public Works.

## CHILDREN'S GIFT BELL

Mr. MOSS. Mr. President, it gives me great pleasure to introduce, with Sen-

ator WILLIAMS, a joint resolution that will make it possible for our young people to participate in the American Bicentennial Revolution Celebration. This bill encourages all freedom-loving young Americans to donate pennies from which a gigantic copper bell, "Twice the size of the Liberty Bell," will be constructed. The bell, known as the Children's Gift Bell, will be placed on the American Freedom Train to tour the Nation for some 21 months in 1975 and 1976. Thereafter, the bell will be placed on the Capitol grounds as a constant reminder of the freedoms enjoyed by each of us.

Special recognition for this worthwhile idea should be given to Mr. Ross E. Rowland, Jr., president, American Freedom Train Foundation. I am pleased to be associated with Mr. Rowland as a member of the Board of Trustees of the American Freedom Train Foundation.

Mr. Rowland has made many contributions to the preparations for the Bicentennial Celebration. He is a very remarkable individual. The culmination of his work as President of the American Freedom Train Foundation will be realized in 1975 and 1976 when the "Freedom Train" will tour all 48 contiguous States. I am happy that this train will be in Salt Lake City on October 11-13, 1975.

The Children's Gift Bell will be on the "Freedom Train" and will be seen by millions. It will be a viewing highlight of the "Freedom Train" tour. The bell can literally be characterized as "Pennies From a Proud People." It will be a symbol of the dedication of America's young citizens to freedom and independence. It incorporates all of the theses of this Nation's 200th anniversary celebration.

A computerized "honor roll," with the names of every donor, will be on the train. At every stop, any donor will be able to find his name and address on the computer list. Later this list will be placed at the bell's permanent site.

Mr. President, this bill would authorize the American Freedom Train Foundation to erect on the Capitol Grounds a Children's Gift Bell memorial bell tower in honor of the bicentennial celebration of the signing of the Declaration of Independence. The design and location of the memorial would be subject to approval of the Architect of the Capitol with the advice of the National Commission of Fine Arts and the National Capitol Planning Commission. This bill specifically allows the American Freedom Train Foundation to melt a sufficient number of 1-cent pieces, approximately 350,000, solicited from the children of the United States. From the melted pennies, the Children's Gift Bell would be constructed.

If surplus pennies are received, they would be turned over to the Federal Treasury. However, the names of all donors would be placed on the computer list.

Although a serious shortage of pennies exists in the United States, the benefits that can result from a feeling of participation in America's Bicentennial through small contributions to America's heritage warrant acceptance of this bill.

Mr. President, I ask that the Senate act quickly on this bill in order that the Children's Gift Bell can become a real-

ity. Quick action will indicate the Senate's confidence in our young citizens' desire to participate in the American Bicentennial Revolution Celebration.

I ask unanimous consent that the full text of the joint resolution be printed in the RECORD.

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

S.J. RES. 212

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the American Freedom Train Foundation is authorized to erect on the Capitol grounds, and to present to the Congress of the United States, a Children's Gift Bell memorial bell tower of appropriate design in honor of the Bicentennial Celebration of the signing of the Declaration of Independence.

Sec. 2. All plans for the design and location of such memorial are subject to the approval of the Architect of the Capitol, with the advice of the National Commission of Fine Arts and the National Capitol Planning Commission.

Sec. 3. The memorial authorized to be erected by the first section of this Act shall be erected without expense to the United States and shall be maintained by the Architect of the Capitol.

Sec. 4. The authority granted by the first section of this Act shall terminate three years after the date of enactment of this Act unless—

(a) the plans for the memorial are presented to and approved by the Architect of the Capitol, and

(b) the Architect of the Capitol determines, before construction of the memorial begins, that sufficient funds are available to insure its completion without expense to the United States.

Sec. 5. Notwithstanding the provisions of any other law, the American Freedom Train Foundation is authorized to melt a sufficient number of one-cent pieces, solicited from the children of the United States, to construct from such one-cent pieces a Children's Gift Bell in honor of the Bicentennial of the signing of the Declaration of Independence. Such bell shall be installed in the memorial authorized to be erected under the first section of this Act.

#### ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1811

At the request of Mr. CHURCH, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1811, a bill to amend the Internal Revenue Code of 1954 to increase the credit against tax for retirement income.

S. 1844

At the request of Mr. ABOUREZK, the Senator from Utah (Mr. MOSS) was added as a cosponsor of S. 1844, the American Folklife Preservation Act.

S. 2513

At the request of Mr. LONG, the Senator from North Dakota (Mr. YOUNG), the Senator from Florida (Mr. CHILES), the Senator from Wyoming (Mr. MCGEE), the Senator from Hawaii (Mr. INOUE), the Senator from Nevada (Mr. BIBLE), the Senator from Florida (Mr. GURNEY), the Senator from Nevada (Mr. CANNON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from North Dakota (Mr. BURDICK),

were added as cosponsors of S. 2513, to amend the Social Security Act by adding a new title thereto which will provide insurance against the costs of catastrophic illness, by replacing the medic-aid program with a Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes.

S. 3095

At the request of Mr. HASKELL, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 3095, a bill to deny treatment as a foreign tax credit to any payment to a foreign government in connection with the extraction of oil or gas, if such payment is a royalty payment.

S. 3277

At the request of Mr. BARTLETT (for Mr. DOMENICI), the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 3277, a bill to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes.

S. 3293

At the request of Mr. BARTLETT (for Mr. DOMENICI), the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 3293, a bill to authorize the Atomic Energy Commission in consultation with the U.S. Environmental Protection Agency to enter into cooperative agreements with certain States to contain and render harmless uranium mill tailings, and for other purposes.

S. 3339

At the request of Mr. HUMPHREY, the Senator from Hawaii (Mr. INOUE), and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 3339, a bill to amend the program of supplemental security income for the aged, blind, and disabled—established by title XVI of the Social Security Act—to provide for cost-of-living increases in the benefits provided thereunder.

S. 3403

At the request of Mr. DOLE, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 3403, a bill to amend the act of August 31, 1922, to prevent the introduction and spread of diseases and parasites harmful to honey bees.

S. 3417

At the request of Mr. EAGLETON, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of S. 3417, a bill to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances.

S. 3433

At the request of Mr. AIKEN, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 3433, to further purposes of the Wilderness Act by designating certain ac-

quired lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes.

S. 3434

At the request of Mr. HUGH SCOTT, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 3434, to establish university coal research laboratories and to establish energy resource fellowships.

S. 3498

At the request of Mr. BARTLETT (for Mr. DOMENICI), the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 3498, a bill to amend section 5 of the Food Stamp Act of 1964 to broaden the authority of the Secretary of Agriculture with regard to providing emergency food assistance to victims of disasters.

#### PUBLIC HEALTH SERVICE ACT AMENDMENTS OF 1974—AMENDMENT

AMENDMENT NO. 1399

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. CRANSTON (for himself, Mr. KENNEDY, and Mr. MONTOYA) submitted an amendment intended to be proposed by them jointly to the bill (S. 3280) to amend the Public Health Service Act to revise and extend programs of health delivery and health revenue sharing, and for other purposes.

(Mr. CRANSTON'S remarks in connection with the submission of this amendment appear under the heading "Statements on Introduced Bills and Joint Resolutions.")

#### EXEMPTION FROM DUTY REPAIRS TO CERTAIN VESSELS—AMENDMENT

AMENDMENT NO. 1360

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

(Mr. HASKELL submitted an amendment intended to be proposed by him to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1972.

Mr. HASKELL. Mr. President, on March 1 of this year, I introduced S. 3095, a bill to deny treatment as a foreign tax payment to any royalty payment made in connection with the extraction of oil or gas from a foreign country. Since then, this bill has been cosponsored by Senators STEVENSON, CHURCH, CASE, MCINTYRE, CRANSTON, TUNNEY, CANNON, and HUMPHREY. I remain convinced of the need for legislation of this nature and am, accordingly, today reintroducing S. 3095 as an amendment proposed to be added to H.R. 8217, which will be before the Senate after the Memorial Day recess.

There is no justification for allowing royalty payments to foreign governments to be credited against Federal income taxes. In the vast majority of entrepreneurial enterprises, royalty payments are ordinary—and deductible—business



expenses. That is an appropriate manner in which to determine taxable income and that is how all royalty payments should be treated. Today, however, we operate under the fiction that royalty payments made by multinational oil and gas corporations to foreign governments are somehow the equivalent of income taxes paid to those countries. The result, of course, is a tremendous tax windfall for the biggest petroleum corporations.

I do not object to the allowance of a tax credit for bona fide income tax payments to foreign governments. To administer our tax laws otherwise would, in effect, cause a double income taxation of foreign source income and would thereby put American businesses operating abroad at a distinct disadvantage relative to foreign corporations.

The dangers of those disadvantages, however, must be balanced against the inequities caused here at home by fundamentally unfair tax advantages that are afforded multinational corporations alone. It is not an overstatement of fact to suggest that the abuse of the foreign tax credit provisions of the Internal Revenue Code—an abuse for which the Internal Revenue Service must claim a part of the blame since its interpretation alone allows royalties to be credited against taxes—is one reason that the oil and gas giants often pay little or no Federal income taxes.

Under this amendment, royalty payments will not be creditable against taxes due the Federal Government. Only true income taxes will be creditable against taxes; any so-called taxes that are imposed on a per volume basis, including "per barrel" taxes, must of course be treated as royalties and not as income taxes paid to foreign governments.

I ask unanimous consent Mr. President that my statement of March 1, 1974, on this subject, along with my proposed amendment, be printed at this point in the RECORD.

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

**STATEMENT AND AMENDMENT BY MR. HASKELL**

S. 3095. A bill to amend the Internal Revenue Code of 1954 to deny treatment as a foreign tax payment to any royalty payment made in connection with the extraction of oil or gas from a foreign country and to provide a means of determining what part of any payment constitutes the payment of a royalty. Referred to the Committee on Finance.

**FOREIGN TAX CREDITS AND INCOME TAX FAIRNESS**

Mr. President, 1 month ago I spoke on the Senate floor of my grave concern with the adequacy of the so-called "windfall profits" provision of the Energy Emergency Act. I suggested at that time that the most effective manner in which to distribute more evenly the burden of the energy crisis would be the imposition of an excess profits tax on the profits of multinational oil companies and the establishment of meaningful price controls on domestic oil operations. At the same time, I spoke of the need to address ourselves once and for all to the question of the overall tax treatment of the oil industry. Every tax loophole, Mr. President, means that the American people as a whole must bear a greater tax burden. One of those loopholes which I mentioned a month ago is the for-

eign tax credit provision. Today, I am introducing the first of several bills—the first long overdue step—to reform the tax treatment accorded this industry without apparent justification.

The legislation that I am introducing today will prohibit the multinational oil companies from taking a tax credit for amounts paid to a foreign government that are, in reality, a royalty payment rather than a tax on the companies' income.

Under present law, taxes paid to foreign governments generate a dollar for dollar tax credit against U.S. taxes on the theory that double taxation of corporate income—taxation by both the foreign government and the United States—would be inappropriate. That, in my judgment, is a legitimate consideration. Total elimination of the foreign tax credit would put our corporations operating abroad at an extreme competitive disadvantage compared to foreign corporations that would not be subject to a double taxation. I accept the principle that foreign tax payments should be credited against the tax liability that a corporation pays in the United States.

However, the major method by which foreign tax credits provide a special benefit to the multinational oil industry is the practice of crediting royalty payments in the guise of an income tax. No other industry, no individual, is allowed to treat royalty payments as though they were an expense that is creditable against U.S. taxes. Royalties are nothing more than a cost of doing business. For every other taxpayer in this country, those royalty payments can only be deducted from gross income. But, for the multinational corporation they can be credited against taxes due the U.S. Government. This practice is one of the several reasons that major corporations like Standard Oil of California, Texaco, and Gulf Oil Cos., each of which has income in the range of \$1 billion, paid income taxes in 1971 of less than 3 percent of their gross income. I need not remind my colleagues that our constituents pay an average tax of 16 percent of their incomes—and not too many of these American families are earning a billion dollars a year.

This practice of crediting royalty payments against Federal tax liability has, in recent weeks, been studied and questioned by my very distinguished colleague from Idaho, Mr. CHURCH. I have been following with great interest and admiration his vigorous investigation of the source of and rationale for this unwarranted tax break. I applaud Senator CHURCH and his Subcommittee on Multinational Corporations for bringing this matter to the attention of the American public and the Congress.

The bill which I am introducing today is straightforward. It prohibits corporations from taking a tax credit for any payment to a foreign government that is a royalty payment. The bill directs the Secretary of the Treasury to apply certain standards in the determination of whether payments to foreign governments are royalties or taxes. And it authorizes him, in certain situations, to formulate additional standards for this purpose.

The bill applies only to the income of petroleum related corporations operating abroad. The Committee on Finance may well desire to inquire into the appropriateness and necessity of expanding the coverage of income to other corporate activities abroad.

The application and enforcement of this proposed amendment to the foreign tax credit provisions of the code should pose no problem to the Internal Revenue Service. The Service may, if necessary, choose to examine and place royalty values on foreign wells just as it now values closely held stock and unique assets in a decedent's estate.

I intend to offer additional legislation affecting this area of the code in the near future, including a bill to repeal the so-called "overall limitation" on the foreign tax credit, which allows a multinational to credit taxes paid to one country against income earned in another. I hope, though, that my colleagues on both sides of the aisle will give their support to this bill at this time and that the distinguished members of the Finance Committee will give favorable consideration to my proposal.

**AMENDMENT No. 1360**

Insert the following:

SEC. 4. (a) Section 903 of the Internal Revenue Code of 1954 (relating to definition of creditable taxes) is amended to read as follows:

"(a) IN GENERAL.—For purposes of this subpart and sections 164(a) and 275(a), the term 'income, war profits, and excess profits taxes' means a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any foreign possession of the United States.

"(b) ROYALTIES.—

"(1) IN GENERAL.—For purposes of this subpart and sections 164(a) and 275(a), in the case of taxes paid or accrued to any foreign country with respect to income derived from the extraction, production, or refining of oil or gas in such country, the term 'income, war profits, and excess profits taxes' does not include any amount paid as a royalty.

"(2) DETERMINATION BY SECRETARY OR HIS DELEGATE.—The Secretary or his delegate shall determine, in accordance with the provisions of paragraph (3), with respect to payments made to any foreign country in connection with income from the extraction, production, or refining of oil or gas in such country, what portion (if any) of that payment constitutes the payment of a royalty.

"(3) BASIC RULES.—In the case of any foreign country which imposes an income, war profits, or excess profits tax on income from activities other than the extraction, production, or refining of oil or gas in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, or of the amount of tax paid for the income or profits involved) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary or his delegate, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary or his delegate, on account of the manner in which it is determined, the rate or amount involved, or any other reason, to constitute the payment of a royalty is considered to be a royalty payment."

(b) Section 904(f)(4) of such Code (relating to transitional rules for carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(C) CARRYOVERS TO YEARS BEGINNING AFTER DECEMBER 31, 1973.—

"(i) Whenever pre-1974 taxes are, under the provisions of subsection (d), deemed to be post-1973 taxes, the pre-1974 taxes shall be redetermined in accordance with the provisions of section 903(b) (relating to royalties) as if those provisions applied to the taxable year in which the pre-1974 taxes were paid or accrued.

"(ii) For purposes of this subparagraph, the term 'pre-1974 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year ending before January 1, 1974, and the term 'post-1973 taxes' means taxes paid or

accrued to any foreign country or possession of the United States in any taxable year beginning after December 31, 1973."

Sec. 2. The amendments made by this Act apply with respect to taxable years beginning after December 31, 1973.

# FREEDOM OF INFORMATION ACT—AMENDMENT

AMENDMENT NO. 1361

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

Mr. HART (for himself, Mr. MATHIAS, Mr. CRANSTON, Mr. MUSKIE, Mr. CLARK, Mr. RIBICOFF, Mr. MOSS, and Mr. McGOVERN) submitted an amendment intended to be proposed by them jointly to the bill (S. 2543) to amend section 552 of title 5, United States Code, commonly known as the Freedom of Information Act.

## THE FREEDOM OF INFORMATION BILL

Mr. HART. Mr. President, the Freedom of Information Act, which we will consider tomorrow, is an admittedly complex and highly significant piece of legislation, which we seek to improve.

For the first time since its enactment in 1967, major amendments to the Freedom of Information Act will be considered by the Senate on Thursday, May 30. I intend to offer an amendment proposed by the American Bar Association which will clarify the congressional intent as to the disclosure of investigatory records.

The Freedom of Information Act exempts from disclosure "investigatory files compiled for law enforcement purposes except to the extent available by law to a party other than an agency," section 552(b) (7). According to my reading of the legislative history Congress intended that the purpose of section 552 (b) (7) was to prevent harm to the Government's case in court, by not allowing an opposing litigant "earlier or greater access to investigative files than he would otherwise have." (H. Rept. No. 1497, 89th Congress, 2d session, 1966; S. Rept. No. 813, 89th Cong., 1st session, 1965.)

Recent court decisions have greatly broadened the scope of the exemption to allow the Government to withhold any information which it claims is "investigative" in nature and compiled for a law enforcement purpose. The Government does not have to show that disclosure would reveal the identity of informants or in any other way prejudice its investigation.

The proposed amendment urged by the Administrative Law Section of the American Bar Association explicitly places the burden of justifying nondisclosure on the Government which would have to show that disclosure would interfere with enforcement proceedings, deprive a person of a right to a fair trial, constitute an unwarranted invasion of personal privacy, reveal the identity of informants, or disclose investigative techniques or procedures.

The protection for personal privacy was not explicitly included in the ABA draft amendment but is a part of the sixth exemption in the original act. By adding the language here, we simply make clear that the protections in the

sixth exemption also apply to disclosure under the seventh exemption.

Mr. President, I ask that the amendment which I intend to offer be printed.

The PRESIDING OFFICER. The amendment will be received and printed and will lie at the desk.

Mr. HART. Mr. President, I ask unanimous consent that the language of the amendment be printed in the RECORD following these remarks, as well as a letter sponsored by Common Cause, Public Citizen, Consumers Federation of America, Consumers Union, and the UAW.

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

On page 11, line 15, after the period, insert the following new subsection:

"(3) Section 552(b) (7) is amended to read as follows:

"Investigatory records compiled for law enforcement purposes, but only to the extent that the production of such records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, or constitute a clearly unwarranted invasion of personal privacy", (C) disclose the identity of an informer, or (D) disclose investigative techniques and procedures."

DEAR SENATOR HART: The American Bar Association has proposed changes in the seventh exemption to the Freedom of Information Act which set forth explicitly the objectives which the investigatory files exemption is intended to achieve. We strongly endorse your effort to offer this amendment when the Freedom of Information Act comes before the Senate.

Recent court decisions have expanded the exemption far beyond the original intent of Congress. In the legislative history of this exemption, the Senate Report implied that non-disclosure of investigatory files is warranted only if disclosure would harm the government's case in court. In what appears to be a major departure from this guideline, the courts now interpret the seventh exemption literally to permit the government to withhold any data to which it attaches the label "investigatory file compiled for law enforcement purposes". The government is not required to show that disclosure will burden in any way its investigative efforts. In other words, the government is able to use the "investigatory file exemption" in much the same way it has used the national security exemption—as a blanket to conceal all kinds of information with no questions asked about the legitimacy of its need to do so.

Under this exemption, information of vital interest to the public could be kept secret—e.g. inspection reports by inspectors under the Occupational Safety and Health Act concerning safety in factories and other work places; meat inspection detention records; medicare nursing home reports compiled on an annual basis which assess the medical care and safety of nursing homes; correspondence between the National Highway Traffic Safety Administration and automobile manufacturers concerning safety defects on automobiles; and compliance reports for agencies under the Civil Rights Act.

The ABA amendment will permit this kind of information to be made public with appropriate safeguards for individual rights and the confidentiality of informants and investigative procedures. It will help achieve the overriding purpose of Congress in passing the Freedom of Information Act—to make disclosure the general rule, not the exception; and to put the burden on the government to justify withholding information, not on the citizen who requests it.

## ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1282

At the request of Mr. BIDEN, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of amendment No. 1282, intended to be proposed to the bill (S. 3000), the Defense Department authorization bill.

AMENDMENT NO. 1326

At the request of Mr. RIBICOFF, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of amendment No. 1326, to repeal the oil depletion allowance effective January 1, 1974, intended to be proposed to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1972.

AMENDMENT NO. 1335

At the request of Mr. BROCK, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of amendment No. 1335, intended to be proposed to S. 1486, a bill to authorize the Secretary of Commerce to engage in certain export expansion activities and for related purposes.

AMENDMENT NO. 1356

At the request of Mr. MUSKIE, the Senator from New Mexico (Mr. MONTOYA), the Senator from Connecticut (Mr. WEICKER), the Senator from California (Mr. CRANSTON) and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors to amendment No. 1356 to S. 2543, amendments to the Freedom of Information Act.

## ANNOUNCEMENT OF ADDITIONAL HEARINGS ON SENATE JOINT RESOLUTION 119 AND SENATE JOINT RESOLUTION 130

Mr. BAYH. Mr. President, the Subcommittee on Constitutional Amendments has scheduled additional hearings on Senate Joint Resolution 119 and Senate Joint Resolution 130, proposed constitutional amendments to prohibit abortion, on Tuesday, June 4, in room 318, Russell Senate Office Building, beginning at 10 a.m.

Persons wishing to submit written statements for the hearing record should send them to the Subcommittee on Constitutional Amendments, room 300, Russell Senate Office Building, Washington, D.C. 20510.

## NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Gerald J. Gallinhouse, of Louisiana, to be U.S. attorney for the Eastern District of Louisiana for the term of 4 years. (Reappointment)

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on



or before Wednesday, June 5, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

#### NOTICE OF HEARING ON NOMINATION

Mr. ROBERT C. BYRD, Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 4, 1974, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Donald S. Voorhees, of Washington, to be U.S. District judge for the Western District of Washington, vice William T. Beeks, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi (Mr. EASTLAND), chairman; the Senator from Arkansas (Mr. McCLELLAN) and the Senator from Nebraska (Mr. HRUSKA).

#### ADDITIONAL STATEMENTS

##### WHAT AMERICA MEANS TO ME

Mr. TOWER. Mr. President, I would like to bring to the Senate's attention the winning essays of the Wichita Falls, Tex., Rotary Club's eighth annual Americanism essay contest on "What America Means to Me." At a time when there is so much concern about the nature of our system of government, I am extremely encouraged by the attitudes of these young Americans.

Our Nation's strength and hopes for the future lie with our young people. I am convinced that the future holds bright for these United States because young Americans of today, like those of generations past, have retained the vibrance and enthusiasm for our form of government and our way of life.

I know my colleagues in the Senate join with me in expressing congratulations to these four young people: John deMontel, Joan Bradford, Donna Hoagland, and Cathy Hollandsworth.

I ask unanimous consent that these essays be printed in the RECORD.

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

##### WHAT AMERICA MEANS TO ME (By John deMontel)

"America the beautiful, God shed His grace on thee." She truly is beautiful in every sense of the word. Anything that could be wanted can be found here, if looked for. But, people are becoming lazy and not searching. They expect their wants to suddenly appear. We must strive for our achievements as our forefathers once did. It can be done by Americans if it can be done by anyone.

America is a symbol for many things, the most important being security and liberty. Living in the United States, we the people protect each other by helping and believing in each other. In an emergency we group to-

gether to fight the common enemy, whether it be foreign, national, or natural. If we have to fight with weapons we will do so to protect our families and country. If we need manpower we can always dig it up. When the enemy is natural, such as fuel, flood, or hurricane and tornado, we together will fight and protect. If there is famine we distribute food; we are a symbol of hope. I know that no matter what happens to me, my family will be cared for with love and food.

By being an American I am entitled to live by the Constitution, therefore having the rights guaranteed. I have the freedom to do as I choose as well as where I wish to do it. Of course I have the responsibility to respect other peoples rights or mine may be taken away. If two people's rights conflict then they may turn to a court of law where a fair judgment may be found.

By living in America I can achieve honestly anything I could want. There are billions of opportunities floating in the air waiting to be grabbed. I respect those who can achieve what they want. I respect those who fail in their goals as long as they have tried. There are hardships here as well as anywhere, but in America there are more opportunities and more people willing to help you with them. I don't feel bitterness toward people that have more than I because I know America made it possible and I can do the same. I only feel hatred for those who do it by dishonest means, for even though they will pay for it they are cheating others.

America means being able to attend the schools I want in which ever city I want and in which ever state I want. I have choices here that I couldn't even think about in other countries. It means choosing the friends I want. It means having the girl I want to marry in the church that I want to be married in.

America has an unbelievable heritage that I am extremely proud to be a part of. We as Americans have a history to celebrate that is the most fascinating of all. I believe in our past, present, and our future. We have a lot to look forward to. I will defend my American rights and yours to the end. We have the best country and God's blessings as people and as Americans.

##### WHAT AMERICA MEANS TO ME (By Joan Bradford)

America is my homeland, and I am proud to be a citizen of such a great country. The name, the United States of America, is synonymous with words such as greatness, splendor, beauty, power, opportunity, and freedom. I feel reverent and humble when I hear its name or see objects which symbolize it. Every time I hear the words, "Oh, say can you see, by the dawn's early light," I get a lump in my throat, because through these words the spirit of America can be felt. It is a spirit of freedom, pride, and dignity, and it is created by the great contributions and sacrifices made by American patriots. These Americans made sacrifices of their time, their money, and even their lives to preserve the principles upon which this country was founded. Great sacrifices have been made because of the belief in this country, a belief held by billions of people. These sacrifices are evidence of support of the opinion in which the United States is held, an opinion of respect and admiration. Even though America has its faults, its good points outweigh its bad points; therefore, the opinion of it remains good. The major assets of America are its strength, its people, its natural resources, and its freedoms.

America is a strong nation; but it is only as strong as its weakest citizen, just as the chain is only as strong as its weakest link. We try to keep this nation strong, and one way is through education. Ignorance is weakness, therefore we strive to keep America's educational level high. Our form of

government depends on a high educational level of the country, for the citizens run the country, and they need to be knowledgeable. Often countries with low levels of education are run by dictators who can only survive on the ignorance of the masses. By having a highly educated democratic country, the threat of a dictatorship would be insignificant. Through knowledge, the citizens gain strength, and strong citizens are vital when they have the responsibilities of running the government.

Another major asset of America is the people. America is well-known for its kind-hearted and industrious people. The people have always been generous to the world, especially in time of great need. After a war, Americans always go to help rebuild a destroyed country, even one which was the aggressor. The relief measures performed by America are famous world-wide. Some, such as CARE, UNICEF, Vista, and the Peace Corps, help underprivileged countries. These programs are supported mainly by donations of the people and groups. Even right now, we are sending aid to Saudi Arabia, and this is very generous considering how they have treated America. Their embargo caused a recession and high inflation here, but we can overcome these obstacles, because Americans are industrious people. Americans have always held a strong belief in the work ethic, and this has helped us in making technological and industrial advances. The Americans who made these things happen are truly an asset to our country.

America is also well-noted for its expansive natural resources. We lack few resources; this helps America retain its position as a world leader. The great quantities of energy materials have helped to keep the price of these fuels lower than in other major countries. Possessing these resources lessens our dependency on other nations, thereby preserving our independence. This is the reason the Arab nations have not been able to control our Mideast policy as greatly as they have controlled European policy. Our natural resources also include the productivity of the land. The yieldage per acre in America is very high. We have always had enough food for our people with even some left over for exportation. We utilize our natural resources well, and we take precautions to preserve them. As long as we can take care of them and conserve them, America will continue to be called the "land of liberty."

America represents, to the world, a lasting freedom for her citizens. This government was founded upon the strong belief of freedom of the individual as is clearly stated in the Bill of Rights. These rights are considered as the highest law in the land, because every citizen is guaranteed these rights. To deny them is morally wrong as well as legally wrong. These basic human rights are upheld strongly here. Americans enjoy the greatest amount of freedom of any people in the world. A citizen's freedom is only limited by the infringement upon another citizen's rights. Our freedoms are extensive, and they are guarded by laws designed to do that in the Bill of Rights. These freedoms are necessary for preserving a democracy because they place the power into the hands of the majority. Our freedom, and America's strength, people, and natural resources help to make it the great country it is today.

##### WHAT AMERICA MEANS TO ME (By Donna Hoagland)

The other day, I decided to turn on the radio while I was getting ready to go to a meeting. As I listened, I couldn't help but wonder at the different kinds of music. The songs were undoubtedly popular, and they all appealed to the younger generation. But the similarities ended there. One minute I heard a new version of a Glenn Miller hit,

and a few minutes later, the disc jockey was playing hard rock. The more I thought about it, the more I soon began to see that our society is one of contrasts, not only in our music and in our art, but also in every aspect of our lives. America to me, then, is a country so diverse that it can encompass all our dreams and ambitions.

No matter where you look, you can't help but notice the various forces at work in our nation. For instance, there are so many different kinds of people. We all know that America is a "melting pot," but race and national origin are not the only differences in people. Types of jobs, philosophies, and living standards all vary from person to person. In other words, to be an American is to be yourself—your own person. America is big enough to accept everyone, no matter what they believe or do. Want to complain about the government? You can. If you want to criticize the president, go right ahead. Even if you want to join the Communist party, there's no law against it.

Consider this example. A Jewish family left Germany in the 1930's and came to America to escape Hitler's wrath. One member of the family, a son, began to build a reputation in his adopted country. The young boy did exceptional work in school, and eventually graduated with highest honors from one of America's foremost universities. As a young adult, the Jewish immigrant began to advance in government circles. Today, he is our Secretary of State, Henry Kissinger, is a prime example of our country's diversity. While his life story is more popular than most, the number of Americans who have overcome obstacles to attain success is enormous. Yes, America is a wonderful country, filled with opportunity.

The United States is also a country of change. Every day the citizens of the United States make adjustments. They react to personal problems as well as to national concerns. Faced with floods, Watergate, the energy crisis, and an inflationary economy, Americans still manage to adapt. Nothing gets us down, because we can cope with anything. Yes, America means diversity to me because it is our ability to adapt that enables us to succeed. For as Ralph Waldo Emerson once said, "America is another name for opportunity. Our whole history appears like a last effort of divine Providence in behalf of the human race."

#### WHAT AMERICA MEANS TO ME

(By Cathy Hollandsworth)

America was a wild, empty country before any man set foot on the untamed land. This land was like a young seed which was nourished by the white, red, and black men who settled there. These concerned men carefully tended the seed and raised a strong, eternal tree which has never stopped growing. This tree is America, a strong nation that grows and never dies.

The beauty of the tree is unsurpassed by any other plants. The tall, sturdy trunk, the green leafy branches reaching high into the sky display its magnificent grandeur. From shore to shore, America's beauty is shown in green pastures, in dry and arid deserts, in majestic mountains, in crystal lakes, and in warm, sunny skies. This beauty is the result of the Master Designer's love and concern for people to create a beautiful place in which to live.

Like an organism, the tree is made up of many parts growing and producing together. America is supported by strong roots which lay the basic principles of the government—life, liberty, and the pursuit of happiness. These roots feed deeply upon the subsoil of a strong belief in God. In addition to the roots, the trunk of the tree represents our government of the people, by the people and for the people which is the mainstream of American life. From the center of the

tree, the trunk branches out to reach the American people of different races, creeds, and intelligence. Every branch is nourished with the water and nutrients helping to produce the leaves, flowers, and fruit. In the same way, America is increasingly giving equal opportunity to people to find happiness and productivity. As a result, the nation is growing and prospering as each American reaches out for excellence.

Many times, however, the tree has to withstand the hardships caused by the forces of nature. The tree may wither but never will die. America experiences the same droughts and heavy storms as the tree does. Not only do these forces take place in nature but in her people. Corruption in the government has been a trying time in the life of the nation. Watergate and other scandals have helped to place America in a state of despair and separation. Americans have suffered through the agonizing years of social upheaval in race relations. The Viet Nam War also has burdened the American people with suffering and pain. Inflation has brought with it hunger and empty pockets. However, even though these circumstances have created troublesome times for Americans, the country has mended itself and kept on growing. In a similar way, the tree, when its branches break, repairs the wound and becomes much stronger than before. As the tree loses its leaves and branches, new ones grow in their place. America is emerging from her faults stronger and more ready to face problems and responsibilities. She has learned from her mistakes by pulling herself back together from the rocks she stumbled on and is striving for better success and prosperity. The American people seem to care more about their rights. They have grown sounder in mind and body by standing up for what they believe, just as the tree has grown healthier by standing tall for its belief in survival.

This eternal tree is America, the source of the country's endurance and growth. Americans have planted the seed, nourished it, and kept it growing. The nourishment has come from the people's love and concern for America's growth and achievement. The once untamed wilderness is now a thriving nation permanently established on Mother Earth and deeply rooted in beauty, strength, and sound belief.

#### THE MILITARY PROFESSION

Mr. HOLLINGS. Mr. President, the problem of building and maintaining morale within the Armed Forces is one that concerns us all. It is not a new problem, to be sure, but the introduction of the Volunteer Army has obviously exacerbated the situation.

If we are to overcome this problem—and I believe we can and will—it will take a renewed sense of purpose through the ranks. A strong military is a proud military—proud in itself and, even more importantly, proud in the Nation and people and values which it defends. The American military tradition is a proud one, and we can ill afford to sacrifice that spirit in these days of sagging confidence in our national institutions.

Critical to the undertaking is the caliber of young men we train as officers in our service academies and our reserve officer training programs. If they have within them a sense of the spirit of America—of its values and fundamental precepts and laws and traditions—then the end is not in doubt and the problem will be overcome. If they are imbued with a sense of the dedication and self-disci-

pline and exemplary behavior necessary to keep our military force united in purpose and ready for the call—then we can redress the problems which recent years have brought upon us.

On May 10 of this year, at the Army-Air Force ROTC commissioning ceremonies at Clemson University, this problem was discussed with a feeling and a depth and an eloquence that we too seldom are privileged to hear. The speaker was Adm. Joseph B. McDevitt, former Judge Advocate General of the U.S. Navy. Admiral McDevitt is retired from the service now, and is serving as vice president for executive affairs, secretary of the board of trustees, and university counsel, for Clemson University in my home State of South Carolina.

Admiral McDevitt's speech is both timely and on target. In its understanding of the problem—as well as in its grasp of what is needed to correct the situation—it speaks with an authority which commands respect. Here is an address which deserves to be widely read and seriously implemented.

Mr. President, I ask unanimous consent that Adm. Joseph B. McDevitt's commissioning address be printed in its entirety in the RECORD.

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

#### THE MILITARY PROFESSION

The military profession—probably more than any other calling in our Nation—depends upon a set of beliefs and values. If these are not held by a man or woman who is commissioned as an officer, the results can be unfortunate indeed. I need not remind you of the incidents which have resulted in recent years from individuals who have worn the uniform of an American officer without concern for the responsibilities of their trust. It is essential in these difficult days for our Nation that the military academies and the ROTC and NROTC institutions such as Clemson produce young men and women for the officer corps who do understand and who do believe in what their commissions represent.

In order that you may understand more clearly what I mean, let me set forth some specific beliefs and values that each of you who is graduating and being commissioned today should hold:

a. The United States is a nation of high ideals, founded by men of goodwill for purposes which are constructive and creative. There are two documents with which every officer in the Armed Forces of the United States should be thoroughly familiar:

The Declaration of Independence and the Constitution of the United States. It is in them that we find the eternal principles of Freedom, Equality, Justice, and Humanity on which the American Republic is established.

The Declaration of Independence, this Great Human Document in whose message and story we find the heart-throbs of our forefathers, may well be called the heart of the Nation.

The Constitution of the United States, "the most wonderful work ever struck off at a given time by the brain and purpose of man," which each of you will shortly swear to "support and defend against all enemies," may be called the backbone of the Nation. Behind this Great Instrument are all the romance, history, and poetry of the American Republic. Great battles have been fought to preserve its principles. The success or failure of representative government in the world depends upon its maintenance. I have always kept copies of the Declaration and the Constitu-



tion at hand and have found it exceedingly rewarding to read them through from time to time.

b. Those who govern our Nation at the top level, in all of its three branches, are men of good intent who, although they make mistakes like all men, are doing their level best as they see their duty. However, while we are men and women in uniform, we are also citizens, and as citizens it is not only our right, it is our duty to vote. Particularly to those of you going to active duty, and, hopefully, to military careers, I say—vote. Vote regularly not only in national elections but in the state and local elections of your domicile. As in the instance of any other citizen, it is your duty to cast your votes for those candidates whose stated policies are in agreement with what we, as citizens, believe our government should do.

c. The principle of civilian supremacy over the armed forces at the high level is central to the American military professional ethic. (This means we obey the orders of the President of the United States whether we happen to agree with him personally or not.)

d. While all intelligent men look toward the day when this planet can be organized in one political body it is not that way today and, in truth, we live in a world arena where the riches and freedom of each nation must, on occasion, be defended by force.

To act as though the day for one world government has arrived when, in fact, it is still far away, is only to work against the possibility of its ever arriving. True, we are at peace today in the military sense that we are not engaged on the battlefield. But I for one am convinced that we are at war today just as surely as we were at war on the afternoon and evening of December 6, 1941. Only, of course, on December 6, 1941, we did not know we were at war.

But that had nothing to do with the facts. While the American people slept the carriers of Japan were converging on Hawaii. The bombs had been loaded, the pilots briefed, the missions assigned, the die cast for our people by warlords on the far side of the earth. We should have learned on that terrible morning of December 7th that war starts—not at the moment of the dramatic surprise attack, but when the enemy completes his final plans, makes his command decision, and sets in irrevocable motion the complex machinery of aggression. George Washington cautioned: "If we desire to secure people, it must be known that we are at all times ready for war." There is no substitute for preparedness—for having in being a military force known by the enemy to possess the capability and motivation to win any war that he might thrust upon us.

I wonder if he regards today's All Volunteer Force in that light? Public apathy is at an all-time high; indifference to the need for military service is causing the Army and Marines to fall an estimated 80,000 men short of the volunteers needed for fiscal 1974. To you soon-to-be-officers will fall the heavy burden of instilling into your subordinates the same beliefs and values which you hold yourself, not the least of which is that the profession of arms remains a necessary and honorable calling in our time. "Americans should stand tall and stand proud in the uniform of their country."

I quote from a recent statement from Senator Ernest F. Hollings:

"At the height of Vietnam, casualty statistics showed that the war was being fought by the poor, the black, and the disadvantaged. Rather than correcting the gross inequities of the draft, we bugged out completely with the Volunteer Army. To the shouts of, 'No, no, we don't want to go,' we provided that they would never have to go. In talking to campus groups from one end of this country to the other, I'm always asked, 'Senator, what is your position on the Volunteer Army?'"

And when I answer I'm opposed to it—immediately the jeers. I counter with the question, "All those who are willing to serve in the Volunteer Army, please raise your hands." In the last five years, I have collected by this method a Volunteer Army of 151!"

When a young person accepts a commission as an officer, it means taking on certain obligations:

(1) It means freely and clearly accepting the beliefs I have mentioned.

(2) It means recognizing that it is a career of service to the nation—in much the same sense that the priesthood or the ministry is a career of service to the church. Without basic belief in the institution being served, each is a mockery. With that basic belief, each is among the highest callings that one can follow.

(3) It means a willingness to maintain personal standards of accountability, credibility, appearance, and ethics which are higher than those expected in the mainstream of American citizenry. It will necessitate your employing every desirable talent and personal trait that you can master: self-control, self-confidence, high moral and physical courage, upright humaneness, honesty, tact, generosity, loyalty, justice, common sense, personal magnetism, health, physique, initiative, force, judgment, and so on. In other words, the situation will require that you do what you are primarily paid to do—lead by personal example.

An army may travel on its stomach, but it wins battles through its leadership. You undoubtedly recognize this as a fact, but often the acquiring, the practice of leadership, and the means of instilling it in subordinates is not a simple matter.

As leaders of men and women in the Armed Forces, you will have in your hands an exceedingly forceful weapon with which to make sure your subordinates toe the mark. I refer to what is known today as the Uniform Code of Military Justice, known formerly as the Articles of War and the Articles for the Government of the Navy. I spent over 26 years, day in-day out, working with those codes of law on both sides, and in the middle, of the adversary proceedings as prosecutor, defense counsel and judge. Based on that experience, I can state with certainty that the necessity to resort to the code invariably was attributable to a failure of leadership somewhere in the chain of command. The unit with a high sense of morale and esprit de corps and a low incidence of disciplinary infractions invariably had a man at the helm who possessed the key attributes of leadership. He led by personal example, by instruction, by precept. It was evident in his personal appearance, in his bearing, in his demeanor toward superiors and subordinates. He was impatient with incompetence. He not only sought to be the number one man in his organization, but insisted that his officers and petty officers hold to the same high standards. He did not tolerate tardiness, lack of decision, slovenliness in dress, or in manner, lack of precision, indolence, and laziness.

Many of you may ask why I speak of these points in such detail. Aren't they accepted without question by all? (I hope, and believe, that all Clemson men do accept them.) Unfortunately this is not universally the case. If you will stop and think about it, each of the previously stated beliefs has been attacked individually and vigorously within our nation in the past ten years. It is not nearly so easy today for a thoughtful young man to accept these beliefs—because he is surrounded by voices on every hand which loudly proclaim the opposite point of view, even, as I learned last week, in one of our own classrooms—under the guise of academic freedom.

You parents can help by supporting and reinforcing these beliefs but—if I may add a word of opinion—I think we do better when we make it clear that these beliefs have nothing to do with our generation or our wisdom or our experience. They are simply the accumulated wisdom and experience of men over the past 3,000 years in attempting to govern themselves and arrive at a practical and workable way of life on this planet. Nations and cultures have come and gone over these three millennia—but their weakening and disappearance have always been directly associated with a loss of belief and confidence in their fundamental values.

The rule of law has attained great strength among us because it is the law of free men. Our system of checks and balances has tended to promote much pulling and tugging. Sometimes it leads to confusion. Yet the end result has been a progressive evolution of an energetic people without loss of liberty. We have remained in the mainstream of history and have not fallen by the wayside. We are the oldest established government in the world.

Are we, as a nation, going to have enough wisdom and character to maintain our present place in history, to recognize the warnings, and fight off the disease? You, now to be commissioned officers in the Army and Air Force, will have the opportunity, which I trust you will seize, to play a significant part in the answer. Today you become a part of the action!

Good luck and smooth sailing!

#### THE INDESTRUCTIBLE BLIMP

Mr. GOLDWATER. Mr. President, as a result of an address I made to the 36th annual meeting of the Aviation/Space Writers Association concerning airships, some mail has been coming into my office on this subject.

The most unusual letter came from Lt. Comdr. Gillis Cato, Jr., U.S. Navy Reserve, retired. He took part in a blimp trip that can only be described as incredible. In a period of about 2 days, he crash landed three times: Into Lake Ponchartrain, on top of an automobile, and in a forest. Moreover, his airship managed to knock out the entire power system of Houma, La.

Lieutenant Commander Cato's narrative demonstrates one important point about airships: Their inherent safety.

Mr. President, I ask unanimous consent that the Cato correspondence be printed in the RECORD.

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

OCEAN SPRINGS, MISS.,  
May 15, 1974.

HON. BARRY GOLDWATER,  
U.S. Senate, Washington, D.C.

DEAR SENATOR GOLDWATER: A couple of days ago I heard a commentator state that "Senator Goldwater is now advocating the building of dirigibles."

This was said very much tongue in cheek. I do not believe he would have been so flip-pant if he had taken the time to have looked up a few facts on lighter than air transportation.

I believe my background qualifies me in some small way to comment. Briefly it is as follows:

During world war two I was assigned to lighter than air after I was thoroughly grounded in the ways of airplanes. This, of course, was to be expected. Naturally this did

not endear me to blimps. However, after a thorough study of them at Lakehurst, N.J. I was then assigned as engineering officer to commission the station at Hitchcock, Texas, after which I was sent to Rio as engineering officer in charge of LTA over-haul for the whole Atlantic area from Trinidad to Rio. As you may imagine, I had plenty of time and opportunity to become thoroughly acquainted with all of the vagaries of LTA. One of my very first assignments upon reaching Brasil was to salvage a blimp which had smashed head-on into a mountain about a hundred miles north of Rio. Having had considerable experience with the unpleasant details of salvaging airplanes, you can imagine my surprise when I found that of the whole crew the worst injury consisted of a sprained ankle. My respect for LTA began to grow.

While in Hitchcock, Texas, I had a chief whose name was Hamilton. He was on one of the dirigibles which came apart earlier and much before world war two. He told me in detail exactly what happened. He said that for no reason at all the pilot flew the ship directly into a very severe thunderhead. This is something you avoid even with a 707. He then told me that he believed that even then they would have made it except that these dirigibles which had been made in Germany by people who knew their business, had been drastically altered. It seems that the Germans put a very strong and rigid keel in each of the dirigibles they built. An Admiral who shall be nameless decided that he knew more than the Germans and that in order to save weight, had the keels removed from all the dirigibles the Germans had designed and built. The results are too well known to dwell on here. However, it is most noteworthy to observe that even when these ships broke apart several thousand feet in the air, few of the people were killed, by comparison with any airplane in like circumstances in which nobody would possibly survive. The Chief told me that he and many of the men with him floated down to the sea in the after end of the ship due to the compartmentation of the gas bags which provided the lift. There was no fire and no explosion.

Much has been made of the burning of the Graf Zeppelin.

There was one reason and one only why this ship burned. Hydrogen.

If we had given the Germans helium I would not be surprised if the ship were still flying. Very little is said of the flights that this ship made at a time when we were still flying biplanes. She very casually roamed all over the world with no danger or even an untoward incident. Proof that the Germans thought they had something big lies in the fact that they built a huge hangar, very permanent construction, just outside Rio. I used this hangar all the time I was stationed there.

While engineering officer in Brasil, I had many chances to observe some unbelievable trips that these craft made that served to demonstrate their toughness. My job demanded that I fly these ships at least twice a week and it was after a couple of trips in them that it dawned upon me that if a person wanted to fly that was the way to go. The advantages are obvious:

Enough speed to go any place, but slow enough to see everything there is to see, which is why most people travel anyway.

No need to fly thirty thousand feet. Fly two hundred if you choose in perfect safety and with unparalleled visibility.

Comfort; plenty of room to move about, even in a blimp. In a dirigible room enough to run a footrace.

As to fire; it is obvious that the only sensible power for a dirigible would be diesel engines with fuel that is hard even to set fire with a match.

While in the service I, with the aid of others in the engineering departments,

worked out various designs for rigid ships. I believe that a flexible frame is easily possible which would save weight and at the same time be able to give when the occasion arises. An interesting side note: If a LTA craft is caught in a 150 knot wind a person can lean out the window and hold a lighted match. The reason of course is that it travels with the wind instead of fighting. Makes for a some what longer but very interesting and safe trip. Try letting a 747 drift with the wind.

I am enclosing a copy of an absolutely true trip I personally took in a blimp. I wrote this up for a few friends after telling them about it. I believe it will serve very well in demonstrating the indestructibility of a LTA craft. I sincerely hope that you were not being facetious when you mentioned the construction of a rigid airship.

Nothing would give me more pleasure than to be able to use some of the knowledge I have accumulated about LTA and to be associated with such a project.

Very truly yours,

GILLIS CATO, Jr.,  
Lieutenant Commander, USNR, retired.

#### THE INDESTRUCTIBLE BLIMP

It was only natural that after enlisting in the Navy in 1942 with a thorough knowledge of airplanes, that I would be sent to Lakehurst, New Jersey to become proficient in blimps.

After a few months there I was made engineering officer of the Hitchcock Naval Air Station, Hitchcock, Texas. Following the usual trials and tribulations of getting a station commissioned, we were soon in the business of flying the big airships on submarine patrols.

One night about twelve o'clock I was called to the base to find that we had apparently lost three blimps. Frantic radio and radar search finally located and guided two of these back to the base. The third kept calling and saying he was WEST of the field and drifting. He finally got out of radio range and we all sat about eating fingernails and coffee. At nine the next morning we received a call from a civilian at Starkville, Mississippi, who stated that the blimp had landed there in a field, re-fueled with a regular gas, and took off after asking him to call. He stated that the blimp was at that moment circling the city of Starkville.

We took a crew in a Liberator and headed northeast, not west, to find our blimp calmly going round and round the Mississippi State University. I was riding in the nose and signalled them to follow us to Columbus, Mississippi, air base. Inasmuch as I had, before joining the Navy lived at Greenville, Miss., this whole country was as familiar to me as the palm of my hand.

We landed at the air base, recruited a landing party to haul the blimp down, drained the tanks and re-fueled with aviation gas. With the blimp safe and apparently in perfect condition, the question now arose as to what to do next. The obvious solution would have been, get aboard and go to Texas. Two things stopped the obvious; the crew who flew it to Columbus stated flatly that they did not intend to fly again for at least a week. The second thing was the weather report. While the sun shone brightly at Columbus the weather man said the birds were walking from Hattiesburg south on account of the fog and all planes were grounded.

We had brought along a LCDR., a JG., a flight mechanic and me, the good old engineering officer. If I would agree to fly we could take off with a short crew. Not being bright I agreed to fly.

The weather deal was easy; all PLANES were grounded, we were not a plane, simple—we would fly to Texas in a pea soup fog and demonstrate a masterly piece of navigation.

We took off at about four in the afternoon. The LCDR. kept the blimp about ten feet above the trees and asked for the antenna to be lowered so he could notify all and sundry that we were on the way. The antenna bob struck a limb and bounced up into the gas bag aft cutting a hole about two feet long. The LCDR. stated he was not getting reception. I told him where the antenna was. He said take the crook and pull it back out. I did and it promptly went into the bag again cutting another hole. He then said to heck with the whole business as we would be there before they knew we were coming.

The weather was still clear and shortly after this we flew over a large barn at our tree top altitude. Several things occurred; all the chickens took off and vanished. The livestock in the barn lot left, taking the fence along. Those in the barn left also, taking the sides of the barn along. The apparent owner was walking across the lot with a shotgun. He let us have both barrels. A blimp hide is very tough and the small shot had no effect. Buckshot might have written a different ending to this narrative.

The weather began to show evidence of the predicted fog and I decided that I might as well sleep through the whole thing and I sacked out. An hour or so later I was awakened and the LCDR. asked me if I could tell him where we were inasmuch as I knew the country. I looked out and had a glorious view of nothing. Even the engines were invisible. Whoever said the birds were walking was not kidding. The LCDR. said they had passed over lights a few minutes back. I assumed these were Hattiesburg, Miss. since the time element was about right. The LCDR. said that it made no difference as he had computed a course that could not miss. About two hours later we sighted a light in the soup and the LCDR. said that he had it figured right on the nose as that was the light on the hangar at Houma, La. I looked at the altimeter and it said we were at about 600 feet. The hangar had either grown or the altimeter was way off. Something gnawed at my subconscious. As we circled the light again close enough to touch it, it hit me. I yelled, "Get the hell out of here, those are the radio towers in New Orleans and they are made of very good steel."

We promptly went up and out of danger. The LCDR. said he guessed we had better make another calculation on our navigation. I thought we had better get a Texaco road map and a flashlight. We then figured we could not miss anything as large as Lake Ponchartrain and headed in that direction. After due running time we decided to let down, be sure of the lake and then calculate from there. We let down, and down, and down. Just as the altimeter hit a hundred feet we hit the lake. Water came almost to the deck but since so much weight had been relieved by the water the gas bag promptly hauled us up again spouting water from every seam like a ruptured whale.

After a profound interval of silence the Flight Mechanic allowed that he believed there was no doubt that we had found Lake Ponchartrain. The LCDR. perked up, said he had it down pat now, and we could take off for Texas. Everybody disagreed and insisted that we first find the Mississippi River, but not exactly as we had Lake Ponchartrain. He agreed and we set off, very carefully timing our flight. At what we hoped was the proper time, we very carefully descended. Miracle of miracles, we popped out of the fog right over Old Man River. Now it was easy enough to find the Huey P. Long bridge and follow the road to Houma. We could put down there for the night and wait for better weather.

We found the bridge, lined up on the highway and headed west with all signals go, and made in the shade,—we thought. There was



a car going the way we wanted to go and his lights made it all the nicer. Meanwhile, back at the ranch—The blimp had been slowly losing helium from the antenna incident. In addition the bag was loaded with about 2700 pounds of moisture from the fog. The controls were lousy and when she was pointed down she wanted to keep on down and would mush for awhile before answering the elevator. The LCDR. was determined to keep the car in sight. He was doing so but getting dangerously low. Suddenly the old girl decided to keep on mashing down and did so, right on top of the automobile. No one will ever know what he thought. He ran off the left side of the road and vanished. Apparently no injury was incurred as we never heard of him again. We turned sideways across the road and went off to the right into a huge grove of soft feathery willows. The blimp rolled to one side as if it was tired of the whole thing and wanted to sleep. During this time we were also being treated to some rather startling pyrotechnics. Fire was flying all over the car and even way back on the after part of the bag. We had not time to even speculate on these happenings as we were waiting to see what would happen to the blimp. As in the Lake Ponchartrain landing, the weight being off and absorbed by the willows, the bag yanked us back in to the air. The jar had relieved us of a lot of water also. We circled gingerly back to the road and continued west. The controls were nearly impossible. Something had happened but we would not know what until much later.

I remembered two tall brick chimneys at Raceland at the sugar mill and they were too close together to fly through. I had no desire to wind up stuck like a hog in a fence. The LCDR. decided to rise a bit higher. We did, and promptly lost sight of the road and everything else.

We had been calling Houma Naval Air Station for some time with no reply, but we knew we would be able to see all the lights at Houma. Calculating our speed and the known distance we soon knew we HAD to be over Houma. Not one light was visible. Again the slow, careful descent. This time we were lucky, we did not hit the ground, we only ran into the water tower at Houma. The crash of breaking nose battens informed us that we had better not place any confidence in any landing lines attached to the forward part of the blimp. We had no way of knowing whether or not ALL landing line had been carried away. The LCDR. then did the first constructive thing on the whole flight. He went up to three thousand feet and stayed there.

With daylight we were treated to a sight of the world without fog, and in addition we were right over the air training station at Lafayette, Louisiana.

The blimp was now as heavy as lead and we knew we would not need a crew to pull it down so we decided a landing was in order. The one we made was without a doubt the hottest one a blimp ever made. We took up the whole landing strip. Usually a blimp lands in about a hundred feet and has to be hauled down.

The cadets poured out to see the "monster" and we were subjected to some remarks about idiots that fly in bags and a few that cannot be printed here. We ignored them and inspected the blimp. It was so heavy from helium loss that the one landing wheel tire was spread out two feet wide. The control difficulty was easily assessed. The trouble was a thirty foot willow tree that had become entangled in the control cables had been pulled up by the roots by the blimp. Since a blimp is about as tall as a five story building the tree just had to stay there until we got to home base.

The station gave us a magnificent breakfast, full tanks of gas, bowed their heads in prayer for our safe return, and saw us off. A

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blimp has dynamic lift like an airplane as well as lift furnished by the helium. Without it we would have never got off. As it was we used up every bit of the runway and for awhile it appeared we might pick up another willow or two. The trip to Hitchcock was uneventful. The landing was somewhat difficult as we had become even heavier. We jettisoned our depth charges, all movable gear, and dumped all the gasoline except enough to land on.

The most unbelievable part of the whole deal, and every word is true, is that that damn blimp was out on patrol next morning. That is more than can be said of the crew.

To summarize: the fireworks we experienced were simply explained. We had run through a 440,000 volt high power line and demolished it. It in turn melted off our tail wheel, burned holes all over the car and burned deep grooves in the propellers.

Knowing this, it was easy enough to see why we could not find Houma or the Naval Air Station there. We had blacked out the whole area of that part of Louisiana. We heard later that a perennial drunk had been sleeping it off under the tower at Houma. It is said that he has never touched another drop. Much later, as I was going overseas, I talked to a Chief of Communications who had been stationed at New Orleans on that wild night. He told me that they had been ordered to close down except for a standby watch and go home as nothing would be flying. He said that a bunch of damn fools in a blimp had put a stop to all that and kept the whole communications system up all night on emergency. He said that if he ever saw one of the crew he would strangle him and believed he would be justified. I agreed.

#### PROPOSAL FOR FEDERAL CONTRIBUTION TO SOCIAL SECURITY

Mr. CRANSTON. Mr. President, I think we have come to the point where we have got to put an end to the skyrocketing increase in payroll deductions for social security.

I am a total supporter of social security.

I have voted for all the cost-of-living increases in social security.

They are absolutely essential for senior citizens living on fixed incomes who are being squeezed by the relentless crush of rising prices for food, housing, and other basic necessities.

But the working man suffers from inflation, too. The cost of living has gone up 28.1 percent over the past 5 years and is currently soaring at an annual rate of over 15 percent.

The worker is hit twice by inflation. First by the higher prices he pays to keep himself and his family alive, and again by higher payroll deductions for social security.

In fact, inflation has made the social security tax the fastest growing tax we have.

Since 1969, the maximum social security tax has increased 100.6 percent, from \$374 to \$772. Receipts from the payroll tax have virtually doubled in the same period, going up from \$39.9 to \$77.9 billion.

Necessary cost-of-living increases in social security benefits, under the law, are scheduled for the near future.

This means additional revenues must be collected from the social security payroll tax.

Whenever we have needed more money

for social security benefits we have raised it two different ways.

#### PAYROLL TAX RATE

One way has been to increase the rate of the payroll tax itself. Over the years it has gone up from 1 percent to the present level of 5.85 percent. It is scheduled to increase again in 1978 to 6.05 percent.

Add to this rate of 6.05 percent, the fact that we may be looking to a payroll tax in connection with the financing of national health insurance.

This could mean that the total combined tax on payrolls collected from low- and middle-income workers and their employers—which now is 11.7 percent—could total over 16 percent within a few years.

#### WAGE CEILING

The other way of raising more revenues for social security has been to raise the ceiling on the part of wages on which the Government collects the social security payroll tax.

In 1969, the Government social security payroll tax was collected only on the first \$7,800 of wages.

In 1971, this was increased to \$10,800 and in 1973 it went up in two jumps—first to \$12,800 and then to the present level of \$13,200.

In the future, the amount of wages that will be taxed for social security will automatically increase each time a cost-of-living increase is paid to retired persons and other beneficiaries.

The first such increase undoubtedly will come in June 1975.

#### SOCIAL SECURITY PAYROLL TAX A MAJOR BURDEN

We are kidding ourselves if we continue to think of the social security payroll tax as a minor burden.

It is today 25 times larger than in 1949.

More than \$27.6 billion was taken out of paychecks of low- and middle-income workers last year to finance social security.

Workers will contribute about \$39 billion to social security this year. That is only \$4 billion less than all U.S. businesses—including our giant corporations—will pay in corporate income taxes this year.

When the total amount of revenues collected for social security is considered—that is counting the employer's share as well as the worker's—you find that the Federal Government collects about \$77.9 billion. That compares with \$118 billion collected in personal income taxes. In a few years, the payroll tax may generate virtually as much revenue as the personal income tax.

#### INEQUITIES IN FINANCING SOCIAL SECURITY SYSTEM

Yet, one in five Americans—those earning more than the social security wage ceiling—will not pay the full flat 5.85 percent on their gross income as the rest do.

Consider the following: The man making \$13,200 and the man making \$50,000 both pay the same amount into social security—\$772. But while that comes to 5.8 percent of the income of the man making \$13,200, it is only 1.5 percent of the income of the man making \$50,000.

This apparent inequity in the social security tax rate is explained in part by the fact that the maximum benefit payable under social security is the same for each—the man earning \$50,000 will receive no greater benefit than the man earning \$13,200.

If the \$772 that each pays for social security retirement benefits went only for benefits, the injustice would not be so great.

But social security taxes pay for much more than just retirement, survivor's and disability benefits, and the like. Today's workers are still paying for the costs of starting up the social security system in 1935 and for changes made by the 1939 amendments, when it was decided to pay full retirement benefits to people who were already old and ready to retire.

I strongly believe that this was right. We should pay benefits to those who had no chance to contribute to the system as much as others who came later.

Today's workers also are paying for costs of extending benefits to other persons who did not pay into the system and for costs of financing increased benefits to help older citizens trying to make ends meet on fixed incomes.

These are social costs which benefit the entire Nation. The entire Nation should share those costs on a more progressive and equitable basis than at present.

#### PAST METHODS OF FINANCING BENEFIT INCREASES

In the past we financed expansion of the social security system and increased benefits through surpluses in the trust fund and changes in the long-range accounting system, in addition to raising the wage ceiling and the payroll tax itself. For many years, surpluses in the trust fund were more than ample to pay increased benefits. A recent changeover in the long-range accounting system for the trust fund produced a sufficiently large surplus to permit a 20-percent increase in benefits in 1973 without raising the social security payroll tax.

But we have just about exhausted these relatively easy ways of paying for increased benefits.

As we explore solutions to additional funding of social security, we must insure that we do not jeopardize the important contributory nature—the insurance aspect—of the social security system.

It is a great tribute to American labor that workers have been willing to pay their way.

Indeed, the security and integrity of the system is largely dependent on the fact it is financed by the contributions of people who will benefit under the system. These contributions force the Government to uphold its moral and legal obligation to honor its commitment not to spend social security contributions on other programs.

#### PROPOSAL FOR FINANCING FUTURE BENEFITS

I propose that in the future—as we find it necessary to increase social security revenues—we do so by tapping general revenues until we reach the point where the Government is making a contribution equal to those made by employees and employers.

Thereafter, increases would be shared across the board.

If we make this shift to general revenues, we will be able to place a greater share of social security costs onto the more progressive income tax, corporate tax, estate and gift tax, and excise taxes.

I think that it does not violate the integrity of the social security system to shift gradually those costs not directly related to insured benefits away from the worker's payroll and onto the full general tax base, including big business.

It is only fair to have the startup and other social costs of the social security system paid for on a more progressive basis.

I would like to see the time come when the Federal Government's contribution from general revenues under a gradual approach, become equal to one-third of the entire cost of financing the social security system. This share would just about offset the cost of benefits going to millions of people who did not contribute a full share before they received benefits.

This is a fair approach.

It will relieve the low- and middle-income worker of an impending social security tax burden which threatens to surpass his income tax burden in the near future.

It will help hold the line on the advancing payroll tax.

It is in keeping with the progressive tax principles on which the Nation's revenue system should operate.

I believe it to be an important tax reform, and it certainly is one that over the long run will benefit primarily low- and middle-income workers—the income groups who should be the principal beneficiaries of any tax reform.

This is a reform which will benefit small businesses, too. Employers' dollars match 50 to 50 with workers to finance the system.

We must, however, make sure that we do not just take from the working man's left pocket what we stop taking out of his right pocket.

As we make contributions to social security from general revenues, we must make sure that necessary funds do not come disproportionately from the income taxes paid by working people. We are going to have to close loopholes which have been costing the Treasury billions of dollars. We must give additional relief to workers at the middle- and low-income levels through tax credits as a means of improving the worth of their personal and dependents' exemptions from gross income.

Indeed, reform of social security taxes will force Congress, as no other issue will, to face the hard question of major tax reform.

#### NATION'S HEALTH CARE

Mr. HUGH SCOTT. Mr. President, in November of last year when I introduced my Health Rights Act of 1973, I stated that "reform of the Nation's health care system is a matter of the highest urgency." Now, 6 months later, the urgency has not diminished, rather the need has increased.

There is a growing consensus among the American people that reform of our Nation's health delivery system is essential; that improvement in the overall quality of health care is essential; and that action on a national level is essential to make good health care available to all citizens. There are, of course, wide differences of opinion on how best to implement or induce these needed reforms.

We have recently seen the introduction of a number of health proposals—the major ones have been brought forth by the administration and by Senator KENNEDY and Congressman MILLS. We know that enactment of national health insurance legislation will assure all Americans solid protection against the skyrocketing costs of medical care. We know it will make a reality of the total, comprehensive health care which our Nation deserves. But knowledge is one thing and action is another. What this Congress must now do is commit itself to providing effective and efficient national health care to all Americans. And that commitment must be firm and must be immediate.

#### SENATOR KENNEDY'S TRIP TO THE SOVIET UNION

Mr. HUMPHREY. Mr. President, my friend and colleague from Massachusetts, Senator EDWARD KENNEDY, has recently returned from an extensive trip to the Soviet Union as a guest of the Parliamentary Group of the Supreme Soviet.

Senator KENNEDY's visit to the Soviet Union was an important contribution to broadening understanding between the American and Soviet peoples. He is to be commended for his initiative, and for his understanding of the complex issues in the Soviet-American relationship. The process of détente must involve more than agreements between Russian leaders and members of our executive branch. It must comprehend a full range of contacts between officials of all branches of our Government and Soviet leaders, as well as a significant interchange among people from all walks of life. The process has just begun. I am hopeful that it will continue and that more Members of Congress and more State officials will visit the Soviet Union, and that their visits will be reciprocated by their Soviet counterparts.

In addition to these exchanges, Mr. President, it is critical to the process of détente that all who participate, speak in open and frank terms about the problems and issues which stand in the way of greater Soviet-American understanding. It does little good to talk about friendship while avoiding the serious and tough issues. Senator KENNEDY did not avoid such issues in a number of addresses he delivered while in the Soviet Union. He talked openly and candidly about the arms race and future strategic arms limitations, the Middle East conflict, trade, and immigration policy.

Mr. President, I ask unanimous consent that Senator KENNEDY's addresses at the Institute of the U.S.A. in Moscow and at Moscow State University, as well as his remarks to the German Foreign Affairs Association, and his address on



United States-Soviet relations, delivered in Atlanta, be printed in the RECORD.

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

STATEMENT BY SENATOR EDWARD M. KENNEDY  
AT THE INSTITUTE OF THE U.S.A. OF THE  
SOVIET ACADEMY OF SCIENCES

Moscow, U.S.S.R.,  
(As released April 19, 1974.)

MR. CHAIRMAN (Georgia Arbatov): It is a great pleasure for me to visit the Institute of the U.S.A., along with guests from the Institute of World Economy and International Relations. Both Institutes are well-known and respected in the United States, and you, Mr. Director, have become a celebrity in American academic circles.

I have come here today because I am deeply concerned about a subject in which you have a considerable interest—arms control between the United States and the Soviet Union. Looking back little more than a decade, it is remarkable that trying to control levels and types of armaments has become such a well-established part of our relations. The depth and seriousness of our efforts in this area is without precedent in the history of relations among states.

We have come a long way from the July day in 1963, when Ambassador Harriman, Foreign Minister Gromyko, and Lord Hallsham initiated the Partial Test-Ban Treaty. President Kennedy called it a "shaft of light that cut into the darkness."

Since then, we have established a "hot line," and have joined with other nations to conclude a Non-Proliferation Treaty. We have engaged in two rounds of Strategic Arms Limitation Talks. And we have concluded two major agreements to limit both offensive and defensive strategic arms.

Yet each new year finds the nuclear horizon clouded with more weapons of mass destruction. Our mutual and assured capacity to destroy each other many times over still seems less than adequate for defense planners of our Pentagon and your Ministry of Defense. We all seem to have forgotten the words of President Eisenhower: "Every gun that is made," he said, "Every warship launched, every rocket fired, signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed."

It is time to cease the pursuit of nuclear superabundance. It is time to carry the SALT I agreements into a new stage, where we forsake the quest for improvement of our forces, and seek instead a mutually agreed-upon reduction. We must remember the Russian saying: "It is easier to take the sword from the wall than to put it back."

Within the last few weeks, Secretary of State Kissinger has been here, and Foreign Minister Gromyko has been in Washington. Both are trying to clarify the positions that our two governments have adopted for the current round of SALT Talks. I know we share the earnest hope that their deliberations will succeed, and hope that further agreement will be reached within the near future.

In the United States Senate, we are paying close attention to each new announcement about the progress at SALT. Immediately before departing for Eastern Europe and the Soviet Union, I joined with several of my colleagues, of both parties, in writing to Dr. Kissinger. We expressed our belief that the American people support a continued effort to place further controls on strategic nuclear weapons. And we believe they will support arms agreements with the Soviet Union that are genuinely in the mutual interest of both countries, and that will move us all toward a more peaceful world.

However, our two countries are no longer focusing on the control of weapons that can

easily be counted and verified by independent national means. We are now dealing in the murky area of assessing factors of weapon size, reliability, and the number, weight, and accuracy of warheads.

Can there be further agreements? I am convinced there can. But they will only be possible if we do not let ourselves be defeated by the complexity of the issues, and if we seek agreements that will truly enhance, rather than reduce, our security.

For many years, there has been a long debate in both our countries about the relative balance of nuclear weapons. Neither of us will accept being inferior—or being seen as such; neither will concede superiority to the other.

In the United States we believe that today's efforts in arms control must continue to take into account this balance of nuclear forces. We are concerned to ensure that neither side is placed at a strategic or political disadvantage because of the size or composition of our nuclear arsenals. There must be a substantial overall equality between them.

There are two ways to proceed. Either we can both rush onward with new building programs, or we can seek real reductions in the level of nuclear forces, in order to achieve the equality that will best serve us both. What shall it be? I believe—and most Americans would agree—that the level of nuclear forces should be brought down, and kept down, in the interest of sanity and peace.

But what is equality? In the past, the number of missile launchers was the standard for judgment. And it remains important for there to be no significant disparity in these numbers on either side. Yet with today's technology, counting missile launchers is no longer enough. There are basic differences between the nuclear forces of our two countries. The United States has real advantages in some areas; and the Soviet Union has real advantages in others. A difference in relative advantages will no doubt continue.

We must, therefore, define equality of nuclear forces in terms that include the quality as well as the quantity of weapons. And if we do so, it will be much easier to bring today's arms programs under control, and to begin actual reductions.

Of the many possibilities before us, there is at least one area in which we could make rapid progress—constructive progress—in the near future.

I am convinced that the moment is ripe for a new initiative to turn thoughts and energies of both our nations toward the goal of permanently halting the nuclear arms race.

Therefore, I have urged my own government to agree to a mutual moratorium on nuclear testing and to negotiate seriously a firm and binding Comprehensive Test Ban Treaty. And I would call upon your government to join with mine in this constructive effort.

Since the Partial Test-Ban Treaty was signed 11 years ago, the technology of detection has improved, making it far more difficult for any country to test any nuclear weapon in secret. It is now much more possible to consider going beyond the 1963 Treaty, in greater confidence that any serious breach of an agreement would be known to both parties.

It is also desirable to move forward in this area. Because of the complexity of new weapons systems, it is difficult to impose controls even when we both wish them. But if we can agree to end the testing of warheads for future weapons, we can increase the confidence of both sides. This is greater confidence that neither side will develop a significant new weapon that would threaten to destabilize the nuclear arms balance.

A Comprehensive Test-Ban Treaty would also reinforce the Nuclear Non-Proliferation

Treaty, which is up for review in the coming year. With a comprehensive agreement on testing, it will be less difficult to convince other nations that limiting the spread of nuclear weapons is in the common interest. Such an agreement would give all nations renewed hope that our political and human concern for controlling arms will not be defeated by the advance of science and technology.

In addition, this agreement would eliminate the continuing environmental hazards of underground testing. And finally, it would be further evidence that forward progress is possible in Soviet-American arms control. As in the past, evidence of even limited progress can be invaluable, especially when there are difficulties in solving larger arms control problems.

We must, of course, continue our efforts at the SALT talks to find formulas that will encompass the dozens of factors that make up the nuclear equation. But let us keep this idea uppermost: That if we truly seek security through the control of arms, then the technical means to do it can—and must—be found.

In the process, I urge the Soviet Government to do what I have urged my own: That both governments agree on a policy of mutual restraint in the building and deploying of all nuclear weapons systems. Timetables can be slowed on both sides; unnecessary or destabilizing additions to weaponry can be suspended. If it takes time to work out formulas for limiting arms, let us not be defeated in our efforts by the passage of time itself.

We can also use the time immediately before us to broaden the exchange of views on the nature of our nuclear relations. Often in the past, the onward advance of the arms race has been given momentum, not by the calculated needs of security, but rather by misunderstanding of one another's intentions. We long ago faced this problem in the United States, then decided to debate and decide any nuclear doctrines and programs in the open, where our intentions would be clear to you.

Yet today, without announcement, the Soviet Government is building new missiles, and testing still others. What does this mean? Does it mean preparations for the next round of arms competition? Or does it merely represent the momentum of research, pursued without intention to deploy?

In the United States, we would be greatly aided in assessing Soviet developments that do not threaten us if we could hear clear and public statements of your intentions. And both of our countries would be helped by clear and public Soviet statements on the doctrines that underpin the deployment of your nuclear forces. Secrecy in many areas is an asset of security; but secrecy on intentions and doctrine in nuclear arms can only cause difficulties—and dangers—for everyone. Let us therefore have a full and open debate on these matters. And let us understand both where we differ and where we agree.

These bilateral efforts at arms control are important in their own right, in the interest of promoting better political relation between our two countries, and in order to free resources for human growth and development.

Yet we are not alone in seeking to control conflict and mute hostilities through the control of arms. Nor can our efforts alone guarantee that weapons of mass destruction will gradually become less of a threat to mankind. As your Chairman of the Council of Ministers—Mr. Kosygin—has said:

"Whether peace becomes stronger as a result of our talks, concerns . . . not the Soviet Union and the United States alone . . . but will depend on all other peoples and states as well."

These words apply in many areas. To have a fully effective Comprehensive Test Ban, at

some point both France and China must become involved. To ensure our success at SALT, we must look to the day when China will be brought into talks on controlling nuclear arms. To have effective arms control in chemical and biological weapons, we must seek the cooperation of many nations. And to extend the nuclear Non-Proliferation Treaty, we must encourage the restraint of others.

This last objective—to prevent the spread of nuclear arms—will also require effective steps by the superpowers to end our own nuclear arms race. And we must promote the peaceful resolution of conflicts that could otherwise give rise to nuclear ambitions.

But even these efforts may not be enough. Unfortunately, the technology of nuclear weapons is now available to almost any nation that wants to use it. And the spread of nuclear power reactors means that nearly 25 nations in the world potentially have access to the basic materials of an atom bomb.

The bomb will spread, unless we act—not by trying to impose our will on other nations, for that will surely fail, and would likely bring on the very spread of nuclear weapons we are seeking to prevent. Nor is it enough to continue our efforts at SALT. As we look to the future, we must also end the long-standing practice of seeming to measure our power relative to one another in terms of nuclear over-kill. The power of the United States and the Soviet Union is based on many factors, beginning with our economic strength, and including our physical capacity and political will to gain and preserve security from external attack. Even if nuclear weapons had not been invented, we would still be the world's two principal superpowers, charged with major responsibility for preventing a disastrous war that could engulf the world.

We can end our verbal nuclear posturing—and our concern with a political "numbers game" in nuclear weapons—without any threat to the security of either the United States or the Soviet Union. And we must do so, or in the coming years other nations will surely follow the example we set so many years ago, and have never managed to outgrow. This example is the easy habit of believing that nuclear weapons are truly the essential coin of national power. Instead, we must acknowledge that nuclear weapons are merely one expression of national might—one that is often less a tool for national advantage, than an awesome responsibility to prevent conflict, whether by accident or by design.

The bomb must not spread. But we can achieve that goal only if the two superpowers reach a new maturity in their nuclear relations, and stop the bad example of nuclear bluster that we have so long set for the non-nuclear nations of the world.

Beyond strategic arms control—beyond the SALT Talks—the most important negotiations on the control of arms are taking place at Vienna, between members of NATO and the Warsaw Pact. Both the United States and the Soviet Union play an important role in this conference. But our two countries do not play a decisive role. We cannot alone determine the outcome, if we wish the talks to succeed. We must recognize that the security of all European countries is at stake, and not just our own.

The talks on Mutual and Balanced Force Reductions have hardly begun to meet the significant challenge before them. For our part in the United States, we are determined to work closely with our Allies at all stages of negotiation, while we continue our commitment to Europe's defense. And we recognize your own obligations to the nations of the Warsaw Pact.

Today, it is not my purpose to discuss the practical details of any force reduction agreement in Europe. But I can say this: That the purpose of these talks is to increase security, not diminish it. And if we con-

stantly bear this goal in mind, we can find the formulas needed to reduce the risk of war, and to promote the conditions of a lasting peace.

Our efforts must include significant progress in developing confidence-building measures at the Conference on Security and Cooperation in Europe. They must include a realistic assessment of the forces truly needed on either side for purposes solely of defense. And they must include attention to new ideas, such as a shift in emphasis toward forces designed for defense rather than for offense.

It is significant that the MBFR talks are taking place at the same time as those at SALT. For in time the Vienna talks will permit some progress on the issue of nuclear weapons based in East and West Europe. In the United States, we recognize your concern about our Forward Based Systems; and we hope you understand the concern of Western Europe about your short-range nuclear systems, as well. But despite these feelings, the proper forum for discussing theater nuclear weapons is in Vienna, where the European states are represented along with us both. In time, that issue will be raised there. But in the meantime, it must not be the subject of bilateral agreement by Moscow and Washington.

There is one other important area of arms control that should now be placed on our agenda. This is the Indian Ocean. Long a part of the world relatively free of superpower competition in arms, the Indian Ocean may now see growing deployments on both sides—unless we act in time.

The United States is concerned about the greater involvement of the Soviet Navy there, and about the potential for larger deployments once the Suez Canal is opened. Meanwhile, you are concerned about the proposed expansion of U.S. Navy facilities on the island of Diego Garcia.

Is this competition in our mutual interest? I do not believe so. I believe that our mutual interest lies in deciding now to make the Indian Ocean a "Zone of Peace", as urged by the UN General Assembly. Three years ago, the Soviet Union broached the idea of preventing an arms race in the Indian Ocean. It is time to change that idea to reality.

Today, there is a UN Ad Hoc Committee on the Indian Ocean, including all the major littoral states, plus China and Japan. Neither the Soviet Union nor the United States belongs. Yet we should be at that conference, or engaged in bilateral talks with each other.

There are many difficulties to be overcome—not least in defining our different interests in the area. But, again, the difficulty of the talks merely underlines their importance, and the benefits to be gained by all countries in the area if we can avert a new competition in arms.

I have been discussing some particular issues in the control of arms. This is not an exhaustive list. It could be lengthened to include a broadening of the concept of nuclear free zones; the beginning of genuine efforts to reduce the impact of outside arms on the Middle East; and the long-run desire of both our people to reduce both military forces and budgets.

There is one central goal behind all these arms control efforts: That the weapons of war must be the servants of men and never their master. This is a goal that has eluded mankind down through the centuries, and has come nearer our reach today largely because of the consequences for us all if it does not.

For many years, dedicated men in both the Soviet Union and the United States have sought a way out of our shared nuclear dilemma. And they have been proved right, time and again, as we have moved from agreement to agreement, and moved beyond the Cold War era.

But their efforts have not been welcomed by all elements in either of our societies. The debate has not always been won by those who seek to end the tyranny of an uncontrolled arms race. We must give them our support—in both centuries—by engaging in full, frank and open discussions of nuclear issues. We must abandon the rhetoric of superiority for all time, on both sides. We must stop exploiting the fact of our nuclear power as a psychological club, in dealing with other powers. And we must stop over-emphasizing the importance of nuclear weapons, in assessing the relative power of nations in the world.

Limiting the impact of arms on the way men live is important in itself. And it is important whether or not it leads to better political relations among states, or to the resolution of conflict. For reducing the influence of arms can at least give men time to think, and give them greater distance from the drums of war. Peace and understanding may not automatically flow from this approach. But for two generations we have been custodians of the most massive power ever known. And in that time, we have learned that man must assert his reason over the weapons he builds, if he is to survive at all.

As President Nixon said here two years ago, on an historic occasion:

"Let us remember as we begin to lift the burden of armed confrontation from both our peoples, we shall lift the hopes for peace of all the peoples of the world."

ADDRESS OF SENATOR EDWARD M. KENNEDY  
AT THE MOSCOW STATE UNIVERSITY (MGU)

Moscow, U.S.S.R.,

(As released April 21, 1974.)

RECTOR KHOKLOV: I am happy to be here in Moscow—Tolstoy's "Mother of Cities"—as a guest of the Parliamentary Group of the Supreme Soviet. It is true as Russians say: Who hasn't seen Moscow hasn't seen beauty. And I am happy to be at this great university which stands in the front rank of universities in the world.

I am privileged to be the first member of the American Congress to be invited to speak at the Moscow State University. This is a hopeful sign in U.S.-Soviet relations—a sign that we can increase the ties of understanding between our two peoples.

I look forward to more of your leaders' speaking at American colleges and universities. For this is the purpose and commitment of education: to broaden men's minds, and to reach out beyond the darkness of prejudice and ignorance, to the light of learning and shared ideas.

I have come here to the Soviet Union across many miles, because I believe that our two countries together bear a special responsibility to all mankind: I know that the peoples of our two countries want above all else to avoid war and to open the way for a more hopeful world.

I have come from the Senate of the United States, where my colleagues and I are charged to "Advise and Consent" on treaties concluded with foreign powers. As a Senator, I have come not to negotiate, but to learn—to learn from Soviet leaders and the Soviet people what I can of your ideas, your beliefs, and your hopes for the future. And I bring to you one American's view on the course of our relations, and on the problems and prospects that lie ahead.

There are historic—and prophetic—associations between my state of Massachusetts and your great country. John Quincy Adams, our Sixth President, came here to Moscow with the first mission of the United States at the birth of our Republic. And later, when he prepared the Monroe Doctrine that became the basis of our foreign policy, he told the Russian Ambassador to Washington:



"We in America see no reason why we should not be at peace with each other, and we earnestly desire that peace."

A century and a half later, I join my spiritual colleague from Massachusetts in expressing that same earnest desire for peace with the Soviet Union.

For me, this trip also has a more personal meaning. My brother Joe came here in the 1930's, and two of my sisters visited later. Robert Kennedy came to the Soviet Union in 1955, and traveled as far as Soviet Central Asia.

And it was President John F. Kennedy, whose dream of visiting here was never realized, who joined with your government in negotiating the Partial Test-Ban Treaty, and who first committed the United States to finding a new basis for relations with the Soviet Union. In June, 1963, speaking at the American University in Washington, D.C., he said:

"Let us focus . . . on a . . . practical, . . . attainable peace—based not on a sudden revolution in human nature, but on a gradual evolution in human institutions—on a series of concrete actions and effective agreements which are in the interest of all concerned."

The Soviet people responded to these words, and only a few weeks later the Test-Ban Treaty became a fact.

Our peoples have shared much together during the last two generations. We fought together in the Grand Alliance of the United Nations during World War II, when the Red Army earned America's profound admiration. We both suffered through the uncertainties of the Cold War. And we now look forward hopefully to a new age in our relations.

What the new age will bring is not yet clear. If we lose the chances now before us, it could be marked by continuing fears of conflict, by an escalating competition in arms, and by recurring cycles of confrontation.

Or this new age can see us advance, step by careful step, beyond the hostilities of the past. We can build on our work to reduce the threat of nuclear war. We can begin to devote a greater share of our productive energies to human development, instead of to the engines of war. And we can proceed together down the long road toward mutual understanding.

There can be no doubt in anyone's mind which way we must choose—in the interests of our two peoples, and of all other peoples in the world.

As a United States Senator, I can report to you that the great majority of the American people firmly support the goal of finding a workable basis for improving relations between our two countries. They will support agreements to resolve our differences that are truly in our mutual interest, in that they promote a future free from war and conflict.

This support is not limited to one American political party, or to any one set of leaders. And it is not at issue in today's domestic problems in the United States. Rather it represents a continuity in American foreign policy that transcends debate and disagreement over specific approaches and details. And I am confident it will remain so, in this Administration and in those to follow.

At the same time, the American people are united in recognizing that there must be a like Soviet commitment. They look eagerly for evidence of Soviet goodwill, just as you look to us for the same.

How shall we proceed?

We must begin by bringing the nuclear arms race under control. So many years after Hiroshima and Nagasaki, many people have forgotten the terrible destruction of nuclear war. But there are those who cannot forget the horrors of war and destruction, even when only conventional arms are used.

They include Americans who landed on the beaches of the South Pacific or who braved the Murmansk Run—and in my own family we lost my brother, Joe. And they include every Russian—not just those who stood before Moscow, or who fought the winter war at Stalingrad. As General Secretary Brezhnev has said:

"The Soviet people are perhaps second to none when it comes to knowing what war means."

But you also know what peace means. "In Leningrad it is quiet," Olga Berggolts wrote when the siege had ended:

"And on the sunny side of the Nevsky . . . children are walking. Children in our city now can peacefully walk on the sunny side. And can even sleep soundly at night, knowing that no one will kill them, and awake in the quiet, quiet sunrise alive and healthy."

It is for these children—and children everywhere—that my generation and yours must remember, and in remembering, must act. If we do, history will think well of us; but if we do not, there may be no history left to record our deeds.

Two years ago, President Nixon and General Secretary Brezhnev concluded two historic agreements here in Moscow, designed to limit deployment of nuclear arms.

The first—on defensive weapons—is a firm achievement, which can last as long as we have the will and the wisdom to sustain it. But the second agreement—on offensive weapons—is limited in both time and extent. Already, two years have elapsed of this five year agreement; and already, both of our countries have begun building weapons systems that by their very nature will make further agreement more difficult. The running sands of time urge us to serious work on replacing the interim agreement with a permanent treaty; and the growing nuclear arsenals urge us to find new ways of devising controls.

Last Friday, I was invited to speak on this subject at the Institute of the USA, here in Moscow. It was a full and open exchange of ideas, reflecting the deep concern of the Institute's Director and members to ending the arms race, and to expanding the range of contacts between our two peoples.

At the Institute, I outlined several ways for us to devise new controls on the arms race. But most important we must work together—in public debate and private counsel—to support the voices of reason in our two countries, as we search for answers to nuclear dilemmas. And if we are equal in our desire to make the world more secure, then we can accept an equal outcome of our talks.

Our direct relations in security also require us to work together in other areas. In some of these, our interests differ and conflict is still possible. In the Middle East, in particular, unless great care is wisely exercised, the conflict there could lead to a confrontation between us. For us in the United States, last year's war in the Middle East was an unsettling time. It has shown the American people how far our two countries must yet go before there is a profound relaxation of tensions.

There are major problems involved in reaching a just and lasting settlement of the Arab-Israeli conflict. Despite progress made so far, it remains today's most difficult political problem in the world. Even this week while I have been in Moscow, the sounds of renewed fighting have reached us here from the Middle East.

Yet let me assure everyone in the Soviet Union of America's good faith in trying to stop the fighting and in pursuing a settlement—not at the expense of legitimate Soviet interests, but in the interest of removing the threat of war from the peoples of the region, and from the peoples of our two countries, as well. I do not believe that it is any longer in the Soviet interest to

see a situation of "no war and no peace" in the region. I believe your interests also lie in an end to recurring strife.

In the United States, we will welcome a more active Soviet role in seeking this settlement. And we will not swerve from our own commitment to it.

Beyond the Middle East, there are other areas of our mutual concern. We must seek to prevent a new arms race in the Indian Ocean, or a general competition in the size of our navies. We must begin reducing the billions of dollars and roubles spent each year on arming nations in the developing world. And we must work to avoid the growth of new power rivalries between us—in Africa, in South Asia, or elsewhere—rivalries that will only breed conflict, new threats to our relations, and new dangers for peace between us. And let us do this in a clear understanding of the position we each occupy in the world today. As Secretary of State Henry Kissinger said here only a few weeks ago:

"Neither of us can gain a permanent strategic advantage either militarily or politically anywhere in the world."

For our part in the United States, we will live by this principle. We have no need or desire to seek an advantage. Yet we must also seek no less from you.

We are both concerned about the future of China. America's relations with that country have improved during recent years, while the threat of conflict between China and the Soviet Union has not been removed. Yet it is not in the interests of the United States to exploit relations with China at the expense of your security. War between any two of these three powers would also spell disaster for the third.

Instead, the United States will be sensitive to the needs of both Soviet and Chinese security. And America can join with you in trying to hasten the day when Chinese leaders, too, will enter negotiations with both of us to control nuclear arms. "Three columns," it is said, "can bear more weight than two."

In all these areas, there is increasing scope for real cooperation with one another—based upon a careful calculation of our separate and shared interests. Yet these possibilities remain limited; both by the depth of the divisions that are still between us and by the interests of other countries and peoples. Whatever common cause we may make in finding a way to moderate the nuclear arms race, or to advance our mutual security in other areas, there can be no shared domination by the United States and Soviet Union over other areas of the world. There can be no Pax Americana, no Pax Sovietica, and no "peace of the superpowers" to deny the rights and interests of others.

This is particularly so in Europe, where our two countries are deeply involved in problems of peace and security. On my way to Moscow this week, I visited both West and East Europe, in part because U.S.-Soviet relations have deep implications for nations there, as well. Stability in our arms race, plus the first steps to relax tensions, have raised expectations throughout the Continent that new forms of security will become possible. And hopes are rising throughout Europe that divisions between peoples, based on old fears and uncertainties, can be ended.

Two sets of negotiations have begun—one to bring about the mutual and balanced reduction of forces; the other to build confidence in security, and to find a sound basis for cooperation between East and West.

Both the Soviet Union and the United States are involved in these talks, and will be affected by their outcome. Yet we must not—and cannot—hope to forge a collective will that could be imposed on this Continent of several hundred million people. Even if leaders in Moscow and Washington could agree on a course of action in Europe, their efforts

would fail if the people of Europe rejected them. Rather it is imperative that decisions made for the future of Europe meet European needs, and be made in forums where Europeans are centrally involved. Nor can we ignore the interests, the independence, or the involvement of neutral European states.

It is sometimes said that it is in the interests of the Soviet Union to separate the United States from its Allies in Europe. It is sometimes said that America's will is weak, and that its commitment to Europe's defense will diminish.

I believe that both views are wrong. There is a growing desire in the United States to reduce the burden of maintaining forces on the Continent. But this desire is premised on the improvement of relations with the Soviet Union, and on the reduced risks of a European war. The commitment of the United States to Europe's defense remains strong.

And I believe that a weakening of ties between Europe and the United States could not serve the broader interests of Soviet Security. It would definitely not promote those conditions needed for our own progress together in controlling nuclear arms, or in muting differences of interest between us in other parts of the world. Just as the United States accepts the concerns of the Soviet Union for security in Europe, so I believe that you stand to gain from a strong Western Alliance, and from a thriving European Community.

Like peace, two generations ago, security in Europe is now "indivisible". It cannot come to East or West unless it comes to both, and also to countries like Yugoslavia, regardless of what happens there in the future. Yet, if we can agree on this principle, then we can find the way to reduce tensions in Europe, and begin building toward a Continent that is united in spirit and in human relations, without threatening the security of any nation in the East or the West.

In all these efforts, we must welcome the wise advice of General Secretary Brezhnev, in Washington last June:

"Everything must be done for the peoples of the world to live free from war, to live in security, cooperation, and communication with one another. That is the imperative command of the times and to that aim we must dedicate our efforts."

Until now, our developing relations have centered primarily on the issues of peace and war. But there are broader horizons. We have built a firm base of scientific cooperation on land, on sea, in the air, and in space. We have exchanged experts in many areas. And we have established a broad range of regular contacts between professional individuals and organizations in many fields that affect the health, the well-being, and the advancement of our two peoples.

The time has also come to broaden these contacts, and increase travel and tourism between our two countries. It is time to exchange large numbers of students, including many from this great university. And it is time for us both to modify the restrictions on travel within each country by anyone from the other.

In addition, today there is a fledgling trade between the United States and the Soviet Union, and the beginning of a major exchange of technology. I believe that this trade and exchange are valuable for us both—not just in terms of the material advantages they can bring, but also because of the growing interdependence that they will lead to between our two countries. In time, they can help produce an evolution in our relations that will reduce even further the risks of political conflict and war. I am hopeful, therefore, that we can overcome existing obstacles to expanded trade, so that our trade with each other can become im-

portant for both of us, and for other countries, as well.

But as there is progress in relations between our two countries, a new economic imperative is beginning to emerge. It will not be enough for the United States to enter into bilateral agreements with you on economic matters. In time, I believe it will also become important for you to play a more active role in the world economy as a whole.

In the West, economic relations among states provide immense benefits for all concerned. But they also impose obligations to cooperate in promoting the economic well-being of all. In the late 1940's, the industrial states of the West forged a complex set of institutions that, together, have made possible the greatest single advance ever in production, in trade, and in the standard at which people live.

The time is fast approaching when the Soviet Union—and other non-market economies—should join this broader effort at cooperation for mutual advantage. This could mean direct membership in existing institutions—such as the International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade. These are institutions with a promise of shared benefits, and a requirement of shared responsibility. I hope that the Soviet Government will soon find it possible to move in this direction.

I am aware of the difficulties posed for the Soviet Union and Western states in seeking broad cooperation with one another through economic institutions. Our different philosophies still form a barrier to easy contacts and coordination of economic policies. Yet despite these limitations—despite ideology—there is scope for mutual gain. And cooperation already achieved in the West need not be in conflict with a reaching out to the East, as well.

Economic relations among the United States, Western Europe, and Japan represent an open system; and as such it need not be a threat to any country willing to share the burdens of cooperation, as well as its benefits.

Growing Soviet involvement with the United States—and with the rest of the Western world—also means greater attention to newer problems that are faced by countries in common. Your country has recently been playing an active part in the UN General Assembly's special session on raw materials; and it will be represented at the World Food Conference in Rome, later this year.

There is much more that can usefully be done—in population, in energy, in controlling damage to the global environment, in promoting economic development in the poor nations, and in sharing the resources of the seas. These are all areas in which a larger Soviet role is becoming important both for you, and for the rest of the world.

As we have learned in the West, so I predict for the East: that there are some problems now requiring greater efforts in common, if each country is not to fall on its own.

This, then, is my hope for greater Soviet involvement in the outside world—in trade and commerce, in the application of science and management to resource problems, and in developing new relations with countries in the "third world." I am particularly hopeful that you will share with other nations the critical responsibility for the survival and development of the even poorer "fourth world."

Before concluding, I must speak of a sensitive but important subject. Even though there is a basic U.S. commitment to bettering relations with the Soviet Union, there is deep and serious questioning of more than one agreement which has been struck or discussed with the Soviet Union. Similar doubts have been raised here.

In America, some of the questioning is

based on actual terms of agreement, like the sale of wheat or—for many Americans—the interim SALT agreement itself. Some is based on the shock of last year's Middle East War. And some is based on a serious concern about developments within Soviet society, itself—just as concerns are expressed here about developments in American society, as well.

Your view of each of these issues will of course differ from mine. Yet that need not undermine what has been done—and what is now possible—in the areas of security, arms control, and resolution of conflict. As has been said: "These problems are manmade, and they can be resolved by man."

I also believe that it does not threaten the integrity of the Soviet state for Americans—or for other peoples—to express their views individually on the evolution of Soviet society. None of us is immune from these criticisms.

Indeed, we in the United States have long understood and even welcomed criticisms of American society made by people here and elsewhere. We, too, are not a perfect society. We have not entirely solved problems that weigh on our society—problems of race, of poverty, and of unequally distributed fruits of progress. The United States does support some governments abroad that do not conform to our own moral standards. And we face a continual challenge to make our institutions of government serve the public will—and not the private interest.

A central principle of developing relations between countries is frankness—for only in frankness can we take the full measure of one another, find areas of mutual interest, and lay the basis for moving beyond agreements that are founded merely upon our mutual dread of a cataclysmic war.

In a time of Cold War, there was little that the United States expected of Soviet society—just as there was little that you expected of ours. Yet as we move beyond the Cold War, our mutual expectations increase—concerning both our behavior in international affairs, and the domestic factors that will help shape and direct each of our relations with foreign countries.

In general, I do not believe that one nation should interfere directly in the internal affairs of another. But I also do not believe in silence—whether on your part, or on ours. And for many years, I have been active in opposing what I believe to be denial of human liberties wherever it occurs—in Chile, in Vietnam, in Greece, in Portugal and even when it occurs in the United States, itself.

During my visit here in Moscow, I have been told that you, too, defend the right of any individual to express his views in this way.

This is a welcome commitment—a wise commitment—to standards we have both often pledged to uphold. But I have also been told that it is wrong to deny the benefits of trade—and the benefits of improved Soviet-American relations in this area—because of Soviet policy, particularly on the question of the free emigration of peoples.

I have listened to this view. I also recognize the general increase in emigration that has taken place during recent years. And I, too, am anxious to see a resolution of this issue, so that there will be no risk of retarding the critical work of putting fear and hostility behind us forever.

Can we resolve it? I am hopeful we can. I am hopeful that we can go beyond the frustrations and the anger on both sides that are damaging to all and of benefit to none. And I am confident that a magnanimous action on the part of your government would lead the American people to respond as well—in the interests of seeking genuine friendship between our nations, and in the interests of our major and shared responsibility for the fate of mankind.



Then we will be able to say with Pushkin:  
 "I've closed my eyes to ghosts;  
 Only far-distant hopes  
 Sometimes stir my heart."

I have no illusions that my country will change to suit all your desires for it, nor that your country will make all the changes we would like, as well. But at heart, in your political system as well as in mine, the ultimate test of success or failure lies not in the strength of military weapons, or in the production of farm and factory, but rather in the lives of our people. As young people in the Soviet Union, you understand this well. You seek many of the same things in your lives here in the Soviet Union that we do in the United States.

We face many common problems in the evolution of our societies; the relationship between man and his work; the impact of technology on the human spirit; the use of leisure time; and the final conquest of poverty, misery, ignorance, poor health, and fear.

Let us, therefore, not persist in enlarging our differences, but join in understanding where we have goals in common. Let us recognize and harness in shared pursuits the great creative energies with which our two peoples—and two countries—are blessed. And let us not lack in faith that someday the difficulties of the past will no longer determine our future.

Camus wrote:

"At this moment, when each of us must fit an arrow to his bow and enter the lists anew, to reconquer, within history and in spite of it, the thin yield of his fields, the brief love of this earth—at this moment when at least a man is born, it is time to forsake our age and its adolescent furies. The bow bends; the wood complains. At the moment of supreme tension, there will leap into flight as an unswerving arrow, a shaft that is inflexible and free."

Let us make that arrow the determination of our two nations and our two peoples: to work together to seek a future of friendship and peace.

ADDRESS OF SENATOR EDWARD M. KENNEDY AT THE GERMAN FOREIGN AFFAIRS ASSOCIATION

I am delighted to be here with you tonight, in a city—and country—that have deep and lasting memories for me and my family.

But one memory of Germany is deepest of all: a June afternoon at Rathaus Schoeneberg, with Chancellor Adenauer, Burgomeister Brandt, and a million citizens of Berlin. President John F. Kennedy, moved by the spirit of a free people, spoke four words to express the courage and moral strength that he found throughout Germany: "I am a Berliner."

Yet in one sense, to be a Berliner today means something different. It no longer means to be part of an alliance dependent almost entirely upon American leadership and strength. Now in that alliance, Europe itself contributes equally with the United States, and is called upon equally to share responsibility for leadership. No country in our alliance can today be cast in the role of the Romans, while others play the Greeks. Today, we all share a single experience of history—each nation providing inspiration, and each providing strength.

During that same visit by President Kennedy, speaking at the Villa Hammerschmidt, he singled out Germany for a further tribute. This is, he said,

"The most astonishing miracle of modern times: The building of this free, democratic state whose reputation . . . has steadily risen throughout the world."

I echo those words, tonight, as well as the vision of your first President, Theodor Heuss,

when he took office a quarter-century ago. He had a vision of the Federal Republic as "a living democracy". And that it has surely become: "Eine lebendige Demokratie."

And so I am pleased—and proud—to be with you once again. This week, I have come to Bonn, in preparation for a visit to Eastern Europe and the Soviet Union. I am here because I believe in the worth and necessity of the great alliance that has brought Germany—and Europe—together with the United States. It is only because of what we have done together—and the promise of what we will do now and in the future—that a trip such as mine is possible at all.

Yet I come to Western Europe at a moment of deep crisis in the Atlantic Alliance:

In recent weeks, angry words have been exchanged across the Atlantic, turning minor irritations into major incidents.

The twenty-fifth anniversary of NATO came and went last week without real celebration, as many people in all of our countries now question the strength—and even the necessity—of Atlantic cooperation.

And all of us have had moments of bewilderment, as we grope for the meaning of Atlantic relations for the 1970s.

Why has this happened? There are many reasons. Here in Europe, you have long since finished the work of your economic recovery, and now rival the economic strength of the United States.

Meanwhile, the very success of our alliance has reduced public concern with the threat of direct military aggression from the Soviet Union. It has led all our peoples to expect a reduced burden of defense, as well.

Thus, we are now required to coordinate policies for a time of somewhat lower tensions with the Soviet Union—a time we call *détente*. And in doing so we face a task even more complex than preparing for our common defense two decades ago.

Yet as we all face the demands of *détente*, the European Community is in a period of "growing pains", as it struggles to forge political institutions and unity. Within the past fortnight, new uncertainties have appeared in Britain and in France, where this week we mourn the loss of a courageous leader, President Pompidou.

In addition, on both sides of the Atlantic, we share worldwide concern with inflation, with managing economic growth, and with new questions of access to raw materials.

Last—and perhaps most important—deep currents are moving beneath the surface of Western society. The industrial age has ended economic hardship for most of our people. But that same age also contains the seeds of profound change.

A spirit of questioning is abroad in all our countries. Can government be made truly responsive to the popular will? Can individual people find life and expression in a world of far horizons—but a world with little personal control over events? Can Western society itself regain the self-confidence and balance it must have to earn the support of our peoples—and to liberate their creative energies?

Some men say this questioning spells a serious crisis for democracy itself. For myself, I do not accept such faintheartedness about the future of democracy. Instead, I see in people's doubts the beginnings of a regeneration of their spirits, and of the institutions that men have created.

None of our countries will be immune from the difficulties of adjusting to the future. But all of us have experience to share. And all of us can gain from the creativity, the energy, and the imagination that have marked all of mankind's decisive leaps upward.

In America, I believe that we are beginning to emerge from our most difficult period of upheaval in this century—upheaval

affecting all aspects of our society. Our system of government, refined through two centuries of trial, is again proving its worth. It is being tested to the full, and is developing new strengths to master a difficult challenge.

This has also been a time of doubt about America's role in the outside world. And even now, we in the United States have not yet found an idea that encompasses a new approach for man and society in the outside world. I believe, however, that isolationism is dead. And this I do know: There is no doubt about the fundamental American commitment to our alliance, and to the future of Europe.

Despite the problems we all face at home—despite the uncertainties of a time of change—there are compelling political, military and economic reasons for our continued partnership.

These reasons reflect needs and problems that will not go away simply because each of our societies—each of our peoples—is groping for new self-awareness and regeneration. In fact, the links between the two sides of the Atlantic may now be even more important than before.

But in the future our alliance must be fundamentally different from the one that in the late 1940s laid the basis for security and prosperity in both Europe and North America.

Tonight, I bring you no single blueprint or grand design. Nor is one possible or even desirable today.

This is a time of ferment in ideas and beliefs. But can we also make it a time of creation? Can we match the bold and daring efforts that produced NATO, the German Federal Republic, and the Treaties of Rome? Perhaps—but only if we approach each of the problems to find a vision of the world—and of mankind—that will give us direction for the future.

There are five great issues on our agenda, tonight, that compel our attention: These are defense, *détente*, the European Community, economic cooperation, and the broader world in which our Atlantic world must live.

#### DEFENSE

We must begin with the defense of the Western Alliance. A quarter-century ago, we knew what to do. Europe needed the commitment of the United States to make possible the economic and political recovery of the continent, and we both needed the defense of Europe, in our common interest.

Today, the defense of Western Europe remains vital to the United States—as well as to Europe, itself—and it remains a critical charge on our resources and commitment. Defense relations among the NATO powers are important in their own right. They are basic to improving relations with the East. And they continue to provide a secure base, both for the development of the European Community, and for changing patterns of relations across the Atlantic. There can be no *détente* with the Soviet Union without the firm and unqualified defense of Western Europe.

We must, therefore, discuss frankly the many defense issues that are before us, on their own merits. But we must never use our basic common interest in the security of the Alliance as a "bargaining chip" with one another. We must never use security issues to score political or economic points.

You are aware of growing pressures in the United States to reduce the size of American forces based on the continent. Some of these pressures derive from the foreign exchange costs of American troops. Yet once again, the Federal Republic has been forthright in meeting the financial needs of the United States. This is an impressive response, that will not go unnoticed in the United States.

How shall we proceed? In exploring our defense relations, we must make a serious effort to streamline forces, and to get more effective military power at lower cost. We must reassess the doctrine of "fair shares", to ensure that the burden of common defense does not fall unduly on any nation, whether in Europe or in North America. We must encourage greater defense cooperation among European States, within the framework of the North Atlantic Treaty. We must continue close cooperation as we negotiate within the Warsaw Pact on force reductions. And we must involve governments, parliaments, and private institutions in finding ways within the Alliance to prepare ourselves for changes that negotiations may bring.

In time, of course, there will be some reduction in U.S. forces based here. It will happen as the result of Allied agreement and Allied effort, along with East-West negotiations. Or it will happen as a result of our failure to act, and to act together. It is for us to choose. But an orderly and agreed reduction of U.S. forces during the next few years does not have to mean any lessening of U.S. concern either for Europe's defense, or for its future. At the same time, we can and must revitalize our relations, both in politics and economics. And if we do so, then a change in our defense relations can be part of the natural evolution of the Atlantic Alliance, and be in the interests of all.

This revitalizing process will not only give us the strength to seek reduced tensions with old adversaries, and to permit some force reductions. It will also help give us the internal confidence and vitality we must have, as our countries undergo social and political change. The strength of our Alliance can also provide confidence in the outcome of change at home.

#### DÉTENTE

Second only to our common defense is our shared concern for the future of *détente*. In this country, you understand well both the promise and the problems of relaxing tensions with the Soviet Union. You have made pioneering efforts to achieve a genuine *détente*. Pursued with close attention to European and Atlantic cooperation, *Ostpolitik* has been a mark of West Germany's political maturity. And it is an example to other nations in the West which seek a stable and realistic approach to the nations of the East. If ever the Nobel Prize for Peace was well and justly earned, it was earned by Chancellor Brandt.

The first phase of *détente* has ended. The second and more exacting phase has now begun. As it does, the peoples of the West are raising basic questions about future relations with the Soviet Union. Is Moscow really prepared to move beyond the strategic arms agreements already signed? Can there be a real end to the causes of those tensions and disagreements that marked the cold war? How deep is *détente*, and what directions can—and should—it now take?

I believe that what we have achieved so far in *détente* has taken us beyond the cold war. Leaders in both East and West now accept joint responsibility for preventing mankind's final and cataclysmic war. We have taken the first bold steps back from the brink of Armageddon.

This does not mean an end to major differences and even hostility between East and West. It does not mean that we have reached an age of blind and careless trust in Soviet intentions, nor that Soviet society will suddenly be transformed, and become responsive to the popular will.

*Détente* does mean an age of new possibilities, which did not exist before. Today, *détente* must, at heart, be an agreed willingness to meet forthrightly those issues dividing East and West where there can be

mutual agreement. It means that both sides must work for a final end to the nuclear arms race. Both must seek to end major sources of tension in Europe. And there must be agreement on restraints in behavior elsewhere that could otherwise lead to higher tensions or even conflict.

Here in Europe, concern has repeatedly been expressed that the United States will be tempted to improve its own relations with the Soviet Union at the expense of West European interests. I do not believe this is so. Nor can it be. If there is to be real *détente* between the United States and the Soviet Union—if there can be true efforts to resolve many East-West differences—then Western Europe must be intimately involved. *Détente* will mean nothing if it means isolating or ignoring any member of the Western Alliance. Nor can issues that directly affect all the Allied States—particularly U.S. nuclear forces based here in Europe—be the subject of bilateral agreement. Issues that affect the security of Europe must be decided in talks where Europeans play a full and active role.

#### THE EUROPEAN COMMUNITY

Beyond defense and *détente*, there is critical concern on both sides of the Atlantic with the future of the European Community—on its failure to reach monetary union, on its failure to find a common political identity, and on its failure to move decisively beyond limited economic cooperation. Yet this view understates the remarkable work that has been done here in Europe in the two short decades since the Schumann Plan. Within a few years after history's most destructive war, the nations that formed the Community made the world's first great attempt to find a better basis for human growth and development than the intense nationalism of the past.

A keynote was sounded by President Heuss: "We know that the concept of a combined European state is now no longer a sheer dream or a wishful picture of idealists or of the writers of novels, but that it is a realistic task which stands before us."

This is, indeed a realistic task. It has not yet satisfied every expectation. But it still offers the hope that, in Western Europe, a concert of peoples can replace the discord of nations.

The United States has supported this objective from its beginning, and the great majority of the American people continue to do so. For we in the United States understand that a strong European Community, developing according to its own lights, can never be fundamentally against the interests of the United States. By its very nature—and that of its peoples—the Community can never follow paths that would lead to basic hostility across the Atlantic. The European Community may compete vigorously with the United States. There will—and must—be differences of interest and action. But the United States should not shy away from competition and differences of view—it should welcome them. None of us need to hide our differences, or mask our separate identities. If we properly understand the interests we have in common, we can only be strengthened by our diversity.

Recently, the Federal Republic tried to create a new process of consultations across the Atlantic, before the Community reaches decisions on its future. So far, that initiative has failed. But in proposing it, you have demonstrated keen awareness of the value that lies in our growing sensitivity to each other's needs and ideas. These consultations would not mean U.S. interference with the development of the European Community. America neither could nor should dominate this effort. Rather it must work with the Community in a new and genuine equality.

At the same time, there is concern that German will be forced to choose—between

its neighbor France, and its Ally the United States. Chancellor Adenauer himself spoke of American ties during President Kennedy's visit to Germany, when he said: "I want to emphasize that between the United States and us, no split or separation . . . will ever happen again." It is in America's interest, as well—I believe—as in your own, to see that prophecy fulfilled.

At the same time, the very foundation of German-American efforts—and Atlantic efforts—includes continuing rapprochement between Germany and France. But it must be possible for Germany to be friends with France without being called upon to sacrifice its friendship with America.

#### ECONOMIC COOPERATION

In large part, the issue of relations between the United States and the European Community will be decided in the mundane but vital area of economic relations. It is here that we will test our wisdom in meeting the demands of the present and future. We cannot—we must not—fail that test.

But understanding our common interests, and muting our potential rivalry, does not require sweeping declarations of principle. Instead it requires close attention to the details of our everyday dealings with one another. We have reason to be hopeful. Work is moving forward for the next round of trade talks. A large measure of monetary reform is a fact. Even in energy relations, what we have agreed among ourselves is far more important than the verbal squabbling of the past two months.

Yet let there be no mistake about the effort required to have economic cooperation rather than discord. Our interests in Middle East energy differ widely, and could still cause major problems between us. Inflation has become a disease without clear remedy, and has the proportions of a pandemic. The conflicting interests of farmers and consumers have kept us from agreeing on agricultural trade. And we have not yet learned to cope with the monetary and investment problems caused by the dramatic rise in prices for oil.

These are awesome difficulties. But their very size proves that we must work together, or we shall all fail separately. No nation in the Atlantic world can any longer hope to solve its economic problems alone. All must work on problems like inflation together, or not at all.

#### THE BROADER WORLD COMMUNITY

The size and nature of these problems prove something else, as well. In this economic realm, it has been clear for many years that we cannot talk of a closed system of Atlantic nations. Most important, Japan is now central to any system of economic relations among developed states. Increasingly, as well, even the rich nations of the West, working together, cannot isolate themselves from the rest of mankind.

A new interdependence is emerging—in energy, in food, in raw materials, in the sharing of resources from the seas, and in protecting man's common heritage in the environment itself.

In these areas, nations may act alone. But they will most likely fail to manage problems that by their very nature are too big for individual states to master. Or there can be a rebirth of the energy and enthusiasm that led to the great multilateral institutions of the past quarter-century.

Work is in progress: on the sea beds, on population, on food, on energy, and on raw materials. Some of these efforts will succeed, and some will fail. But all show what must be done and, slowly, what is becoming possible.

As we in the West try to meet these new issues of international cooperation, we must open up the process to many other nations and peoples. We must draw in the Soviet Union and other Communist states wherever



that is possible—including full membership in institutions, and full responsibility for helping make them work. We must reach out to the countries of the third world that are gaining new economic influence through their control of raw materials. And we must revive our sense of compassion and concern for the billion people in a "fourth world", who are ever more isolated, and ever more impoverished.

As President Kennedy said at the Paulskirche a decade ago: "Today there are no exclusively German problems, or American problems, or even European problems. There are world problems—and our two countries and continents are inextricably bound together in the tasks of peace as well as war."

We must recognize, of course, that a new attitude of concern and cooperation does not mean that old problems will go away, hostilities will cease, ideology will wither, or that politics based on economic and military power will be abandoned.

Yet this new attitude—this inspiration—is demanded by the simple fact that none of us alone can answer the basic questions of our age—whether questions of society's change, or questions that do not respect the frontiers of states. None of us has a monopoly of truth or wisdom. Yet, together, we can gain in wisdom. Apart, we shall each be ignorant alone.

I believe that we will reach out to one another. And in part I draw my confidence from what has been happening here in Europe, though often by fits and starts. It is Europe's "new self-awareness," held out for us by Chancellor Brandt: "... To be an example of the prevailing of reason over production, the prevailing of justice over the egoism of power, and the prevailing of humanity over the sickness of intolerance."

Here, there is hope for Europe, for the Atlantic world—and for all mankind.

ADDRESS OF SENATOR EDWARD M. KENNEDY, ON UNITED STATES-SOVIET RELATIONS, AT THE L.Q.C. LAMAR SOCIETY, ATLANTA, GA.

It is a privilege for me to be here this evening with many of the distinguished men and women who have provided the South with inspiration and courageous leadership for so long.

When I met with General Secretary Brezhnev in the Kremlin last week, he warned me about Georgia—about its unrivaled hospitality. Of course, he was speaking about Soviet Georgia, and he was right. But he could just as easily have been speaking about this Georgia. The two Georgias are thousands of miles and a civilization apart. But if there is one thing that you have in common, it is the warmth and cordiality of your people, and the standards you set for the peoples of the United States and the Soviet Union for gracious hospitality.

It is a pleasure to see your President, Dr. Frank Rose. In 1955, he and my brother, Robert, became friends when they were selected as two of the ten most outstanding young men in the United States. In the early sixties when Dr. Rose was President of the University of Alabama, and my brother was Attorney General, they worked closely to solve the problems and ease the tensions in those difficult years.

I am told that your organization's name, the L.Q.C. Lamar Society, was chosen because of President Kennedy's chapter on Senator Lamar in his book *Profiles in Courage*. Lucius Quintus Cincinnatus Lamar served in the U.S. Senate from 1877 to 1885. Those were difficult times for our nation, for although the war had ended, emotions were still on the issues that had divided North and South.

Lamar brought to the Senate an eloquent plea for reason between the regions. On some issues, his stand was very unpopular with his home state constituents. But Lucius Lamar

had a national view towards the problems that confronted our nation, and never veered from voting his conscience.

His words in 1878 are equally appropriate to the troubled times we face today:

"The liberty of this country and its great interests will never be secure if its public men become mere menials to do the biddings of their constituents instead of being representatives in the true sense of the word, looking to the lasting prosperity and future interests of the whole country."

The problems facing our country, today, just as they did 100 years ago, transcend regions and sections of our country. And the same is true of our position in the world. For a century and a half of our development as a nation, we were effectively isolated from the main currents of international politics. Protected by two great oceans, we were able to work out our own destiny in our own terms, with little impact from the outside world, save for the great flood of immigrants who gave America the character and strength we know today.

For two generations, now, we have become ever more deeply involved in the outside world. One continuing challenge has been to our security, and that of other nations who have looked to us for help and leadership.

Today, we have met the basic test of security in the post-war world. But even so, our involvement with other nations continues—and indeed it is steadily growing as new currents of change sweep across the world.

At home, we are preoccupied with the unfolding drama of Watergate, and with the demands of managing an economy that is suffering through the twin ailments of inflation and stagnation at the same time.

But the outside world, like time, waits for no man, and will not wait for us to weather our domestic concerns. While we are deep in thought about our own future as a nation, we are still insistently called upon to play an active role abroad, to continue providing leadership, and to shoulder responsibilities both for our own people and for all mankind.

For many years, our chief responsibility—shared with the Soviet Union—has been to prevent mankind's final, cataclysmic war. This is a responsibility that continues, regardless of domestic difficulties here. Like Atlas shouldering the world, it is a burden neither we nor the Russians can put down.

Two years ago, President Nixon and General Secretary Brezhnev signed two historic agreements in Moscow, designed to put limits on the nuclear arms race. This act was the logical extension of a decade of effort, reaching back to the American University speech of President Kennedy in June 1963. He said then:

"Let us focus... on a... practical, attainable peace—based not on a sudden revolution in human nature, but on a gradual evolution in human institutions—on a series of concrete actions and effective agreements which are in the interest of all concerned."

A few weeks after that speech, the Partial Test Ban Treaty was signed, beginning a long list of concrete acts to tame the atom, and provide a basis for building a lasting peace.

Today, it is tempting to believe that the clouds on the nuclear horizon have been swept away, freeing us from the dangers that began the day the awful knowledge of nuclear power was brought, Prometheus-like, to man. But the dangers have not gone, only our keen awareness of them. For what we have done in the past to bring the arms race under control will mean little if we do not now continue our patient efforts to reduce the risks of war.

This remains a time of danger—danger that we will forget the dark night of the Cold War and its fears of nuclear war before it is fully dawn. But it is also a time of opportunity, to take the next step—and then the

next—that will forever free men from the fear that he will destroy all that he has built in one mad act of nuclear destruction.

It was with this knowledge—of danger and of opportunity—that I went recently to the Soviet Union. I went to learn what I could of the men that guide that nation—of their fears, their hopes, and their ideas for building on the new relationship with us that has been so hard won during the last ten years.

And I come back from the Soviet Union with new hope that men working together in their mutual interest can be ingenious in the pursuit of peace, as they were ingenious separately in creating the engines of nuclear destruction.

In the United States, we have long suspected the motives and the ambitions of Soviet leaders—and we must remain watchful of their every act. But one thing seems clear; that the leaders of the Soviet Union understand with our own leaders that a nuclear war could profit no one, but would only mean an end to the hopes—and to the lives—of all.

Can we move forward to control the arms race? I believe we can. It may not be possible this year to revise the Interim Agreement on offensive strategic weapons. That new agreement will be the most complex we have known, and will require unparalleled patience and statesmanship to become a fact. But I am confident that a way can—and must—be found, despite the problems of understanding the complex calculus of modern weapons.

I believe at this time, therefore, that President Nixon should go to Moscow this summer, to advance, by however little, the prospects of reaching the definitive agreement on offensive arms we must have before the five-year accord runs out just three years from now. And I am hopeful that his visit can contribute to improved understandings with Soviet leaders in other ways, and improve the climate needed for a final end to the race in nuclear arms.

In one area, I am particularly hopeful. From my conversations in the Soviet Union, I believe that it is possible this year to reach a workable agreement on banning all underground tests of nuclear warheads. We have sought this goal ever since the Partial Test Ban of 1963. And today, with improvement in methods of detection, we can now contemplate a Comprehensive Test Ban with greater confidence that neither nation could test without the other's knowledge.

I will therefore urge the Senate of the United States to act with all possible speed on my resolution—now co-sponsored by 36 Senators—calling on the President to seek such an agreement. It would be of untold value in trying to limit modern nuclear weapons, by increasing the difficulties of developing new ones. It would keep the momentum of agreement going, and help preserve the political atmosphere of possibilities. And it would demonstrate to other nations, during the difficult effort to revise the Interim Agreement, that both the United States and the Soviet Union are seriously concerned to find an alternative to competition in nuclear arms. A Comprehensive Test Ban will not solve all the problems that remain. But it is one critical step on the way.

Before leaving for the Soviet Union, I joined with several of my Senate colleagues in writing to Secretary Kissinger. We assured him of our support—and we believe the support of most Americans—in trying to reach further agreement with the Soviet Union on arms control. And we will support agreements that are genuinely in our mutual interest, in that they promote the search for peace.

Since then, some voices have been raised in the United States to question the sincerity of Secretary Kissinger's efforts. They say that he will seek a "quick fix" to problems of arms control, and disregard the essential interests of the United States. I do not believe that this is so, or that these voices are helpful to

anyone. Certainly we in the Senate could not accept any agreement that was not truly in America's interest.

In Moscow—as throughout my trip—I advanced a theme which I feel strongly: that there is a fundamental continuity in American foreign policy. This continuity will transcend today's domestic difficulties, and is not limited either to one political party, or to any one set of American leaders. Our institutions are performing effectively at home, and I believe our policy abroad will be dictated by your interests, and not by domestic cares and concerns of the moment.

Instead of questioning the sincerity of the Secretary's efforts, we should be giving him our guidance and our patient counsel. For the burden of controlling the arms race cannot—and should not—be borne by a few men, alone. This goal can be reached only if every American in public life will act responsibly—with the advice and support of the American people, themselves.

I believe that it is essential to encourage the political forces in both the United States and the Soviet Union who support an end to the arms race. "Both of us," I was told in Moscow, "have our Pentagons." And if we wish to reduce the role of the Soviet "Pentagon", we must continually support efforts in our mutual interest to build on the progress already achieved in Soviet-American relations.

The urgency of the task is impressed upon us for a further reason, as well. The time has passed when the demands of our security—and of a world free from the threat of nuclear war—could best be served by a comparison of every last detail of nuclear strength. It is clear that both we and the Soviet Union have the power to destroy the other many times over. Yet by continuing a "numbers game" of comparing nuclear arsenals of awesome size, both our countries are only encouraging other nations to believe that promoting their own power and influence will require them to build nuclear weapons for themselves. This will be the great nuclear trial for the future: the need to limit the spread of nuclear weapons beyond the five nuclear powers of today.

The bomb will spread, unless we and the Russians act—by our example in ending our own wasteful and self-defeating competition in nuclear arms.

To be sure, it remains politically important that there be no significant disparity in the nuclear arsenals of our two countries. And I have joined several colleagues in the Senate to urge that we seek a substantial overall equality in these arsenals, through a reduction of forces and a thorough analysis of factors both of quantity and quality. But when that goal is achieved, then both the United States and the Soviet Union must go beyond it to provide a great example for all nations by ending the nuclear numbers game.

We can say with President Nixon on the occasion of his Moscow visit two years ago:

"Let us remember as we begin to lift the burden of armed confrontation from both our peoples, we shall lift the hopes for peace of all the peoples of the world."

Our concern to improve relations with the Soviet Union begins with arms control. But it does not end there. It must reach into other areas, as well, if the threat of conflict between our two countries is to be put behind us for all times.

In the United States, there has been serious questioning in recent months about the depth and breadth of the relaxation of tensions. Many Americans were troubled by the Soviet role in the Middle East War, and in encouraging the Arab oil embargo. They were concerned by the terms of the Soviet wheat deal. And they are skeptical that steps taken because of a mutual dread of nuclear war can provide a basis for improved relations in other areas.

This questioning must not be ignored. It

illustrates that improved relations with the Soviet Union cannot be based upon hopes or wishful thinking, but only upon concrete acts. Yet that does not mean that concrete acts are not possible—only that we must be patient as we work through each area and each agreement one by one. We are now entering Phase Two of *detente*—a time that can be even more hopeful and more productive, because we are now making more realistic assessments of what can—and what cannot—be done.

After the nuclear arms race, itself, we must consider the future of Europe. For nearly 30 years, we have lived with a division of the Continent that emerged from the conflict and disagreements following the Second World War. There has still not been a final settlement of those issues. Yet in recent years, a series of steps have led Europe firmly beyond the Cold War, to a time when real negotiations are possible. Berlin is no longer the symbol of East-West conflict. West Germany has set a high standard for negotiation with the East. And the nations of NATO and the Warsaw Pact are now able to talk about troop reductions rather than confrontation.

But the relaxation of tensions in Europe does not mean the end of problems there, nor of America's concern for Europe's future. Negotiations on Europe's future have hardly begun—and are far from reaching a useful conclusion. The Conference on Security and Cooperation in Europe may come to an end in the near future. But its work has far to go—through a permanent body—if that Conference is genuinely to provide all European states with an increased confidence in their security and in the prospects for cooperation between East and West.

Even more important are the talks on force reductions. Hopefully, some first agreements will be achieved in the near future. But it is a long way from there to a reshaping of patterns of security on the Continent—a reshaping that will enhance security, and make possible major reductions in forces on both sides.

The United States is—and must continue to be—deeply involved. This is particularly so when the Soviet interest in Western Europe is still not clear. I believe that Moscow could gain little from American indifference to the future of Europe; but it has everything to gain from a secure and thriving Western Europe, firmly tied to the United States.

Because I believe in the importance of these ties, and in the primacy of the Western Alliance, I began my recent trip to the Soviet Union by a visit to West Germany—and to Chancellor Brandt, the master of *Ostpolitik*.

In West Europe—as in East Europe—I found acute concern that the United States will try improving its relations with the Soviet Union at the expense of other nations. In the West, deep concern is being expressed about the strength and vitality of the American commitment. I know that this is a chronic complaint. But it has been sharpened by doubts about the strength of U.S. Presidential leadership, by strains in the Atlantic Alliance following the energy crisis, and by a growing pessimism for the political—and even the economic—future of the European Community.

No one believes it will be easy to allay the fears of American political weakness that are evident in Western Europe. But it is essential if we are to continue improving relations with the Soviet Union. Good relations with Moscow must begin with excellent relations in the Alliance.

We should begin here in the United States by trying to understand the malaise that is now affecting European attitudes, especially during a time of succession in France, and uncertainties over Britain's role in the Community.

Fortunately, we have now abandoned the idea of forcing the pace in Atlantic relations through lofty declarations of a "year of Europe." Yet we must be careful not to strain the capacities of the Community through overly-aggressive bargaining, either on issues of defense, energy, agricultural policies, or trade. These issues can be resolved in the fullness of time; but for now we must all proceed with caution and acute sensitivity for the "growing pains" of Europe. And in the Alliance we must begin preparing for the reduction of forces that one day will come, in order to ensure a renewed sense of common purpose within the Alliance.

I believe that there is a fundamental strength in the Alliance that can be developed for the new conditions of the late 1970s. But relations must proceed issue by issue, seeking solutions for problems in their own terms. We in the United States must also redouble our efforts to involve our European Allies in shaping our diplomacy with the Soviet Union. Solutions to European problems must be largely "made in Europe."

Most important, we need to convey to the Europeans that we are still with them, interested in their development, supportive of a European Community shaped according to European lights, and concerned to involve them in other U.S. diplomatic efforts.

As we look at the prospects for improving relations with the Soviet Union, we see a darker side. In the Middle East, fighting between Syria and Israel has continued for nearly two months. While I talked with Soviet leaders in the Kremlin about the prospects for peace, the sounds of conflict reached our ears from the Middle East.

I believe that the Soviet Union must at some point play a constructive role in finding a just and lasting settlement of the Arab-Israeli conflict. It was possible to secure a separation of Egyptian and Israeli forces without Moscow's help. And it may even be possible to gain a similar separation of forces on the Syrian-Israeli front, primarily through the diplomacy of Secretary Kissinger. But if a real peace is to be achieved, the Russians, too, must in time decide that this will support their interests in the region.

In Moscow, I stressed to Soviet leaders my belief that they no longer have anything to gain from a situation of "no war and no peace" in the Middle East. If they do not join with us in trying to end the conflict, they, too, stand to lose from renewed conflict, along with the nations of the region itself.

The Soviet Union has repeatedly expressed concern to become more deeply involved in the diplomacy now being conducted in the Middle East. And the Soviet leaders I spoke with said they were committed to peace. That may come to be, despite the role they have played in recent months. But this commitment cannot be taken on trust—it must be proved.

I believe that the Soviet Union should be encouraged to play a constructive role in long-term diplomacy directed towards peace in the Middle East. Secretary Kissinger's meeting with Foreign Minister Gromyko last Monday could be a useful step on the way. But if the Soviet Union does become more involved, then its leaders must show that they share our hopes for peace in the region, and for the human and economic development of its peoples. And as I said in Moscow, the Soviet Union could usefully begin by renewing diplomatic relations with the State of Israel.

Beyond the Middle East, there are other areas of mutual concern between the United States and the Soviet Union. Together, we must seek to prevent a new arms race in the Indian Ocean, or a general competition in the size of the Soviet and American navies. We must begin reducing the billions of dol-



lars and roubles spent each year on arming nations in the developing world. And we must work to avoid the growth of new power rivalries between our two countries—in Africa, in South Asia, or elsewhere. Such rivalries would only breed conflict, new threats to our relations, and new dangers for peace between us. And let us do this in a clear understanding of the position we each occupy in the world today. As Secretary of State Henry Kissinger said in Moscow only a few weeks ago:

"Neither of us can gain a permanent strategic advantage either militarily or politically anywhere in the world."

For our part in the United States, we will live by this principle. We have no need or desire to seek an advantage. Yet we must also seek no less from the Soviet Union.

Both countries are also concerned about the future of China. America's relations with that country have improved during recent years, while the threat of conflict between China and the Soviet Union has not been removed. Yet it is not in the interests of the United States to exploit relations with China at the expense of Soviet security. War between any two of these three powers would also spell disaster for the third.

Instead, the United States will be sensitive to the needs of both Soviet and Chinese security. And America can join with the Soviet Union in trying to hasten the day when Chinese leaders, too, will enter negotiations to control nuclear arms.

In all these areas, there is increasing scope for real cooperation with one another—based upon a careful calculation of separate and shared interests. Yet these possibilities remain limited; both by the depth of the divisions that still remain; and by the interests of other countries and people. There can be no shared domination by the United States and Soviet Union over other areas of the world. There can be no Pax America, no Pax Sovietica, and no "peace of the superpowers" to deny the rights and interests of others.

During recent years, we in the United States have rightly focussed on political and strategic relations with the Soviet Union. And these remain critical, today. But now, there is also a growing trade between our two countries, and the start of cooperation in science and technology—as symbolized by next year's link-up in space.

The Soviet Union is particularly interested in these ties, as a means of entering the "second industrial revolution", that began in the West some 30 years ago. Is this also in our interest? I believe it is. I return from the Soviet Union convinced that there is considerable scope for improving Soviet-American relations in this economic realm—including our purchase of Soviet raw materials. With serious attention to the terms of agreements, I believe that the United States does have much to gain, both in the agreement themselves, and in the evolution of the political climate between our two countries.

In Moscow, I also urged Soviet leaders to look beyond bilateral approaches, to eventual membership in the Western institutions of economic cooperation. I urged them to greater involvement in an effort to meet international challenges of food, energy, population, pollution, and sharing the resources of the seas. And I urged them to accept a shared responsibility for the fate of the poorest people of all, in the "fourth world" of have-not nations. Long isolated from developments in the outside world, the Soviet Union, too, is beginning to be affected by the growing interdependence of nations. For it, too, some problems cannot be solved, unless they are approached by many nations in common. Hopefully, there is an awakening interest, especially among younger Soviet leaders, in broader institutions of global cooperation.

The issue of trade and related cooperation does not exist in isolation. In the United States, many Americans are concerned about the failure of the Soviet Union to extend to its people one of the most fundamental of human rights: the right to choose where they will live. To this end, the House of Representatives has passed—and the Senate will consider—legislation that will limit the access of the Soviet Union to U.S. markets and credits while it restricts emigration of its citizens.

I raised this issue in Moscow, and expressed American concerns. Yet the position of the Soviet leaders was firm: they will brook no interference in their internal affairs. They believe that they have been forthcoming in permitting emigration of Jews to rise to 35,000 in 1973, up from 1,000 in 1970. They believe that trade is important in improving relations, and must not be tied to their actions on what they believe is an "unrelated" matter. And this was the one issue I raised on which there was not even a partial meeting of minds.

I listened to these Soviet views—which were disputed by Jewish leaders whom I met in Moscow. And I, too, am anxious to see a resolution of this issue, so that there will be no risk of retarding the crucial work of putting fear and hostility in U.S.-Soviet relations behind us, forever.

In general, I do not believe that one nation should interfere directly in the internal affairs of another. But I also do not believe in silence. And for many years, I have been active in opposing what I believe to be denial of human liberties whenever it occurs—in the Soviet Union, in Chile, in Vietnam, in Greece, in Portugal, and when it occurs here in the United States, itself.

Indeed, we in the United States have long understood criticisms of American society made by people abroad. We, too, are not a perfect society. We have not entirely solved problems that weigh on our society, problems of race, of poverty, and of unequally distributed fruits of progress.

A central principal of developing relations between countries is frankness—for only in frankness can two peoples take the full measure of one another, find areas of mutual interest, and lay the basis for moving beyond agreements that are founded merely upon a mutual dread of a cataclysmic war.

In a time of Cold War, there was little that the United States expected of Soviet society—or they of us. Yet as we move beyond that era, mutual expectations increase—concerning both the behavior of one another in international affairs, and the domestic factors that will help shape and direct each nation's relations with foreign countries.

Can the impasse be resolved? I am hopeful it can, without sacrificing human rights. I am hopeful that it will be possible to go beyond the frustrations and the anger on both sides that are damaging to all and of benefit to none. And in Moscow I urged the Soviet government to take a magnanimous action on the issue of emigration—an action to which the American people can respond.

I do not believe that the Soviet Union will respond to all the changes in its society that we would like, just as the United States will not respond to every Soviet desire. But at heart, in their political system as well as in ours, the ultimate test of success or failure lies not in the strength of military weapons, or in the production of farm and factory, but rather in the lives of individual people.

Mr. Chairman, I have tried tonight to set forth some of my ideas on our relations with the Soviet Union, based on my personal experiences in that country. I have come back from Moscow mindful of the wide differences that still exist between our two countries both in philosophy and in inter-

ests. I am aware that in some areas we will remain as intense rivals. And I have a renewed sense of the patience that will be necessary to achieve each step away from the risks of war, and toward a time of better relations with one another.

But I also come back convinced that much is possible, and that we are beginning a new time in the attitudes of our two countries. Each of us no longer automatically views every act by the other with suspicion—and even hostility—without an examination of the facts. Now that we both accept mutual responsibility to prevent mankind's final war, we are beginning to see and to understand each other's interests, hopes, and point of view. And we are beginning to find ways in which both countries can act together to mutual advantage. There will be setbacks; there will be limits. But at least now it is possible to talk, to listen, and often to understand. And as long as there is understanding, there will be hope for us all—and for all mankind.

#### KANSAS TECHNICAL INSTITUTE

Mr. DOLE. Mr. President, on May 19 it was my pleasure to address the 1974 graduating class at Kansas Technical Institute in Salina, Kans.

This was the seventh class to graduate from the State's first public technical institute, and I can report that already KTI's alumni have established a solid reputation for the value and effectiveness of this approach to higher education.

By presenting a wide variety of courses in some of the most demanding and important modern technical fields, KTI is filling the vitally important need for increasing the numbers and quality of skilled technicians in our State. Special emphasis on aeronautical, environmental, electronic, and engineering fields gives KTI students a choice of education in some of the most sought-after areas in the job market today.

Job placement and salary statistics amply demonstrate KTI's impact upon the State and in the lives of its alumni.

I believe many of my colleagues would find further information about technical education important to them as they assess the needs and future of higher education in their own States; therefore, I ask unanimous consent that several informative items concerning Kansas Technical Institute be printed in the RECORD.

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

#### SOME FACTS ON TECHNICAL EDUCATION

During the past few decades America has made significant technological progress and has reached a high level of production through the efforts of its engineering team. This is a three part team consisting of engineers and scientists, engineering technicians, and skilled workers.

The State of Kansas is proud of the fact that it has provided educational opportunities to prepare individuals for engineering team positions. The team positions are defined as follows:

*Scientist.*—A person engaged in the study concerned with the observation and classification of facts and with the establishment of verifiable general laws, chiefly by induction and hypothesis.

**Engineer.**—A person engaged in the profession which uses basic laws of physical science to serve mankind. This service is accomplished through knowledge of mathematical and natural sciences gained by study, experience and practice; applied with judgment to develop ways to utilize, economically, the materials and forces of nature for the benefit of mankind.

**Engineering technician.**—A person whose education and experience qualify him to work in the field of engineering technology. He differs from the craftsman in his knowledge of scientific and engineering theory and methods, and from the engineer in his more specialized background and in his use of technical skills in support of engineering activities.

**Craftsman.**—A person skilled in the mechanics of his craft and practices this skilled trade or manual occupation. His formal education portion of learning a skill or trade comes from area vocational training or trade school training. (Report on Engineering Technology Education Programs in Kansas 1964).

Since the fall of 1966, the Kansas Technical Institute in Salina, Kansas, has been training engineering technicians for positions on the engineering team.

Having earned an Associate of Technology Degree upon completion of two years of college level study, KTI graduates have been able to take their place on engineering teams throughout Kansas and the nation.

A survey of all KTI graduates was conducted in the spring and summer of 1973. The survey found that 85% of all KTI graduates are employed in an occupation related to their field of study. Of this figure 76% are employed in Kansas.

The placement status of 1973 engineering and technology graduates and job prospects for 1974 graduates was the subject of a nationwide survey conducted by the Engineering Manpower Commission of Engineers Joint Council.

As Table I indicates, 61% of the graduate technicians in the United States in 1973 are employed full time. Table I also reveals that only 5% were without jobs or plans and that 25% were continuing their education in the engineering field.

TABLE I.—PLACEMENT STATUS OF 1973 ENGINEERING AND TECHNOLOGY GRADUATES<sup>1</sup>

	[In percent]					
	Engineering degree			Technology degree		
	B.S.	M.S.	Ph. D.	Associate	B.S.	
Employed.....	62	62	80	61	76	76
Full-time study.....	19	22	2	25	3	3
Military service.....	5	7	3	1	5	5
Other plans.....	3	6	11	1	4	4
Considering job offers.....	6	2	3	7	8	8
No offers or plans.....	5	2	2	5	4	4

<sup>1</sup> Engineering Manpower Bulletin, October 1973.

The recent KTI survey found the average starting salary of its graduates to be approximately \$700.00 per month. The national average, determined by the Engineering Manpower Commission, was slightly lower at \$679.00.

The average starting salary at all degree levels showed an increase over the 1972 average. It is interesting to note, however, that the per cent of increase for the Associate Degree level was surpassed only by the Masters Degree level.

Table 2 lists the average starting salary for all degree levels in 1973 and the per cent of change from 1972.

TABLE 2.—AVERAGE STARTING SALARIES, 1973 GRADUATES

Degree level	Dollars per month	Percent change from 1972
Associate degree in technology (ECPD schools).....	679	+4.9
Bachelors degree in technology.....	850	+3.0
Bachelors degree in engineering.....	930	+4.3
Masters degree in engineering.....	1,080	+5.5
Doctors degree in engineering.....	1,449	+3.8

<sup>1</sup> Engineering Manpower Bulletin, October 1973.

In the opinion of college placement directors surveyed, 1974 graduates in engineering related fields will be in great demand. The demand is expected to be so great for graduate technicians that 69% of the surveyed placement directors expect a slight to major shortage of graduates. Only 5% expect more graduates than jobs.

#### HOW THE SURVEY WAS CONDUCTED

EMC has surveyed the placement status of engineering graduates since 1958 and of technology graduates since 1967. Placement statistics for 1973 were based on replies from 248 schools covering 35,024 graduates. Salary averages for technology graduates were based on data from 87 schools reporting 3412 offers. The College Placement Council, Inc. is the source of starting salary data for engineering graduates.

#### WHAT IS KTI

The Kansas Technical Institute was established by the 1965 Kansas Legislature as the State's first public Technical Institute. It is located in Salina, Kansas and offers the Associate of Technology Degree in ten programs: Aeronautical Engineering Technology, Aviation Maintenance Management, Civil Technology, Environmental Technology, Computer Science, Electronic Data Processing, Electronic Technology, Mechanical Technology, Welding Specialist, and General Technology. KTI also offers a FAA certified program in Airframe and Powerplant Maintenance for aircraft mechanics. A certificate of completion is given after completion of the A & P Program.

Graduates of KTI have been able to "take their choice" of job openings in Kansas and the nation. A 1973 survey of KTI graduates found 85% employed in a field related to their course of study at KTI with 76% employed in Kansas.

#### GOALS OF THE INSTITUTE

The major goal of the Kansas Technical Institute is to provide two-year, college-level programs of applied science and technology which enable the student to become employable upon graduation.

The second goal of the Institute is to provide a broad base of mathematics, physical science, communications, and technical specialty courses to enable the students to build upon and expand their knowledge and skills as they work in their areas of specialization.

The Institute's third goal is to provide a basis for understanding fundamental scientific and engineering principles to afford students the opportunity to pursue further academic study in a technical field.

Another goal of the Institute is to offer selected courses to the adult community of Kansas so that they may update their education, improve technical skills, or pursue self-improvement. For this purpose, the Office of Community Services has been established.

#### FEES

Fees at Kansas Technical Institute are established by the State Board of Education and are subject to change at any time. Following is a description of the current student fees per semester at the Institute:

	Kansas resident	Non-Kansas resident
Regular semester fees: <sup>1</sup>		
Incidental fee.....	\$120.00	\$360.00
Student activities.....	10.00	10.00
Student union.....	5.00	5.00
<b>Total.....</b>	<b>135.00</b>	<b>375.00</b>
Students enrolled in 6 semester credits or less:		
Incidental fees (per semester credit).....	8.50	25.50
Student activities.....	5.00	5.00
Student union.....	2.50	2.50
Summer session fees:		
Incidental fees (per semester credit).....	8.50	25.50
Student activities.....	5.00	5.00
Student union.....	2.50	2.50

<sup>1</sup> Interterm cost included in semester fees.

<sup>2</sup> Special programs and seminars may be exempt from these fees.

#### GENERAL TECHNOLOGY

Many small-to medium-size industries in Kansas have shown a need for a technician who is diverse in skills, since in many cases they are not large enough to fill their staff with specialists from the many areas they require. Jobs such as Inspector, Estimator, Detail Draftsman, Test Technician, Customer Service Technician, Production Planner, and several others, require a broad based education in several areas. Therefore, the General Technician program will provide the graduates who are broadly trained across the fields of Electronics, Civil, and Mechanical Technologies and can fill the needs of these industries.

The term "technician" refers to workers whose jobs require both knowledge and use of scientific and mathematical theory; specialized applied education of training in some aspect of technology or science; and who, as a rule, work directly with scientists or engineers. The education of the technician is "things" oriented. The worker must have the ability to visualize objects and to make sketches and drawings. It requires that he have an aptitude in mathematics. Many jobs require some familiarity with one or more of the skilled trades, although not the ability to perform as a craftsman. Some jobs demand extensive knowledge of industrial machinery, tools, equipment, and processes. Some jobs held by these technicians are supervisory and require both technical knowledge and the ability to supervise people.

Technicians also work in jobs related to production. They usually work in close relationship with an engineer or scientist but are not under close supervision. They may aid in the various phases of production operation, such as working out specifications for materials and methods of manufacture, devising tests to insure quality control of products, or making time-and-motion studies designed to improve the efficiency of a particular operation.

The General Technician program is designed to provide the graduate with the competency to begin work in many of the areas and have the skills described above.

#### AERONAUTICAL TECHNOLOGY—AIRFRAME AND POWERPLANT—MAINTENANCE MANAGEMENT

##### Aeronautical technician

Aeronautical engineering pertains to mechanical flight in the atmosphere. The aeronautical technician assists the aeronautical engineer in all phases of design, production, and operational aspects of aircraft, including commercial passenger, freight, small private planes, and helicopters.

The majority of aeronautical technicians are employed by the aerospace industry, government, institutions of higher learning, and the airlines, and are engaged in research, design, and development activities. The technician may be involved in aircraft design, flight testing, evaluation, or experimental



laboratory work. Other technicians work in production, estimating the cost of materials and labor necessary to complete a project. Still other technicians are sales or field service representatives, performing technical assistance services for customers or helping to prepare manuals and other technical literature. Aeronautical technicians must be able to work with scientific and engineering test equipment including the slide rule, understand the principles of higher mathematics, science, and engineering, and write clear and concise technical reports. They must be logical, patient, and objective, capable of performing under the stress of time limitations, and of dealing with potentially hazardous situations. High school courses should include as much math and science as possible, drafting, industrial and machine shop practice, and English. The prospective technician should then take an aeronautical technician course at a vocational-technical institute or community college and obtain an associate degree. The long-range employment outlook for men and women, is good. Beginning technicians advance by taking on additional responsibilities, though their job title may remain the same. With experience, a technician may supervise other trainees or technicians, or may be assigned independent responsibility. With additional education, the technician may become an aeronautical engineer, and many companies offer a tuition refund plan. In the late 1960's, beginning technicians earned between \$475 and \$600 monthly. Experienced technicians earned between \$850 and \$1,500 monthly. KTI graduates in May 1973 averaged \$700 monthly starting salary. Technicians usually work a 35- to 40-hour week at a desk or in a research department, laboratory, or engineering department. Some outdoor work may be necessary, depending upon the technician's particular project assignment.

#### *Airframe and powerplant*

Aircraft mechanics keep airplanes operating safely and efficiently. They do routine maintenance as well as repairing and replacing damaged or worn parts.

Mechanics employed by the airlines work either at the larger airline terminals making emergency repairs on aircraft, or at an airline main overhaul base where they make major repairs or periodic inspections. These mechanics may specialize in work on a particular part of the aircraft, such as propellers, landing gear, or hydraulic equipment. They frequently take apart a complex airplane component, replace damaged or worn parts, put the component together, and test it to make sure that it is operating perfectly. They may perform this work at the direction of a flight engineer or lead mechanic, or they may be responsible for examining the entire aircraft to find the source major repairs or periodic inspections. These repair or maintenance work must be licensed by the FAO (Federal Aviation Administration) as airframe or powerplant mechanics. At least 18 months' experience working with airframes or engines is required to obtain either license, and at least 30 months' experience is required to obtain both. All applicants must pass a written test and give practical demonstration of their ability. Airlines prefer men between 20 and 30, in good physical condition, with a high school diploma for their apprenticeship programs. Another way to train for aircraft mechanic positions is by attendance at an FAA-approved mechanic school. Most of these have an 18- to 24-month program. Also, several colleges and universities offer two-year programs. The employment outlook is excellent. Mechanics can advance to positions as lead mechanic, inspector, and shop foreman. Mechanics employed by scheduled airlines averaged \$715 monthly in the late 1960's. KTI graduates in May 1973 averaged \$700 monthly starting salary. Work is done in hangars or in other indoor areas as much as possible.

#### *Maintenance management*

The field of aviation has many areas that require diverse technical skills. Kansas Technical Institute offers the Airframe and Powerplant Maintenance Program that provides the Aviation Mechanics necessary for both Commercial and Civil Aviation. These people provide a very necessary service but they find they have one basic weakness—fundamental business management.

Kansas Technical Institute has recognized this weakness and has opened a new curriculum for Aviation Maintenance Technicians. The curriculum is in Aviation Maintenance Management and is to be taught on both the Kansas Wesleyan and Kansas Tech campuses. The consortium agreement between Kansas Wesleyan and Kansas Tech has made the curriculum possible.

This curriculum is available to graduates of the KTI Aviation Maintenance curriculum or to individuals who already possess an F.A.A. Airframe and Powerplant Mechanics License.

Graduates of this curriculum will find an advantage toward obtaining supervisory and management positions with commercial airlines, aircraft companies, corporate business aircraft operators, fixed-base operators, repair stations and governmental flight agencies.

#### **CIVIL TECHNOLOGY—ENVIRONMENTAL PROTECTION TECHNOLOGY**

##### *Civil technology*

Civil engineering is one of the oldest and largest fields of specialization in the engineering profession. Its tasks include the construction of railroads, airports, highways, harbor facilities, irrigation systems, and community and industrial planning. The civil technician plays an important part in all these activities.

Many civil technicians work for state highway departments, or railroad or airport facilities. They collect data, help to design and draw plans, and lay out and supervise the construction and maintenance of roadways, railroad routes, or airports. Technicians may also help to plan, build, and maintain city and county transportation systems, drainage systems, and water and sewage facilities. Still other civil technicians test materials, supervise construction, and determine that plans and specifications have been followed in the construction of buildings, bridges, or similar structures. Civil technicians can also work for testing laboratories or manufacturing companies, helping to design or test new processes and materials. Civil technicians should be able to work well with other people, and have the ability to think and plan ahead. High school graduation is necessary, and courses should include two years of algebra, plane and solid geometry, trigonometry, physics, four years of English, and mechanical drawing. The student should then attend a two-year college or technical institute. The civil technology program normally leads to an associate degree. Courses usually include more mathematics and science subjects, and technical specialty courses such as surveying materials, hydraulics, highway and bridge construction and design, rail and water systems, and costs and estimates. The average starting salary for Civil Technicians with an Associate Degree was \$694.00. This average figure was reported by the Engineering Manpower Commission of the Engineers Joint Council and is based on figures submitted by 26 schools throughout the United States. KTI graduates in May 1973 averaged \$700 monthly starting salary. Technicians who advance to the position of construction superintendent often receive large bonuses if a job is completed ahead of schedule or for less than the estimated cost. Working conditions vary from job to job. Technicians working in the area of construction or surveying will be outdoors most of

the time. Those who work on computation, drafting, design, or research usually work indoors in clean, pleasant, and quiet surroundings.

#### *Environmental protection*

Rapidly growing public concern over environmental quality has resulted in a dramatic increase in the manpower needed to develop, plan, and implement pollution prevention and control activities. Although mass public concern is relatively recent, the needed technology has been developing for many years. It was begun largely by the concern and efforts of health officers and sanitary engineers in providing safe supplies of drinking water, milk and foods; and by many natural resource and wildlife conservationists. A wide variety of professionals and technicians are now involved in a broad scale program of protecting and restoring the quality of our modern environment.

Environmental protection and control efforts represent a diverse area of work and consequently draw heavily upon a wide variety of occupational skills. Virtually every occupation can be related in some phase to an aspect of environmental protection and resource conservation. The extensive nature of environmental pollutants permit contributions by a wide spectrum of occupations. These occupations have skill levels ranging from entry level operation type jobs to the technician to the PhD levels.

A program in Environmental Protection Technology, closely tied to the Civil Engineering Technology program at KTI, trains the Environmental Technicians necessary to provide the needed technical support for solving the problems of water protection. The Water Protection program is established on an option basis so that the student may select one of several career possibilities. He will be guided in the selection of his courses so that he will be able to perform in the occupational area of his choice.

A Water Protection Technician performs functions in the areas of water systems design, laboratory technician, and environmental inspection. His purpose will be to protect and improve our water supplies. Treatment of the waste water sources is also a very important aspect of the Water Protection Technician and the graduate will have the knowledge of the broad field of water pollution and treatment and the design background necessary to perform a function needed by many agencies.

The Engineering Manpower Commission of the Engineers Joint Council reports that the average starting salary of Environmental Technicians in 1973 was \$658.00 per month. This average figure was based on facts submitted by 6 schools throughout the United States. Because of the fact this is a new curriculum at KTI, the first Environmental Technicians will graduate in the Spring of 1974.

#### **INFLATION**

Mr. McCURE. Mr. President, continued inflation at the present rate could put the future of our country in jeopardy.

We are still paying for many of the bold new initiatives that have been proposed over the last 20 to 30 years.

Inflation cannot be contained in the long run unless there is control over Government spending.

The Government should aim toward a balanced budget in 1976 as a key to controlling the Nation's totally unacceptable inflation rate.

Now, Mr. President, the words I have just spoken may sound somewhat typical of the views of the junior Senator from

Idaho. In truth, they are not my own. They are words spoken by Secretary of the Treasury William E. Simon in an interview with Associated Press reporter R. Gregory Nokes. And when a Secretary of the Treasury calls for a balanced budget, it is news, indeed.

Bill Simon continues to prove he is one of the Nation's outstanding public servants. First, he took charge of the Nation's energy problems and got those policies back on the right track. Upon his promotion to the job of Treasury Secretary, he called for restoration of the right to own and hold gold—a matter which the Senate will have before it later on today. And now, he puts the blame for inflation right where it belongs—on deficit spending.

Secretary Simon says he has no bold new program to control inflation. But the mere thought that a member of the Cabinet responsible for the development of economic policy would dare to speak so candidly is bold enough in itself.

I pledge here and now to work with Mr. Simon in his efforts to bring this about, and I hope my colleagues in this body will do likewise. Meanwhile, I ask unanimous consent that the article as it appeared in the May 28 edition of the Washington Post be printed in the RECORD.

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

#### BALANCED BUDGET URGED BY SIMON

(By R. Gregory Nokes)

Treasury Secretary William E. Simon says the government should aim toward a balanced budget in 1976 as a key to controlling the nation's "totally unacceptable" inflation rate.

Inflation cannot be contained in the long run unless there is control over government spending, Simon said in an interview.

He added that the federal budget has been in deficit for 14 of the last 15 years and "we have to get back to the old time religion of spending what we take in, in this country."

Simon said that "having budget deficits is wrong . . ."

[The interview with Simon took place Friday, with an agreement that reports on it would not be released until yesterday. On Sunday, Chairman Arthur F. Burns of the Federal Reserve Board gave a grimmer view. He said continued inflation at the present rate could place "the future of our country in jeopardy," adding that "the federal budget has to be handled more responsibly than in the past."

[Presidential press secretary Ronald L. Ziegler told United Press International in an interview yesterday that "the President is right and Burns is wrong about economic prospects." Mr. Nixon has said the worst of inflation is over.]

Simon, who succeeded George P. Shultz as Treasury Secretary earlier this month, said he had no "bold new program" to control inflation. He indicated he felt such programs often end up doing more harm than good.

"We are still paying for many of the bold new initiatives that have been proposed over the last 20 to 30 years," he said.

Simon said it would not be possible to balance the 1975 budget, which projects a deficit of \$9.4 billion, but said he feels some cuts in spending may be possible.

"My bias obviously is to make every effort to do this," said Simon, who described himself as a financial conservative.

"I don't consider this baying at the

moon," he added, alluding to a statement by Budget Director Roy L. Ash, who recently said talk of budget cuts in 1975 was like baying at the moon.

While a balanced budget next year is beyond reach, "I would certainly aim toward a balanced budget in 1976," Simon said.

But he cautioned that it was difficult to predict whether a balanced budget would be possible next year.

Even the best efforts of the government this year cannot bring inflation much below 7½ per cent by the end of the year, Simon said. The inflation rate in the first three months was 11.5 per cent.

"At the end of the year we will continue to have a totally unacceptable rate of inflation but certainly not double-digit inflation," he said.

#### A GREAT LADY

Mr. CRANSTON. Mr. President, Sadie Gorbet, a native of Crescent City, Calif., recently passed away unnoticed. In recognition of a great lady, I would like to tell my colleagues in the Senate a little about her.

She was a wise woman. She was also a warm human being with a sparkling sense of humor.

I remember her well from the 1972 Democratic National Convention in Miami Beach. She was the only Indian on the California delegation and she was 73 years old.

Though crippled with arthritis, she was determined to go to the convention and be part of the political process she had worked in for many years as a member of the State Democratic central committee.

Sadie was dedicated and spent her life striving for a better community for her friends and neighbors. Since the 1930's she had helped and worked for those people less fortunate than she. She had been president of the local PTA and spent long hours as a registrar of voters.

She gave of herself willingly to preserve a system of government she strongly believed in. Sadie is gone now and we all shall miss her.

#### THE MENACE OF INFLATION

Mr. THURMOND. Mr. President, a very important address, entitled, "The Menace of Inflation," was delivered May 26 by Dr. Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System, at the 141st commencement exercises of Illinois College at Jacksonville, Ill.

Dr. Burns issued a warning that needs to be heard and studied in the Administration and in Congress. He sees the current inflationary conditions threatening the "very foundations of our society."

This warning is not idle talk, but rather goes to the very heart of our system and its preservation. If the leadership of this Nation fails to take the hard, long road to meet this problem we might witness economic changes which could alter our form of government.

Mr. President, rather than attempt to highlight this speech I would rather urge again it be read and studied. With this view in mind, I ask unanimous consent that Dr. Burns' address be printed in the RECORD at the conclusion of my remarks.

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

#### THE MENACE OF INFLATION

(By Arthur F. Burns)

It is a pleasure to be with you today here in the heartland of America. As graduates of this College, you are launching your careers at a challenging but troubled time. Confidence in established institutions, particularly in our government, is at a low ebb. And hopes for the future of our economy have been shaken by the debilitating effects of inflation on the nation's businesses, workers, and consumers.

Inflation is not a new problem for the United States, nor is it confined to our country. Inflationary forces are now rampant in every major industrial nation of the world. Inflation is raging also in the less developed countries, and apparently in socialist countries as well as those that practice free enterprise.

The gravity of our current inflationary problem can hardly be overestimated. Except for a brief period at the end of World War II, prices in the United States have of late been rising faster than in any other peacetime period of our history. If past experience is any guide, the future of our country is in jeopardy. No country that I know of has been able to maintain widespread economic prosperity once inflation got out of hand. And the unhappy consequences are by no means solely of an economic character. If long continued, inflation at anything like the present rate would threaten the very foundations of our society.

I want to discuss briefly with you today the sources of our inflationary problem, the havoc being wrought in the economy, and the steps that must be taken to regain general price stability and thus strengthen confidence in our nation's future.

A large part of the recent upsurge in prices has been due to special factors. In most years, economic trends of individual nations tend to diverge. But during 1973 a business-cycle boom occurred simultaneously in the United States and in every other major industrial country. With production, rising rapidly across the world, prices of labor, materials, and finished products were bid up everywhere.

To make matters worse, disappointing crop harvests in a number of countries in 1972 forced a sharp run-up in the prices of food last year. The manipulation of petroleum supplies and prices by oil-exporting countries gave another dramatic push to the general price level last autumn and early this year. The influence of these factors is still being felt in consumer markets.

Recently, our price level has also reacted strongly to the removal of wage and price controls—a painful, but essential adjustment in the return to free markets.

These special factors, however, do not account for all of our inflation. For many years, our economy and that of other nations has had a serious underlying bias toward inflation which has simply been magnified by the special influences that I have mentioned.

Ironically, the roots of that bias lie chiefly in the rising aspirations of people everywhere. We are a nation in a hurry for more and more of what we consider the good things of life. I do not question that yearning. Properly directed, it can be a powerful force for human betterment. Difficulties arise, however, when people in general seek to reach their goals by means of short cuts; and that is what has happened.

Of late, individuals have come to depend less and less on their own initiative, and more on government, to achieve their economic objectives. The public nowadays expects the government to maintain prosperous economic conditions, to limit such declines in employment as may occasionally occur, to



ease the burden of job loss or illness or retirement, to sustain the incomes of farmers, homebuilders, and so on. These are laudable objectives, and we and other nations have moved a considerable distance toward their realization. Unfortunately, in the process of doing so, governmental budgets have gotten out of control, wages and prices have become less responsive to the discipline of market forces, and inflation has emerged as the most dangerous economic ailment of our time.

The awesome imbalance of the Federal budget is probably the contributory factor to inflation that you have heard the most about. In the past five years, total Federal expenditures have increased about 50 per cent. In that time span, the cumulative budget deficit of the Federal government, including government-sponsored enterprises, has totaled more than \$100 billion. In financing this deficit, and also in meeting huge demands for credit by businesses and consumers, tremendous pressures have been placed on our credit mechanisms and the supply of money has grown at a rate inconsistent with price stability.

I am sure that each of you in this graduating class is aware of some of the troublesome consequences of inflation. The prices of virtually everything you buy have been rising and are still going up. For the typical American worker, the increase in weekly earnings during the past year, while sizable in dollars, has been wiped out by inflation. In fact, the real weekly take-home pay of the average worker is now below what it was a year ago. Moreover, the real value of accumulated savings deposits has also declined, and the pressure of rising prices on family budgets has led to a worrisome increase in delinquency rates on home mortgages and consumer loans.

Many consumers have responded to these developments by postponing or cancelling plans for buying homes, autos, and other big-ticket items. Sales of new autos began to decline in the spring of 1973, and so too did sales of furniture and appliances, mobile homes, and newly built dwellings. The weakness in consumer markets, largely engendered by inflation, slowed our economic growth rate last year some months before the effects of the oil shortage began to be felt.

Actually, the sales of some of our nation's leading business firms have been on the wane for a year or more. Their costs, meanwhile, have continued to soar with increasing wage rates and sharply rising prices of materials.

The effect on business profits was ignored for a time because accountants typically reckon the value of inventories—and also the value of machinery and equipment used up in production—at original cost, rather than at current inflated prices. These accounting practices create an illusory element in profits—an element that is not available for distribution to stockholders in view of the need to replace inventories, plant, and equipment at appreciably higher prices. Worse still, the illusory part of profits is subject to the income tax, thus aggravating the deterioration in profits. This result is especially unfortunate because of the shortage of industrial capacity that now exists in key sectors of our economy—particularly in the basic materials area.

By early this year, a confrontation with economic reality could no longer be put off. Major business corporations found that the volume of investible funds generated internally was not increasing fast enough to finance the rising costs of new plant and equipment, or of the materials and supplies needed to rebuild inventories. Businesses began to scramble for borrowed funds at commercial banks and in the public markets for money and capital. Our financial markets have therefore come under severe strain. Interest rates have risen sharply; savings

flows have been diverted from mortgage lending institutions; security dealers have experienced losses; prices of common stocks have declined; the liquidity of some enterprises has been called into question; and tensions of a financial nature have spilled over into international markets.

Concerned as we all are about the economic consequences of inflation, there is even greater reason for concern about the impact on our social and political institutions. We must not risk the social stresses that persistent inflation breeds. Because of its capricious effects on the income and wealth of a nation's families and businesses, inflation inevitably causes disillusionment and discontent. It robs millions of citizens who in their desire to be self-reliant have set aside funds for the education of their children or their own retirement, and it hits many of the poor and elderly especially hard.

In recent weeks, governments have fallen in several major countries, in part because the citizens of those countries had lost confidence in the ability of their leaders to cope with the problem of inflation. Among our own people, the distortions and injustices wrought by inflation have contributed materially to distrust of government officials and of government policies, and even to some loss of confidence in our free enterprise system. Discontent bred by inflation can provoke profoundly disturbing social and political change, as the history of other nations teaches. I do not believe I exaggerate in saying that the ultimate consequence of inflation could well be a significant decline of economic and political freedom for the American people.

There are those who believe that the struggle to curb inflation will not succeed and who conclude that it would be better to adjust to inflation rather than to fight it. On this view, contractual payments of all sorts—wages, salaries, social security benefits, interest on bank loans and deposits, and so on—should be written with escalator clauses so as to minimize the distortions and injustices that inflation normally causes.

This is a well-meaning proposal, but it is neither sound nor practical. For one thing, there are hundreds of billions of dollars of outstanding contracts—on mortgages, public and private bonds, insurance policies, and the like—that as a practical matter could not be renegotiated. Even with regard to new undertakings, the obstacles to achieving satisfactory escalator arrangements in our free and complex economy, where people differ so much in financial sophistication, seem insuperable. More important still, by making it easier for many people to live with inflation, escalator arrangements would gravely weaken the discipline that is needed to conduct business and government affairs prudently and efficiently. Universal escalation, I am therefore convinced, is an illusory and dangerous quest. The responsible course is to fight inflation with all the energy we can muster and with all the weapons at our command.

One essential ingredient in this struggle is continued resistance to swift growth in money and credit. The Federal Reserve System, I assure you, is firmly committed to this task. We intend to encourage sufficient growth in supplies of money and credit to finance orderly economic expansion. But we are not going to be a willing party to the accommodation of rampant inflation.

As this year's experience has again indicated, a serious effort to moderate the growth of money and credit during a period of burgeoning credit demand results in higher interest rates—particularly on short-term loans. Troublesome though this rise in interest rates may be, it must for a time be tolerated. For, if monetary policy sought to prevent a rise in interest rates when credit demands were booming, money and credit would expand explosively, with devastating effects on the price level. Any such policy

would in the end be futile, even as far as interest rates are concerned, because these rates would soon reflect the rise in the price level and therefore go up all the more. We must not let that happen.

But I cannot emphasize too strongly that monetary policy alone cannot solve our stubborn inflationary problem. We must work simultaneously at lessening the powerful underlying bias toward inflation that stems from excessive total demands on our limited resources. This means, among other things, that the Federal budget has to be handled more responsibly than it has been in the past.

Incredible though it may seem, the Congress has been operating over the years without any semblance of a rational budget plan. The committees that consider spending operate independently of the committees that consider taxes, and appropriations themselves are treated in more than a dozen different bills annually. All of this means that the Federal budget never really gets considered as a whole—a fact which helps explain why it is so often in deficit.

Fortunately, after many years of advocacy by concerned citizens and legislators, this glaring deficiency in the Congressional budget process is about to be remedied. Bills that would integrate spending and taxing decisions have passed both the House and the Senate. This is a most encouraging development, and we may confidently expect final action soon by the Congress on this landmark legislation.

Procedural changes, however, will mean little unless the political will exists to exploit the changes fully. And this can happen only if the American people understand better the nature of the inflation we have been experiencing and demand appropriate action by their elected representatives.

As you leave this hall today, I urge you to give continuing thought and study to the problem of inflation. If it persists, it will affect your personal lives profoundly. Where possible, I urge you to assume a leadership role in getting people everywhere interested in understanding inflation and in doing something about it. In the great "town hall" tradition of America, much can be accomplished if people organize themselves—in their offices, trade unions, factories, social clubs, and churches—to probe beneath the superficial explanations of inflation that are the gossip of everyday life. Productivity councils in local communities and enterprises, established for the purpose of improving efficiency and cutting costs, can be directly helpful in restraining inflation.

While I am on the subject of what individuals can do to be helpful, let me note the need for rediscovery of the art of careful budgeting of family expenditures. In some of our businesses, price competition has atrophied as a mode of economic behavior, in part because many of our families no longer exercise much discipline in their spending. We have become a nation of impulse shoppers, of gadget buyers. We give less thought than we should to choosing among the thousands of commodities and services available in our markets. And many of us no longer practice comparative price shopping—not even for big-ticket items. Careful spending habits are not only in the best interest of every family; they could contribute powerfully to a new emphasis on price competition in consumer markets.

I do not expect that the path back to reasonable price stability can be traveled quickly. Indeed, our government will need to take numerous steps to reduce the inflationary bias of our economy besides those I have emphasized. The forces of competition in labor and product markets need to be strengthened—perhaps by establishing wage and price review boards to minimize abuses of economic power, certainly through more

vigorous enforcement of the anti-trust laws, besides elimination of barriers to entry in skilled occupations, reduction of barriers to imports from abroad, and modification of minimum wage laws to improve job opportunities for teenagers. Impediments to increased production that still remain in farming, construction work, and other industries need to be removed. And greater incentives should be provided for enlarging our capacity to produce industrial materials, energy, and other products in short supply.

But if inflation cannot be ended quickly, neither can it be eliminated without cost. Some industries will inevitably operate for a time at lower rates of production than they would prefer. Government cannot—and should not—try to compensate fully for all such occurrences. Such a policy would involve negating with one hand what was being attempted with the other.

But government does have a proper ameliorative role to play in areas, such as housing, where the incidence of credit restraint has been disproportionately heavy. The special burden that has fallen on homebuilding should be lightened, as is the intent of the housing aids which the Administration recently announced. And my personal judgment is that it would be advisable, too, for government to be prepared, if need be, to expand the roster of public-service jobs. This particular means of easing especially troublesome situations of unemployment will not add permanently to governmental costs. And in any event, it would conflict much less with basic anti-inflation objectives than would the conventional alternative of general monetary or fiscal stimulus. A cut in personal income taxes, for instance, would serve to perpetuate budget deficits. Not only that, it might prove of little aid to the particular industries or localities that are now experiencing economic difficulty. Much the same would be true of a monetary policy that permitted rapid growth of money and credit. There is no justification for such fateful steps at this time.

In concluding, I would simply repeat my central message: there is no easy way out of the inflationary morass into which we have allowed ourselves to sink through negligence and imperfect vision. But I am confident that we will succeed if the American people become more alert to the challenge. I hope that the members of this graduating class will join with other citizens across the country in a great national crusade to put an end to inflation and restore the conditions essential to a stable prosperity—a prosperity whose benefits can be enjoyed by all our people. This objective is within our means and is essential to our nation's future.

#### ADMINISTRATION VIEW OF ECONOMY OVEROPTIMISTIC

Mr. HUMPHREY. Mr. President, on May 14, Prof. Gerard Adams, associated with Wharton Econometric Forecast, Inc., testified before the Consumer Economics Subcommittee of the Joint Economic Committee. This testimony, which I discussed in some detail in the RECORD on May 21, provides a very clear picture of the economic problems the Nation faces in 1974.

Professor Adams' testimony shows that an economic recovery will be slow in coming, that inflation will be higher than the administration has predicted, that housing will continue in a slump, and that consumers' living standards continue to be eroded. He also proposes policy changes that can correct the current economic malaise, including a tax cut, and new wage-price policies. I encour-

age my colleagues to read this insightful testimony.

Mr. President, I ask unanimous consent that the text of Professor Adams' testimony be printed in the RECORD.

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

#### TESTIMONY OF F. GERARD ADAMS

The latest Wharton Quarterly Model Forecast continues to show the United States economy in a recessionary period though moderate recovery is clearly in prospect. After the very sharp decline in real output in the first quarter (at a 5.8% annual rate), the economy will be essentially flat in the second quarter. The end of the oil embargo has lifted the threat of further significant downward movement. It is immaterial whether we formally call this period a recession. There may not be two consecutive quarters of absolute decline in real GNP, but output has fallen substantially below potential.

The resurgence of economy activity will take place at a fairly modest pace. Further increases in unemployment can be expected as output expands at less than the long run potential growth rate of near 4% per year. Real GNP can be expected to increase at an annual rate of approximately 2% during the next four quarters while unemployment will approach 6%, and capacity utilization will decline to 89% (Wharton index). The recent tightening of monetary policy will limit the stimulus expected from residential construction.

Inflation will continue at above a 10% annual rate in the current quarter as price controls are lifted. Later in the year inflation will ease somewhat, but the price increase during 1974 will be over 9% and in 1975 prices will continue to rise at annual rates near seven percent, as measured by the GNP deflator. Profits are well maintained, but in large part this represents continued high levels of inventory profits attributable to rapid inflation.

From the point of view of demand, recent economic trends present a paradox. This is a most atypical economic slowdown. There is considerable strength in investment. Business fixed investment is held in check largely by capacity limitations and this makes it most unlikely that expansion plans reported in recent business investment anticipation surveys will be met. On the other hand, consumer demand has been weak. While automobile sales have improved somewhat recently, we cannot expect a stimulus to demand from the consumer. Surveys indicate very low levels of consumer sentiment. Unfortunately, the growth of prices has outstripped wages. Householders have been squeezed. Real per capita purchasing power (disposable income) has been declining (the decline between 1973 and 1974 will be approximately one-half percent compared to normal growth of 2.5%).

Housing has, of course, been another element of weakness. The probable resurgence in this area is now threatened by the sharp change in the Federal Reserve's monetary posture. Since the lags in the housing area are fairly long, the impact of tighter money will be principally in delaying and slowing the expansion of residential construction. The extent of the impact of the change in policy depends on how tight money will be and how long this posture will be maintained. On the assumption of monetary growth of just over six percent per year (a figure which should be compared with projected growth of current dollar GNP of 9 to 10 percent) short term interest rates will remain near current high levels for several months. They may decline somewhat later in the year as the post-freeze inflation bulge subsides, and as monetary policy eases slightly. With seven percent inflation, however, any dra-

matic drop in interest rates appears unlikely.

Inflationary pressures remain at a very high level, despite some easing of agricultural prices in recent weeks in expectation of a plentiful harvest. The rate of inflation is being augmented by a flurry of price increases as the dismantling of price controls becomes effective throughout the entire economy. It is not clear at this time how many firms may use this opportunity to scale up their prices, but we expect to see perceptible increases during the next two quarters in several sectors. Moreover, labor agreements in major industries—such as steel for example—have substantially outstripped wage guidelines. It has been difficult recently to place a value on complex labor agreements. Most of them call for price escalator clauses, at least 3% annual productivity increases and substantially liberalized pension benefits. In the light of recent consumer price trends these wage increases are in excess of last year's experience and will surely call for higher product prices. In spite of the anticipated rise in unemployment, wages of low income workers will also be marked up as a result of the May 1 increase of 40 cents per hour in the minimum wage. On balance, compensation per hour for the non-farm private economy is expected to increase at 8.5% to 9% annual rates during the next two years. In view of the sluggish economy, there will not be substantial offset from improvements in productivity. Unit labor costs will be rising sharply. Inflationary forces are shifting from demand pull to cost push. In the absence of an effective system of price and wage controls, the wage-price spiral accounts for continuation of inflation at rates of over 7% annually in 1975 despite the expected easing of demand pressures.

The foreign balance is another area of concern. In current prices, the trade balance is beginning to be significantly affected by the increase in world petroleum prices. Moreover, the value of the dollar has declined sharply in recent months—some five percent on a trade weighted basis from January to April—and this too has an unfavorable impact on the trade balance in the short run.

We are experiencing a sharp turnaround of the trade balance from the heartening surpluses of the past few quarters to a substantial deficit position. By 1975 the deficit on trade may be of the order of \$7 billion. Real trade flows are not as seriously affected, though the resumption of oil shipments and the general slowdown of world markets will tend to reduce the real trade surplus.

The current economic situation for the United States poses some serious policy issues. Important policy alternatives have been precluded by decisions made in recent weeks. The rapid dismantling of the wage and price controls will have a perceptible impact on the pace of inflation over the course of the next few months. The lack of significant counter-inflationary policy was no doubt a major factor in the decision of the Federal Reserve Board to tighten monetary policy. But this tightening will maintain high interest rates and will hamper economic expansion. The real economic cost of stern one-sided policy measures can be very high.

Realistically, we must recognize that many of our economic problems stem from earlier miscalculations and from factors which were beyond our control. No manner of policy manipulation in 1974 can resolve many of these difficulties! But this is no excuse for simply throwing up our hands in despair!

Many of us are disenchanted with the operation of detailed price and wage controls. Yet this is not the time once again to establish "open season" for price increases, particularly since inflation is originating increasingly from the cost push side. There is ample basis for guidelines for wages and prices. The



key to such proposals must be balance. Wage earners can be expected to limit their wage demands only so long as they can be sure that prices will not rise out of hand and that excessive profits are prevented. Continuation of the Cost of Living Council remains a high priority. The Council should have broad authority to establish equitable price and wage targets, to measure the pace of inflation, and to call the nation's attention to those price and wage decisions which are inflationary.

Moderate stimulus may be appropriate on the side of demand, particularly in housing and consumption where there is ample capacity. One proposal discussed in recent weeks has been a tax cut to offset the recent decline in consumer purchasing power. Personal income tax reduction, amounting to perhaps \$6 billion, could be coupled with revision of the withholding schedules to eliminate some of the large overwithholding. An alternative run of the Wharton Model which incorporates these tax reductions shows that

such action would provide a moderate stimulus to real economic activity when it is most needed in the second half of 1974 and early 1975. It would create only moderate additional inflationary pressure.

Finally, since the consumer and the small saver is least able to protect himself against inflation, we must move full-speed ahead to develop new means to protect consumer saving and income from the onslaught of inflation.

## WHARTON MARK III QUARTERLY MODEL—MAY 1, 1974: PREMEETING CONTROL SOLUTION

TABLE 1.—SELECTED MAJOR ECONOMIC INDICATORS

Item	Lagged 1974.1	1974.2	1974.3	1974.4	1975.1	1975.2	1975.3	1975.4	1973	Annual 1974	1975
Gross National Product	1351.8	1387.2	1420.0	1457.1	1491.1	1524.8	1561.5	1603.3	1289.1	1404.0	1545.2
Percent change: Gross National Product	4.4	10.9	9.8	10.9	9.7	9.3	10.0	11.1	11.6	8.9	10.0
Real Gross National Product	832.0	832.9	835.7	840.9	845.0	849.4	855.7	863.7	837.4	835.4	853.5
Percent change: Real Gross National Product	-5.8	.4	1.4	2.5	2.0	2.1	3.0	3.8	5.9	-.2	2.2
Implicit price deflator—GNP	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.5	1.7	1.8
Percent change: Implicit GNP deflator	10.8	10.4	8.3	8.1	7.5	7.1	6.8	7.1	5.4	9.2	7.7
Percent change real private output per manhour	-3.4	1.4	.5	1.3	.9	.9	1.5	1.6	3.0	-.7	1.1
Percent change private compensation per manhour	7.9	8.3	8.6	8.8	9.3	8.8	8.6	8.5	7.4	7.8	8.8
Unemployment rate (percent)	5.2	5.4	5.6	5.8	5.9	6.0	6.0	6.0	4.9	5.5	6.0
Capacity utilization: Manufacturing and mining	.9	.9	.9	.9	.9	.9	.9	.9	1.0	.9	.9
Personal savings rate (percent)	6.5	5.9	5.8	5.6	5.4	5.4	5.7	6.0	6.2	5.9	5.6
Percent change in money supply	5.8	6.0	6.0	6.3	6.2	6.2	6.3	6.4	7.4	5.6	6.2
4 to 6-month commercial paper rate	8.3	10.1	10.0	9.7	9.4	9.2	9.2	9.3	8.2	9.5	9.3
Moody's total corporate bond rate	8.2	8.5	8.7	8.8	8.8	8.8	8.8	8.8	7.8	8.5	8.8
Corporate profits before tax	138.5	148.5	145.2	144.9	145.6	146.4	149.8	155.3	126.3	144.3	149.3
Federal surplus, NIA basis	4.9	-9.0	-4.8	-5.7	-3.9	-3.4	-6.7	-7.0	-.9	-3.7	-5.2

## WILLIAM S. WHITE'S LAST COLUMN

Mr. BENTSEN. Mr. President, the farewell column of the respected journalist and noted Texan, William S. White, appeared in numerous newspapers, including the Washington Post, on May 18. After 50 years of journalism, Bill White is returning to his native State of Texas—not to retire, but to launch a second career in writing books. I wish him every success in his new endeavors and expect great things in his avowed intent to write books. Bill White will be dearly missed by his colleagues and the people whose activities he reported for many years. But the people of Texas will welcome him home with open arms after all these years. In acknowledgement of his great contribution to his profession and to his country, I ask that his final column be printed in the RECORD.

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

[From the Houston Chronicle, May 22, 1974]

WILLIAM S. WHITE'S LAST COLUMN  
(By William S. White)

For nearly five decades (I started at age 18) I have been a professional journalist. For about 40 of those years I have been involved, as correspondent or commentator, in nearly every one of the great stories of this world. For the last 16 of those years a syndicated column has emerged from this typewriter.

This is the last of those columns. I am going back home to Texas, after an absence of 40 years, but not into any "golden retirement"; not into any "leisure village." I am going to recommence what has always been my second career—the writing of books.

This, then, is an hour of farewell and a time, necessarily, of nostalgia.

To those readers and editors who have endured me or encouraged me, I send my thanks in this way: I have no means to do it in any more personal way.

Nostalgia, of course, means remembrance.

And so now, if I may, I apologize for the excessive use of the perpendicular pronoun, but what other form could I use? I turn to some of my own memories.

I remember covering the murder trials, large and small, from little towns in Texas to courtrooms in Manhattan. I remember watching the agonies of a Tammany Hall which, as a beheaded British king once said in another connection, was so unconscionably long time adying.

I remember the onset of Hitlerism. I remember leaving the Associated Press after Pearl Harbor to enlist all gung-ho as a private in the infantry.

I remember long months of hospitalization from meningitis—the only time in my adult life when I was truly cut off from the news—and at last being invalidated from the Army.

I remember crossing the English Channel on the night before D-Day as a war correspondent; participating in the British assault upon Caen in Normandy; then participating in a vast and endless storm of violence with American forces across France, across Belgium and into Germany at a little place called Roetgen.

I have known many of the world's statesmen. I saw Winston Churchill feeling no pain on a British beachhead in Normandy with a large brandy bottle sticking out of his coat pocket. I saw a president—Lyndon Johnson—weeping in the nighttime when the casualty figures came in from Vietnam. I have heard Golda Meir tell it like it really was—and is—in language they don't teach at any girl's school.

And I have known well scores of senators and congressmen; dozens of prime ministers and platoons of ambassadors. In a word, I have had a great and a privileged life; and of these things I am unashamedly proud: A Pulitzer prize in literature; the Presidential Medal of Freedom; the medal of Officer, Order of the Crown Belgian; a tour of duty as professor at the University of California, Berkeley; the writing of 48 consecutive essays for Harper's magazine, along with six books.

Finally, I leave Washington—which is now a good place to visit but I wouldn't want to live here anymore—with absolute faith in the basic decency, strength and durability of all our institutions.

## LABOR UNIONS AND ANTITRUST LAWS

Mr. THURMOND. Mr. President, on July 24, 1973, I introduced S. 2237, a bill which would remove from the antitrust laws the exemptions now granted to labor unions. Hearings on this bill were originally scheduled before the Senate Antitrust and Monopoly Subcommittee for May 7, 8, 9, and 10. However, shortly before the hearings were to convene, it was brought to my attention that some of the issues which would be considered at the hearings are presently joined in litigation before a Federal District Court in Philadelphia. To avoid prejudice to this litigation, I reluctantly concluded that the hearings should be postponed.

I emphasize that when the danger of prejudice to this litigation is past, I intend to again strongly urge for a full investigation of union monopoly power and a thorough examination of the antitrust exemption.

Mr. President, the Honorable Mayo J. Thompson, a Commissioner on the Federal Trade Commission, recently made a very excellent speech on the subject of labor unions and antitrust restraints. I fully agree with his very perceptive analysis of the problems brought on by union monopoly power, and I ask unanimous consent that his remarks be printed in the RECORD following these comments.

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

(See exhibit 1.)

Mr. THURMOND. Mr. President, on May 20, 1974, Mr. Nicholas von Hoffman in his regular column in the Washington Post, editorialized on Commissioner Thompson's address and indicated his general agreement with the proposition that union monopoly power needs a thorough investigation. I ask unanimous consent that Mr. von Hoffman's column be printed in the RECORD, and I would like

to remind my colleagues that Nicholas von Hoffman and STROM THURMOND do not agree on many matters—when we do agree, you can be assured that the subject matter warrants very careful attention.

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

[From the Washington Post, May 20, 1974]

#### A NEW LOOK AT UNIONISM

(A Commentary—By Nicholas von Hoffman)

They say that when it comes to labor unions all you have to do with some old liberals is whistle a bar of Joe Hill and you can tell 'em to walk across the Grand Canyon without a rope. That's a bit of an exaggeration. The kicking around that some unions have given blacks and other minorities has made old line libs wonder if every union and every strike is an unalloyed good.

Those who've escaped being victims of this form of dogmatic sentimentality may want to pick up on a recent speech by Federal Trade Commissioner Mayo J. Thompson, who has been trying to trace exactly what unions accomplish in the light of today's economic problems. It may be time for some new legislation.

Thompson begins by remarking that the division of income between capital and labor hasn't changed significantly since the turn of the century; about 70 per cent of all the dollars spent for goods and services in 1900 went for wages, and roughly the same percentage does today. Since the distribution of wealth hasn't changed much either, the conservatives may be right when they say the portions are the same—it's just that the pie is bigger.

But the unions haven't been getting a larger piece for all working people. Instead, in Thompson's words, "They have succeeded in getting larger shares for their own members. Roughly 25 per cent of the country's total workers belong to a labor union... workers belonging to some of the more powerful unions receive wages as much as 20 per cent above those they would be receiving in the absence of the unions... it is obvious that those organizations are simply 'transferring' money from one group of workers to another... Union members' wages are, in effect, subsidized out of the pay-checks of the country's non-union employees."

There is nothing intrinsically wrong with that. In all Western societies, capitalist, socialist and communist, there are sliding pay scales, all of which arbitrarily assume that workers in some occupations should be paid more than workers in others. But could the inequality of compensation Thompson points out here be eliminated by unionizing all workers? It's doubtful, since the results would probably be not higher pay but more inflation.

This brings us to the nub of Thompson's argument: He believes that labor monopolies gouge the public penny for penny with business monopolies. It is estimated that monopoly capital steals about \$40 billion a year from the public; if monopoly labor does the same, we're talking big money, money enough to be a significant factor in our ever-hemorrhaging inflation.

Few statistics are collected on this touchy subject, presumably because if we knew the facts it would make it a little harder to avoid doing something about them. But the indications are that in certain industries pay raises consistently outstrip the inflation and productivity.

Why would management permit itself to sign such wage agreements? Because in an industry with a labor monopoly the management doesn't have to fear a non-union competitor paying realistic wages and charging lower prices.

The best situation for both is when monopoly capital can embrace monopoly labor. You see that in the automobile business. Henry Ford lectures us about free enterprise, but if you had a free market, he couldn't raise his prices when his sales drop. That's what they've been doing in the car business.

Apparently a union can be used as a device by management to get around the antitrust laws. That seems to be the case in the steel industry, where you have a number of ostensibly competing companies who can use the mechanisms of industry-wide collective bargaining to rig prices and run the cartel. The last steel contract reads like a Viking blood oath between union and management to go commit piracy on the high seas, and we haven't even talked about the tariffs and subsidies.

Many unions don't have a monopoly or anything like it. Chavez's agricultural workers don't, the mine workers in Harlan county don't and the Farah pants makers could never have won their fight without a large, industry-wide union. Just as some industries, for good cause and bad, are exempted from the antitrust laws, so should some unions be. But the inflationary biggies may have their power cut back.

#### EXHIBIT 1

##### ROAD TO SOCIALISM: FIRST MONOPOLY, THEN NATIONALIZATION?

(By Mayo J. Thompson)

Let me begin my remarks by congratulating you on your choice of time and place for this meeting. Spring is here, the sap is rising, and a trip to a lovely place like Palm Springs, California, is a particularly pleasant way for a Washington bureaucrat to make one of his periodic treks to what I call the "real world"—any place in the United States that is more than 100 miles from that great center of unreality, the nation's Capital. Again, it is a pleasure to be here and I thank you for the kind invitation to participate in your program.

For those of you who aren't familiar with the work of the Federal Trade Commission, let me give you the traditional 60-second summary of the matter. The FTC enforces a group of statutes dealing with, in substance, two categories of commercial activity, monopolization and consumer deception. We have a Washington headquarters, 11 Regional Offices located in various major cities throughout the country—including San Francisco and Los Angeles—and a total staff of roughly 1,500 people, including approximately 600 attorneys. We are authorized by Congress to issue certain kinds of "rules" in the two areas of our alleged expertise and to haul offenders in for a full-scale hearing when we can't find a cheaper way to get them to stop whatever it is they're not supposed to be doing.

Now I want to pause at this point to tell you about a problem I have in my role as a member of a regulatory agency. My difficulty is that I don't really believe in government regulation of business. I took an oath to faithfully enforce the laws entrusted to our agency the day I was sworn in as a member of the FTC and of course I am going to do precisely that. And I even believe that most if not all of these laws our agency enforces are necessary. But they are, in my view, only a necessary evil and I approach the job of enforcing them with, I must confess, a heavy heart. Government regulation of business is a bad business, one that a man who loves his country ought to get involved in only for the gravest of reasons.

I had a grave reason for joining the Federal Trade Commission. I thought the country's economic system was being "regulated" to death. I thought we needed less regulation of business in America, not more. And I thought I might be able to make some

small contribution in that regard by agreeing to serve on the FTC.

Now I wouldn't want you to get the idea that I joined the FTC for the purpose of trying to dismantle that particular government agency. On the contrary, it is not the existence of the Federal Trade Commission I deplore but the circumstances that make its existence necessary. Eliminating the FTC wouldn't make false advertising go away. And of course it wouldn't make all of America's great industries as competitive as they're supposed to be, as free of artificial restraints and noncompetitive prices as many think they ought to be. If we didn't have a Federal Trade Commission, it would be necessary—to borrow a phrase—for us to "invent" one all over again. The fact of the matter is that we do have some dishonest advertising. And we do have some industries that are not competitive enough to keep consumer prices at a non-inflationary level. Until commercial honesty and effective competition are the norm in all of our important markets, "regulation" of one sort or another is going to be very much with us, whether we like it or not. And if there is going to be regulation, it ought to be done by people who don't like it.

We once had a phrase in our working vocabularies that summed up my idea of what an economic system ought to be like. It was a two-word French term, "*laissez faire*," and it translated into something like "leave it alone." No government interference of any kind in the economic affairs of the people. Let the marketplace do its own regulating.

In a genuinely free economy, one need not be concerned about the prospect of economic overreaching. Individual men will of course pursue their own self-interest but their potential for social harm is cancelled out by competition from other individuals pursuing their own self-interest. As the first modern economist summed up the *laissez-faire* ideal: "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love and never talk to them of our own necessities but of their advantages... [E]very individual... intends only his own gain, [but] he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention... By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it."<sup>1</sup>

Sellers may of course try to charge too high a price for their goods—businessmen are, after all, as human as the rest of us—but competition from other sellers will prevent them from succeeding in it. And employers may try to underpay their workers—and the workers, in turn, may try to get overpaid for their labor—but competition among the individual members of these two groups will in fact assure that the actual wage is fair to both parties.

There is no unemployment and no inflation in such an ideally-competitive economy as this. Only the worker who demands a wage that is higher than the value of his output will be unemployed. And since all prices will be held to the competitive level, there can be no inflation. Invention and innovation will thrive in such a fair and stable society, thus assuring that each man-hour of labor and each dollar of invested capital will yield each year a larger quantity and a better quality of goods and services than it did the year before. The fruits of this increased productivity—higher yields for each man-hour of labor and each dollar of capital—will be

<sup>1</sup> Adam Smith, *The Wealth of Nations* (1776) (Modern Lib. Ed., 1936), pp. 14, 423 (emphasis added).



divided, thanks to competition, between labor and capital in the same proportions as the lower yields of the past. Competition thus assures both a steady rise in a society's aggregate prosperity from year to year and a fair distribution of that growing prosperity among its citizens, one based on each individual's social contribution as measured by the value his fellow citizens place on his efforts.

Alas, several fingers have been broken off the "invisible hand" so eloquently described by Dr. Smith in his now 200-year-old book, *"The Wealth of Nations,"* published in 1776. The Industrial Revolution hadn't completed its work then and small-scale industry was still very much the norm in the various economic systems of the world. In short, if the politicians of Smith's day had taken his advice on the matter of avoiding the various "guild" and "mercantile" restraints he railed against, the system would probably have worked very much the way he said it should.

Now, however, the solution to the economic problems of the world are no longer so simple. Modern economic society bears little resemblance to the model Smith saw in 18th century England. Powerful governments, through their own fiscal budgets and their control of national banking systems such as our own Federal Reserve Board, drive their aggregate money supplies up and down like so many yo-yos. Great corporations, many of them operating in scores of countries around the world, control such large segments of their respective markets that only the most romantic of observers still believe that every price in America is set by the "invisible hand" of Dr. Smith's mighty lever, competition. And the price of labor—the wages paid by those corporations—has not been determined by the forces of competition since the passage of our highly restrictive labor laws in the 1930s. Competition is far from dead in America but the prognosis for its future health, if our industrial experts are to be believed, is something less than completely bullish.

Consider the effect of monopolistic labor unions in the United States. First, they tend to redistribute income in a perverse way. Approximately 70 percent of the price paid for all the goods and services produced and sold in America goes to labor as wages and salaries. This particular division of income between labor and capital—70 percent for the former and 30 percent for the latter—has remained substantially the same since the turn of the century, thus making it fairly clear that the coming of labor unions in the 1930s has not significantly raised labor's overall share of the national income pie. They have succeeded, however, in getting larger shares for their own members. Roughly 25 percent of the country's total workers belong to a labor union and numerous scholars have found that workers belong to some of the more powerful unions receive wages as much as 20 percent above those they would be receiving in the absence of the unions.<sup>2</sup> If labor as a whole is not receiving a larger income as a result of the coming of the unions, but the union's own members are receiving more, then it is obvious that those organizations are simply "transferring" money from one group of workers to another, from the non-union worker to the union man. Union members' wages are, in effect, subsidized out of the paychecks of the country's non-union employees.

There is no mystery about how this little exercise in monopoly power operates. Prior to the coming of the union, the workers in a particular industry will usually be receiving a wage set by the free forces of the labor

market, by supply and demand. A union is then organized and, under the threat of a strike, the employers in the industry will generally agree to raise wages by, let's say, 20 percent. Since they obviously can't absorb such a wage hike out of profits, they have no choice but to raise the price of the product they sell to the consumer.

Labor costs, like all other costs incurred by a business firm, are simply "passed on" to the consuming public, a group of people that, as noted, is 75 percent non-union. And since non-union workers are less affluent, on the average, than union members, it follows that every wage increase won by one of our more powerful labor unions has the effect of re-distributing income regressively—away from the relatively poor and toward the relatively affluent.

Nor can the dilemma created by the monopoly power of our labor unions be solved by simply unionizing all workers in the country and thus freeing all wages from the forces of the competitive marketplace. We already have an intolerable rate of inflation in the United States with only a fourth of the labor force unionized, a rate that reached the rather spectacular level of 8.8 percent in 1973 and that threatens to go even higher in 1974. With 100 percent of the country's workforce enjoying that kind of monopoly power, our inflation rate might well equal that of some of our less fortunate friends in South America, those whose prices increase by 25 percent to 50 percent year after year. A nation that allows its economic fabric to unravel at such a pace can hardly expect its social and political garments to hold firm over the long haul. Economic distress leads, in time, to social unrest and, in the end, to political problems of the most alarming dimensions.

When our antitrust laws were first passed—the original Sherman Act was passed in 1890—they were addressed to economic monopoly in all of its various aspects, including both corporate monopolies and labor monopolies. In time, however, Congress enacted a series of statutory provisions that substantially exempted labor from the reach of the antitrust laws. Today, it is lawful for a single labor union to exercise a complete monopoly over the total supply of labor to even the largest of our great industries and to use that power to exact any wage the firms in that industry can successfully "pass on" to the consuming public—in other words, any wage that won't bankrupt the companies involved. The result, of course, is a continuing escalation of wages—and, in turn, of prices—in all of our industries with strong labor unions and in all related industries that have to compete with them for their labor supply. Monopoly in the country's labor markets assures that prices will rise faster than productivity year after year and hence that we will continue to have an inflation problem into all of the foreseeable future. The stronger our unions become—and the more aggressive their members and their leaders become—the greater our future inflation problem will tend to be.

Perhaps the most troublesome aspect of this problem, however, has to do with the link between inflation and unemployment. Since the annual rate of increase in productivity in the United States is approximately 3 percent, wages could increase by that amount each year without causing any inflation. But if some workers insist on getting wage increases of 10 percent or 12 percent every year, and if this produces an overall wage increase of, say, 8 percent, then the result will inevitably be an inflation rate of at least 5 percent. A 5 percent cut in the public's purchasing power means, of course, a comparable reduction in the volume of goods produced and thus in the number of workers the economy can employ. There is a limit, however, to the amount of unemployment the country will tolerate. Beyond some

point on the unemployment scale—and that point is certainly a great deal lower than the 24.9 percent figure we had in the trough year of the Great Depression, 1933—the public can always be expected to demand that the government "do something."

In a democratic society like ours, such a demand by the public will sooner or later be heard in Washington and "something" will in fact be done. In the unemployment situation I've described here, the government invariably responds by opening up the money valves at the Federal Reserve Board and/or by running a deficit in the federal budget, keeping the floodgates open until the unemployment rate has dropped back to a politically tolerable level. By that time, however, the inflation rate will be rising even faster than before, thanks to all that new money the government has injected into the system.

We have here, in other words, a familiar boom-and-bust cycle. Wages push up prices. Then output starts to fall. To head off an unacceptable level of unemployment, the government injects enough new money to "cover" those higher wages and prices and thus prevent the worker lay-offs that otherwise would have been caused by that loss in consumer purchasing power. Injecting that new money into the system causes still more inflation. Workers then demand a new "catch-up" wage increases. Prices follow. And so the cycle continues, ad nauseum, with little prospect for either full employment or stable prices.

What does all this have to do with the Federal Trade Commission? We're the agency that—in theory, at least—is supposed to prevent this sort of thing from happening in America. We're supposed to see that the country's economic system is kept free of monopoly, that the economic rails are kept clear of all artificial obstructions. And we try to do our job. Our problem, however, is that we've been authorized to clean only one of the tracks in the country's two-rail economic system. We can and do investigate monopoly on the corporate side of the road but monopoly on the labor side is off-limits to us.

Now this one-sided treatment of the monopoly problem in America would be bad enough if it all ended right there. But there's a little more to it. Most fair-minded people recognize the inconsistency and injustice of a law that makes a situation illegal if it is created by one group of people and perfectly lawful if it happens to be the work of some other group of people. Since labor unions are legally free to do and build up and exercise vast amounts of monopoly power in their markets, a lot of our citizens are unable to work up much enthusiasm for reducing whatever monopoly power might be found in our various product or corporate markets. Once the law has given its blessing to monopoly and all its wide ramifications in one area of our economic life, the temptation is very strong to give it a similar blessing in all other areas as well.

There was undoubtedly a time when the worker in America and elsewhere was denied a fair shake in the economic arena. Nobody has forgotten that we once had sweat-shops where even women and children worked 16 hours a day under grossly unsafe working conditions and for a wage that had been determined not by Adam Smith's "invisible hand" but by the very obvious will of a single monopolistic employer. But now the pendulum has swung too far in the opposite direction. Many labor unions in the United States and in the other industrialized countries of the world clearly exercise a degree of monopoly power over the world's economies that is grossly inconsistent with the welfare of the great bulk of its citizens.

My conclusion, then, is that the time has come to start cutting back on the monopoly power wielded by the trade unions in this

<sup>2</sup> See, e.g., Albert E. Rees, *Wage Inflation* (National Industrial Conference Board, 1957), pp. 27-28.

country, perhaps by subjecting those unions to a modified version of our current antitrust laws. It would make eminently sound economic sense in my view, for example, to make it a violation of the antitrust laws for a single union to represent more than the employees of a single employer. And to prevent evasion of that provision, the law might also declare it illegal for two or more such unions to agree or conspire with each other in the setting of wages. In short, I think industrywide bargaining ought to be outlawed on both sides of the table, with the individual employer confronting an opponent that exactly matches it in "size," namely, a union representing its own employees, not those of an entire industry or a whole industrial sector.

A rule like this should have some very interesting effects in a number of dimensions. First, 1-union-for-1-employer would automatically assure the same degree of competition on both the labor and corporate side of each industry. And of course the corollary to this proposition is that, if the antitrusters want to "break up" some alleged corporate monopoly, they would have no choice but to break up the union it deals with at the same time. It seems very likely, in other words, that a rule of this kind would cause both wages and prices to fall in some important American industries.

No one in this sophisticated audience, however, will be under any illusion about the chances of any such proposal being enacted into law any time soon. To apply even the most moderate form of antitrust restraint to the country's labor monopolies would be something of a sacrilege to a lot of people in the country. We talk a lot about monopoly but, when it comes down to actually doing something about it, not many of us seem too anxious to budge very far from the status quo. We know we have some labor monopolies and that they keep pushing wages up faster than productivity. And we know we have some corporate monopolies that use every wage boost as an excuse to raise prices even more sharply and thus widen their profit margins again. But we figure a little monopoly is not too bad a thing, so long as we don't "let it get out of hand." We ignore the problem as much as we can. And when a crisis appears in a particular part of the economy—and the public demands that the government "do something"—we say, "Oh, well, a 'little' regulation by the government won't hurt too much, as long as we don't let it get out of hand."

Government regulation encroaches a little further each year, following the slow but steady march of monopoly. Like the buzzard circling a lame cow in a back pasture, government regulation pounces the moment the last breath of competition leaves the economic carcass. Unlike the buzzard's work, however, economic regulation is not a process that leaves a clean and healthy landscape in its wake. Creating more problems than it solves, it breeds ever more pervasive involvement of the government in economic affairs. New rules and regulations must be passed to solve the problems created by the old rules and regulations. The "final solution"? Nationalization. Public ownership of the country's major industries. The railroads. Airlines. Steel. Petroleum. Automobiles. The banks. Insurance. Communications.

It's called Socialism. The stuff it's made out of is called Monopoly. The antidote for both of these poisons is called Competition. The gift it brings is called Freedom. The price we have to pay if we want to keep it is called Responsibility.

A number of able economists of unquestioned personal loyalty to this country's free-enterprise system have expressed the view that the American economy is already past the "point of no return" on the road to government ownership of its key industries. They believe we already have so much

monopoly in our major labor and product markets that it would be easier to simply go on and turn the whole thing over to the government than to undertake the tedious and difficult task of making competition pulse with life once more in all those dead or dying economic carcasses. I don't believe this. I don't believe this country's business community, for example, is going to let itself be outsmarted by the socialist professors we have running around our universities. I believe this country's businessmen will show the same kind of responsible leadership in whatever economic crises might lie ahead of us that they've shown over the past 200 years in making this great nation the economic marvel of the world that it is today. I believe they have the capacity and the sense of responsibility to understand and apply what I consider the key to this dilemma—the way to avoid government regulation of business is to see that there's no need for it in the first place. I believe, in short, that they will pay—and gladly—whatever price is required to keep our free-enterprise system free and pass it on, stronger than they found it, to their posterity.

Let me try to sum it all up this way: Competition can do some pretty rough things to your profits and perhaps give you an ulcer besides. But if you ever succeed in eliminating it from your industry, you're beggin' for "regulation" by the government and, ultimately, perhaps something even worse, government ownership on the British or other European model. Competition may be costly to your purse but economic freedom, as we all know only too well, is a bargain at any price.

My final message is this:

Monopoly is un-American. Show the flag in the fluid-power industry!

#### ANTIMISSILE FLAK

Mr. CHURCH. Mr. President, the people of the Northwest region of the United States are concerned about the proposed test firing this winter of four Minuteman missiles from Malmstrom Air Force Base, Mont., over Idaho and Oregon into the south Pacific Ocean. I will vote in opposition to the Pentagon's request of \$27 million for this project.

One of the reasons I am opposed is the hazard to human beings, animal life, natural resources, and historical sites which inevitably results when tons of missile debris are dropped on Idaho, despite the best efforts of the Air Force to minimize the danger.

As John Emshwiller, of the Wall Street Journal, reports:

Residents of Idaho may get a special present from Uncle Sam early in 1975. The gift: roughly 2½ tons of metal that will hurtle none too gently to earth from a height of 50 miles.

I ask unanimous consent that Mr. Emshwiller's article on the antimissile flak in the Northwest be printed here in the RECORD.

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

ANTIMISSILE FLAK: PENTAGON SEEKS TO FIRE ICBM OVER THE UNITED STATES; DEBRIS WORRIES FIVE STATES POSSIBLY IN PATH  
(By John Emshwiller)

Residents of Idaho may get a special present from Uncle Sam early in 1975. The gift: roughly 2½ tons of metal that will hurtle none too gently to earth from a height of 50 miles, compliments of the "Giant Patriot."

"Giant Patriot" is the Defense Department's name for a series of eight test launches of Minuteman intercontinental ballistic missiles—minus their warheads—that the Air Force wants to make from bases inside the U.S. in 1975 and 1976. The metal falling into Idaho would come from the burned-out first and second stages of each missile on its way to splashdown at a site in the Pacific. If Congress appropriates the necessary \$26.9 million, the Air Force will make the first four launches this winter from Malmstrom Air Force Base in Montana.

This would be the first full-scale firing of ICBMs from an operational missile base in this country—and they would be the first ever to fly over the continental U.S. "These tests will demonstrate the effectiveness and reliability of the Minuteman strategic and deterrent force," a Defense Department spokesman says.

Although the Pentagon and the Air Force are ballyhooing the importance of these tests, more than one politician in the five Western states that could be in the missiles' paths is less than enthusiastic about the plans. "Chicken Little should be so lucky," laments Idaho Gov. Cecil Andrus, who, unlike the fairy-tale character, faces the prospect of real objects falling from his sky. With four separate firings over three months, "Idaho skies will be raining parts," says the governor, who seems more than a little worried where and on what all of it might fall.

#### PENTAGON DEFENDS PRECAUTIONS

The Pentagon contends that it is taking all precautions possible to ensure that no one is harmed. "Our primary objective is safety and finding areas for the debris drops where there isn't any population," says a spokesman for the Strategic Air Command, which is handling the launch operations. (There will be one debris drop for the 4,800-pound first stage and another for four 60-pound parts of the second stage.) The command says it has calculated that the chance of injury to humans is only one in 5,000.

Whatever the debris does hit, it promises to make something of a dent. Asked for an estimate of the impact force of the 4,800-pound first stage, scientists at the University of Chicago said it would be similar to a full-size car, "like an Oldsmobile," smashing into the ground at 100 miles an hour.

There is enough risk, the Pentagon concedes, to necessitate the evacuation of the area around the launch site, up to a distance of about five miles downrange. At various times, the Pentagon has also raised the possibility that other evacuations might be necessary. Because the final launch site and missile trajectory haven't been decided on, the Defense Department spokesman says he doesn't know how many people might have to leave their homes but adds that "I don't believe it would even reach the hundreds."

It may never get a chance to reach even those numbers if certain powerful opponents in Congress have their way. One is Idaho Sen. Frank Church, who worries that whatever precautions the military takes, Idahoans will still be unnecessarily endangered. The Democratic Senator also says that the tests are an "extravagance," because over the past decade, the Air Force has test-fired hundreds of Minuteman missiles from Vandenberg Air Force Base on the California coast. "The Air Force has publicly said these missile firings were 'highly successful,'" says the Senator, a critic of military spending. "The added data that overland firings would provide are minimal."

#### "ENHANCING" CONFIDENCE

Earlier this year, Sen. Church, Senate Majority Leader Mike Mansfield and two other Senators sent a letter to Defense Secretary James Schlesinger opposing the plan.



In response, Deputy Defense Secretary W. P. Clements Jr. argued that while tests at Vandenberg have shown that the Minuteman is "reliable," the Pentagon feels that the operational tests will "enhance" confidence in that reliability "much in the same manner as do tests of other weapons systems in their operational environments."

Some in Congress say such arguments are just rhetoric to hide the main purpose of the tests: a show of strength to the Soviet Union, perhaps in the hope of aiding the U.S. position in arms-limitation talks. "They want it as part of a flexing of muscles for the Russians," says Sen Mansfield, a Montanan.

Insiders are divided on the Pentagon's chances of getting the appropriation. In 1970 Congress refused to go ahead on the project, although it did give some partial financing for further development. While some in the Congress believe that it will again be turned down, others say the matter will hinge on the stands that some influential Senators, such as Henry Jackson, finally take as the debate develops. Sen. Jackson, a Washington Democrat, has said he feels there is a "serious question" about the need for the tests, but an aide says the Senator is still studying the matter.

The Pentagon position has support among some outside weapons experts. Harold Agnew, director of the Los Alamos scientific laboratory, which designs and tests America's nuclear weapons, calls the tests "long overdue." He contends that "until you really try something, you can't be absolutely certain it will work, and Vandenberg just isn't adequate."

Such statements bring disagreement from Alton Quanbeck, a senior fellow and director of defense analysis for the Brookings Institution, a Washington-based private research organization. He says the benefits of the tests are "small" compared with "the risks and problems" if one or more of the test missiles fail. For one thing, the sample of eight missiles (out of 450 that are deployed) is "so small you don't know whether they are typical or not," says Mr. Quanbeck, a former systems analyst for the Defense Department.

He adds that the only other time the Pentagon tried any sort of operational-base testing with Minuteman missiles, the results were less than smashing. These tests, made in the late 1960s, used four Minuteman missiles, each with seven seconds worth of fuel, to test how well the missiles got out of their silos. The Air Force admits that only one of these "seven-second pop-up tests" was completely successful. Two were "partly" successful, and the fourth missile failed to ignite and never left the silo, a Pentagon spokesman says.

Mr. Quanbeck contends that if something like that happens with Giant Patriot, "it would be unnecessarily damaging to our confidence," particularly since he believes that Vandenberg tests have shown the missiles will work. "As of now, we believe they will work, and so do the Russians, and that's what is important," he says.

While critics like Mr. Quanbeck think that the Air Force has managed to reduce the safety risk from Giant Patriot, they say the unexpected is always possible. Over the past two decades, they add, test missiles have occasionally gone astray. One in the 1950s, aimed down the Atlantic test range, somehow ended up in Brazil. Apparently the most recent such mishap occurred in 1970, when a missile, aimed to land in the White Sands missile-test range in New Mexico, overshot its mark and crashed 400 miles away in the Mexican desert.

The Pentagon says it is sure such problems won't come up in Giant Patriot. It says that it has developed equipment to monitor the flight constantly and that it will be able to destroy instantly the Minuteman if the missile strays off course. This, combined with careful choosing of the flight paths,

leaves "zero probability" that population centers will be endangered, the spokesman says.

#### ASBURY PARK, N.J., CELEBRATES 100TH ANNIVERSARY

Mr. CASE. Mr. President, Asbury Park, N.J., has just celebrated its 100th anniversary. The celebration was inaugurated with a reenactment of the first Board of Commissioners meeting on May 19, 1874, and the day-long festivities ended with a gala attended by 4,000 guests. Asbury Park has always been synonymous with vacation, and it has been a vacation home for literally millions of people over the years. The theme of the centennial celebration is "An Old Town With New Spirit" and I know that the efforts of all the civic-minded citizens of Asbury Park will help make this slogan a reality.

Mr. President, I ask unanimous consent to print in the RECORD an editorial from the Asbury Park Press entitled "The First 100 Years," an editorial from the Red Bank Register entitled "Asbury Park's Centennial," and two articles from the Asbury Park Press describing the centennial festivities.

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

[From the Asbury Park Press, May 17, 1974]  
THE FIRST 100 YEARS

As Asbury Park celebrates its first 100 years, the city finds itself fighting a battle being waged by cities of the same size and larger throughout the nation. Their problems are manifold and the solutions costly. The cities are no longer the glittering retail hubs of the past. Modern business space is scarce. Parking is offered only at a premium. The lure of the highway has intensified. And the federal, state, and county governments have provided only a band aid of dollars to cure urban ills.

But Asbury Park has advantages over most cities. The city is relatively small (1.5 square miles), making it a microcosm of Newark, Camden, and the other struggling cities of New Jersey. It is well planned, with wide streets, large parks, well-kept lake fronts, and the natural advantage of facing the Atlantic Ocean. It is both a business and resort community, its residential community a mixture of apartments and single-family homes, and it is bisected by the Shore's major rail line.

Using these advantages, the city has begun to overcome its problems. For many, change hasn't come fast enough. But considering that Asbury Park was wracked by disorders in 1970 and subsequently reached an economic low, it is encouraging to note the progress.

Tomorrow night Asbury Park will celebrate not only its first 100 years of incorporation but also a rebirth of a famous old city that has tackled serious problems. The celebration will be held in the Casino, a remnant of the city's elegant past that had stood in a state of deterioration for nearly a decade. Now it has been refurbished by city initiative and stands as a symbol of the city's first 100 years and its rebirth.

[From the Red Bank Register, May 17, 1974]  
ASBURY PARK'S CENTENNIAL

The city of Asbury Park tomorrow embarks on the celebration of its 100th anniversary tomorrow night with a party for 2,000 residents and former residents in the renovated

Casino on the boardwalk. It will mark the first use of the Casino since a fire badly damaged it in 1966.

Preparations for the celebration, which will last through the year, were started last November by a committee consisting of 60 residents and businessmen. Much of the work has been done by volunteers and the enthusiasm that has been demonstrated by them lives up to the committee's theme: "An Old Town With New Spirit."

Once the nation's outstanding resort city, Asbury Park has come upon economic and other difficulties, yet it still sees its population rise each summer from the year-round 16,600 to something like 50,000. Mayor Raymond Kramer predicts that some of the centennial events will attract as many as 300,000 visitors to the city on its busiest days.

The centennial plans indicate that the city's officials and residents intend to improve its economic and social health. We wish them well in those efforts because Asbury Park is important to the county and the state. This commitment to strengthening the city is most commendable.

[From the Asbury Park Sunday Press, May 19, 1974]

#### 1874 IS RECALLED: CITY'S CENTENNIAL LAUNCHED

ASBURY PARK.—The city launched its centennial celebrations yesterday with a reenactment of the first Board of Commissioners meeting on May 19, 1874—a tedious but significant meeting for this seashore resort.

It was significant because from it sprang a resort that grew rapidly in popularity, doubling its size in 100 years, until today its land and buildings are valued at more than \$100 million.

And it was tedious, if the reenactment was true to history, because several observers remarked: "It's just like any other boring Council meeting."

The seven original commissioners were portrayed by city officials dressed in red candy-stripe and straw hats costumes except for Mayor Raymond Kramer who wore a grey felt period suit and matching top hat. A colorful float was used as a stage.

Mayor Kramer played the role of the city's founder, the late James A. Bradley, a philanthropist and Methodist teetotaler, who probably wouldn't have been happy that the reenactment in Press Plaza was staged within a block of several taverns.

The original meeting was held at the home of "Founder" Bradley, as he was called by residents, on the north side of the 1300 block of 4th avenue. Bradley was elected president of the Board of Commissioners at the meeting, making him the city's first mayor.

The resort was incorporated as a city in 1897, switching to the council-manager form of government in 1933.

Portraying Mrs. Bradley was Mrs. Jeanette Dunst, secretary of the centennial committee, who was accompanied by Mrs. Petty Wines, the committee's assistant secretary. Both were attired in authentic 1870 dress.

Anthony Petillo, the city's coordinator of special events, narrated the reenactment. He wrote the scrip from the original meeting's minutes. About 50 observers attended.

After the reenactment, the cast was driven back to City Hall in a noisy 1947 American La France fire engine, borrowed for the occasion from the city's fire department. The 1,000-gallon pumper is still used as a backup unit.

The activities were topped off with a party and dancing last night in the Casino, the first time in eight years that the beachfront landmark has been used for a major attraction.

The Casino was rededicated during the affair. It had been closed since 1966 when it was damaged by fire.

Last Wednesday the Council accepted the lone bid of \$270,000 for rental of the Ca-

sino for 10 years. It was submitted by Frank J. Cundari of Oakland, whose companies specialize in promoting trade shows, sporting events, stage shows, and other activities.

City Manager William J. Shiel, who participated in the re-enactment, said the city has come a long way in its first varied 100 years of history.

"It has gone up and down over the years," he said. "But it's on its way back again."

He said he believes the city has an advantage over some other New Jersey municipalities because of its natural resources and the foresight of "Founder" Bradley, who set aside ample park space and laid out 100-foot wide streets.

"You rarely find a city with three lakes and the ocean besides to help attract visitors," he added.

"Bradley, a wealthy New York brush manufacturer, first came here in 1870 because of illness. After regaining his health in Ocean Grove, he was so enthusiastic about the area that he bought a 500-acre tract of overgrown land north of Ocean Grove for \$90,000.

He threw all his energies into developing a seashore resort which he hoped would be second to none. The city was named after Bishop Francis Asbury, the first Methodist Episcopal bishop ordained in America.

The resort's growth was so remarkable that 600,000 persons visited it by rail in the summer of 1883, only a dozen years after its development got under way.

In 1906, the city was doubled in size by the annexation of land now composing its western portion. The added property was formerly a part of Neptune Township.

"Bradley was the driving spirit and government here until 1902, when he sold his beach rights to the city for \$150,000. The property, valued then at \$1 million, was considered more of a gift than a sale.

Most of his other property had been sold cheaply on the condition that its buyers erect a structure of good quality, and he often advanced the funds for construction. He also bought 500 acres south of Ocean Grove on the present site of Bradley Beach.

As mayor he imposed rigid regulations forbidding the sale of alcoholic beverages and Sunday business transactions. He also left restricting clauses in his deeds, preventing legal liquor traffic here until after Prohibition, and helped obtain passage of a state law preventing liquor sales within a mile of any camp meeting resort such as Ocean Grove.

His church work continued throughout his life, and in 1868 he served as president of the Board of Trustees at Central Methodist Church, Brooklyn. He was also an officer and Sunday school teacher in the Asbury Park First Methodist Church.

When he died on June 6, 1921 in New York at the age of 91, he left bequests to many area churches and charitable organizations. During his last years, he spent his summers in Europe or the White Mountains of New Hampshire.

The party and re-enactment were the first major events in a series of activities to be held during the rest of the year in celebration of the centennial.

#### ASBURY PARK CELEBRATES 100TH BIRTHDAY (By Gini Zemo)

ASBURY PARK.—Asbury Park had a birthday and 4,000 guests came to the party.

The gala Saturday night culminated a day of formal festivities commemorating the 100th anniversary of the incorporation of the municipality. It also marked the re-dedication of the Casino on the Boardwalk which has been closed since 1966 when it was damaged by fire.

The theme of the party was "An Old Town With New Spirit." It was a night for looking forward, but more than that it was a night for remembering.

"I remember playing basketball here against Neptune," recalled Edward Slott, Bradley Beach, a former Asbury Park High School athlete. "I even remember when the original Casino burned down (in 1927).

"I'm glad they decided to do something with it," Mr. Slott added. "I think it's just great, just great." Mr. Slott is a lawyer here and is an owner of the Empress Motel across the street from the Casino.

Ten-year-old Teddy Kozick, here, said of the Casino, "It's ok. It's really neat." His friend, Emese More, 10, of Eatontown, nodded in agreement.

The guests came from all walks of life. From senior citizens to long-hair youth, to babies in carriages, all mingled together at the gigantic party.

As the music from the 15-piece Bob Day orchestra played the songs of the '30s and '40s, many remembered nostalgically another time when Rudy Vallee and other Big Bands played the Casino. Others recalled watching popular film star Alice Faye dance her way across the stage. Still others recalled the din of roller skates accompanied by organ selections when the Casino was a roller skating rink. Many remembered ice skating there way across the huge rink during the '50s and '60s.

The first cut in a seven-foot-high, 500-pound, eight-tier birthday cake was made by Mayor Ray Kramer poised on a ladder. The mayor said it took 20 hours to decorate the mammoth confection with yellow and blue frosting. It was designed by Frank Fiorentino, a city resident with extensive experience in the baking business. The actual baking was done by Frank Magglo who operates a catering business here.

Refreshments were free. A nominal price was charged for alcoholic beverages.

Many of the guests were dressed in period costumes. Mrs. Sylvia Poprocki, here, made her authentic 1870s style gown of lavender striped taffeta with a blue taffeta pouf. She said she copied the gown from a book by Nancy Bradfield entitled "Costumes in Detail from 1730 to 1930." Mrs. Poprocki did admit that under the dress' 24 tiny buttons was concealed a modern-day zipper.

The first 200 men to arrive at the Casino received straw hats. Centennial lapel buttons, car bumper stickers, and other souvenirs were distributed.

City employees responsible for the building renovations, which began last fall, were publicly commended by City Manager William J. Shiel. The keys to the Casino were turned over to the city manager by Beachfront Director Thomas Flanagan who has been in charge of the refurbishing.

A panorama of photographs of city scenes during the past century was displayed in a temporary Centennial Museum. The photos will be relocated in a permanent display in the Asbury Pavilion. As to the future of the city, the Greater Asbury Park Chamber of Commerce presented a display of the commercial aspects available.

Anthony Petillo, the city's coordinator of special events, was responsible for the day-long celebration. He said the party was but one of the several major events to be held during the centennial year.

James Jeffries, is chairman of the centennial committee, comprised of volunteers. Mrs. Milton Wines, here, a volunteer dressed in a period costume, said that a booth will be manned on the boardwalk for distribution of a journal about the city.

#### REDEDICATION OF CHICAGO'S FIELD MUSEUM OF NATURAL HISTORY

Mr. PERCY. Mr. President, I began my visits to the Field Museum of Natural History as a Chicago schoolboy more

than four decades ago and have been enriching my understanding of creation by periodic visits there ever since.

Just a few years ago I attended a special Cabinet-level meeting held by President Nixon at the Field Museum to discuss the ecology of Lake Michigan with members of his Cabinet and the Governors of five surrounding States.

On June 2, 1894, the Field Museum of Natural History first opened to the public in what had been the Palace of Fine Arts of the 1893 World's Columbian Exposition in Chicago. After nearly three decades of collecting specimens and doing basic research in the scientific disciplines of botany, anthropology, geology, and zoology, the museum moved in 1921 to the classical Greek building it now occupies. The South Park Commission of Chicago granted the land to the museum's trustees, and an endowment from Marshall Field I made possible the building of the current structure.

With the impressive accomplishments of 80 years behind it, Field Museum today possesses one of the world's greatest collections of natural history and ethnographic objects—more than 13 million specimens. Scientists and students from many nations travel to the museum to pursue their research activities. The objectives of the museum are fourfold: collection, research, education, and exhibition. Field Museum has, however, always stressed the underlying importance of basic research. The fruits of this research have contributed to the institution's ever-increasing role as an educator as it disseminates knowledge through its hundreds of exhibits and special educational programs. Since 1921, more than 66 million people have visited the museum.

Additionally, the Field Museum library collections are used by hundreds of students and scientists each year. Total combined holdings of all its collections approach 180,000 volumes, many of which are rare and priceless.

Special programs of the museum include more than 1,000 traveling exhibits circulated biweekly among 600 schools, hospitals, and community centers; a center for advanced studies in systematic zoology and paleontology for graduate students in doctoral programs; planned "journey" expeditions through museum exhibits for grade school children; field study trips for adults who wish to learn more about the life sciences in nature's living laboratories; technical work programs with museum collections for undergraduate students; and weekly film-lecture programs on natural history topics.

In June 1971, the Illinois General Assembly passed legislation authorizing the Chicago Park District to issue \$30 million in bonds for capital improvements to the six museums on its lands. In September of that year, the trustees of Field Museum responded to this legislation by announcing a 3-year, \$25 million capital campaign for renovation and modernization of the museum building. Projected capital needs anticipated \$12.5 million in private gifts from corporations, foundations, and individuals, with a like amount to be matched by the Park District bond issue.



More than 25 separate projects comprise the modernization program. The work is being undertaken over a long-term period while Field Museum continues to operate without curtailment of any of its activities and programs. The most noticeable rehabilitation project now underway is the renovation of the museum's two main entrances.

Even at 53 years of age, the building is considered by museum experts to be among the best designed in existence. Architectural consultants estimate that it would cost approximately \$150 million to replace the structure today. The museum building is undoubtedly worth the investment of the relatively modest sum that will make it functional into the 21st century. The renovation not only promises to preserve the unique architecture of one of Chicago's earliest cultural enterprises, but insures that Field Museum will continue to meet the increasing demands of scientific study and public utilization.

Today, nearly 3 years after the capital campaign was announced, the museum trustees report that private gift response has passed \$11 million. And they anticipate a successful termination of the ambitious campaign by September. Many gifts, large and small, have contributed to the success of this effort; they continue the spirit of public-private partnership that originally created a home for what has become one of the world's great natural history museums.

On June 25, 1974, Field Museum will celebrate both its 80th anniversary and the closing months of the museum's \$25 million capital campaign. To commemorate these two significant occasions in the museum's history, Field Museum of Natural History will be rededicated on that day. The rededication will honor the many benefactors who have created and sustained the museum and will focus public attention on the first major renovation of its facilities.

I congratulate Field Museum on its very successful first 80 years and on its equally successful capital campaign. Field Museum will, I am sure, flourish for decades to come, continuing to bring vast educational and historical resources to the scientific and academic communities as well as to the public at large.

#### PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

Mr. CHURCH. Mr. President, over the years the Senate Committee on Aging has been concerned about the extraordinarily high incidence of income tax overpayments by the elderly.

Inquiries on this subject by the committee have provided very clear and convincing evidence that many older Americans pay more taxes than required by law for several reasons.

Some are just overwhelmed by the complexities of the Internal Revenue Code.

Others are perplexed by the complicated tax forms and numerous calculations.

And far too many are simply unaware of helpful tax relief measures.

To help provide protection against this

serious problem, the Senate Committee on Aging has taken a number of important steps. Earlier this year, we published a checklist of itemized deductions as a further safeguard against elderly taxpayers overlooking helpful deductions.

Additionally, several members of the committee and Senate have joined me in sponsoring the Older Americans Tax Counseling Assistance Act. Under this proposal elderly taxpayers would receive effective and helpful counsel—provided by elderly volunteers—to assure that they are fully aware of legitimate deductions, credits, and exemptions. All in all, 51 Senators have sponsored this proposal, including the majority and minority leaders.

Mr. President, I ask unanimous consent that a listing of the cosponsors of this legislation, S. 2868, be printed in the RECORD.

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

#### LIST OF COSPONSORS

Mr. Chiles, Mr. Clark, Mr. Williams, Mr. Humphrey, Mr. Bentsen, Mr. McGovern, Mr. Biden, Mr. Kennedy, Mr. Bayh, Mr. Bible, Mr. Hathaway, Mr. Hart, Mr. Montoya, Mr. Abourezk, Mr. Johnston, Mr. Hughes, Mr. Tunney, Mr. Mondale, Mr. Inouye, Mr. Metcalf, Mr. Haskell, Mr. Pell, Mr. McGee, Mr. Randolph, Mr. Muskie, Mr. Ribicoff, Mr. Eastland, Mr. McIntyre, Mr. Mansfield, Mr. Pastore, Mr. Fulbright, Mr. Eagleton, Mr. Burdick, Mr. Metzenbaum, Mr. Cranston, Mr. Moss, Mr. Jackson, Mr. Nelson, Mr. Magnuson, Mr. Hugh Scott, Mr. Case, Mr. Hartke, Mr. Brooke, Mr. Huddleston, Mr. Stafford, Mr. Hollings, Mr. Javits, Mr. Schweiker, Mr. Cook, Mr. Percy.

Mr. CHURCH. Additionally, the Older Americans Tax Counseling Assistance Act has received strong support in recent news accounts.

One such example is an article—entitled "How You Can Recover Overpaid Tax"—by Bernard Nash, executive director for National Retired Teachers Association-American Association of Retired Persons.

Moreover, Ted Schuchat, the nationally known retirement consultant, provides an excellent description of this bill in his column on "Extra Tax Help Proposed."

Mr. President, I recommend both of these articles to my colleagues, and ask unanimous consent that they be printed in the RECORD.

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

#### EXTRA TAX HELP PROPOSED

(By Theodor Schuchat)

Hard as it is to fill out many a federal income tax return, the task is even more difficult for those of retirement age.

"Upon reaching Age 65, the aged taxpayer is oftentimes confronted with an entirely new set of rules, usually far more complex than the tax provision during his preretirement years," Sen. Frank Church, D-Idaho, told the Senate recently.

"He may find it necessary for example, to complete the retirement income credit schedule, determine the taxable portion of his annuity or compute the taxable gain on the sale of his personal residence," the senator continued.

"Quite frequently, these provisions can pose formidable challenges, even for experienced tax experts. But for the untrained—

and oftentimes unsuspecting—elderly taxpayer, these complex tax relief measures can prove to be mind boggling," said Church, who is chairman of the Senate Special Committee on Aging.

"Perhaps the most troubled individual is the aged widow, who typically has low or moderate income and very little experience in tax matters," he added. "For her, the tax law is usually a jumble or gobbledygook with numerous potential pitfalls."

Despite extra personal exemptions and other breaks in the law, many older Americans file tax returns. Nearly nine million taxpayers of Age 65 or older filed federal returns for the 1971 taxable year, the most recent for which the totals are available. That was not far from half of all those in the age bracket.

Sen. Church has proposed legislation that would authorize the Internal Revenue Service to provide extra assistance to older taxpayers. His Older American Tax Counseling Assistance Act is also sponsored by Sens. Lawton Chiles, D-Fla.; Dick Clark, D-Iowa, and Harrison A. Williams Jr., D-N.J.

TRAINED 2,500

The bill would allow the IRS to train volunteers, mainly retirees, who in turn would help other elderly taxpayers. The volunteers would be unpaid but would be reimbursed for their out-of-pocket expenses.

Last year, the IRS trained about 2,500 older people as part of the Volunteer Income Tax Assistance program—VITA. Each VITA volunteer was able to help an average of 40 other older Americans during the tax return season.

Most helpful was the advice that VITA volunteers gave about common deductions, credits, and exemptions that many older taxpayers either overlook or else do not know about.

It has been reliably estimated, for example, that perhaps half the older taxpayers who are eligible to claim the retirement credit do not do so on their federal tax return.

"We do not need anymore proof that this program has been a success," Sen. Church said recently of the VITA program, which began in a small way in 1968.

"What is needed now is a genuine national commitment to improve and expand these efforts," he said. "And that is precisely what our bill is designed to do."

#### HOW YOU CAN RECOVER OVERPAID TAX

(By Bernard E. Nash)

By the time you read this, you will probably have already filed your Income Tax return—and the odds are that you paid more than your share. In fact, it is estimated that up to half of all taxpayers over 65 fall into this category.

Fortunately, it is not too late for you to recover the money you overpaid this year and in previous years. The key to unlocking the tax vault is Form 1040X, which is available from the Internal Revenue Service office nearest you, and a booklet prepared by the staff of the Senate Special Committee on Aging.

The pamphlet, "Protecting Older Americans Against Overpayment of Income Taxes," contains a checklist of itemized deductions because most overpayments by older people result from their failure to take all the deductions to which they are entitled.

One reason for this, explains SCOA chairman, Sen. Frank Church (D-Idaho), is that "upon reaching 65, the aged taxpayer is oftentimes confronted with an entirely new set of rules, usually far more complex than the tax provisions during his preretirement years."

Quite frequently, these provisions can pose formidable challenges, even for experienced tax experts. But for the untrained—and oftentimes unsuspecting—elderly taxpayer, these

complex tax relief measures can prove to be mind boggling."

To help unboggle the situation, the booklet lists hundreds of deductions to which you are legally entitled, but may have overlooked. A few samples:

Money paid for general sales, and state and local gasoline taxes (which can be computed on the basis of miles driven or actual gas bills), and state and local income and personal property taxes.

Travel and out-of-pocket (postage, stationery, phone calls) expenses while performing services for charitable organizations.

Interest paid on mortgages, auto loans, installment purchases (TV, washer, stove, etc.), and charge account "finance charges."

The booklet points out that, if you utilize the services of an accountant or professional tax preparer, their fees are also deductible. However, many older people have received free advice and assistance via the Tax Aides program of the American Association of Retired Persons and the National Retired Teachers Association.

Administered by the NRTA-AARP Institute of Lifetime Learning, the program trains older volunteers to assist their fellow retirees across the country in preparing their own returns. During the 1972-73 tax season, 2,500 Tax Aides counseled more than 100,000 older people in 625 cities. To locate the Tax Aides nearest you, contact your local AARP chapter or write to the Institute at 1909 K Street, NW, Washington, D.C. 20006.

Earlier this year, Sen. Church introduced the Older Americans Tax Counseling Assistance Act which, if passed, would aid in expanding the program. Since the legislation has strong bipartisan support, it is quite probable that, by this time next year, additional thousands of older people will benefit from it.

In the meantime, the Senate committee's tax tips booklet is available from the Government Printing Office, Washington, D.C. 20402, for 35 cents. When ordering, list both the pamphlet's title "Protecting Older Americans Against Overpayment of Income Taxes," and stock number (5270-02228), and expect to wait about a month for delivery. If you're among the 4.5 million older taxpayers paying more income tax than required, this may be the wisest 35 cents you ever spent.

#### FAILURE TO RATIFY GENOCIDE CONVENTION RAISES QUESTIONS ABOUT U.S. COMMITMENT TO JUSTICE

Mr. PROXMIRE. Mr. President, the Convention on the Prevention and Punishment of the Crime of Genocide was approved by the United Nations General Assembly over 25 years ago. Since that time, 78 other nations have ratified the treaty. Every President since World War II has asked for U.S. ratification.

In fact, the United States was the prime mover of the original resolutions against the crime of genocide.

The treaty has been available for ratification since 1949, but the U.S. Senate never has voted directly on this issue. It was favorably reported out of the Senate Foreign Relations Committee in 1971, but failed a cloture vote in 1974. The New York Times, one of the most respected newspapers in this country, endorsed the treaty and stated:

This American delinquency is a national disgrace. It impedes the development of international law, to which the United States has long been committed, and raises disturbing questions at home and abroad about American devotion to human justice.

Our hesitation in ratifying the Genocide Convention is inconsistent with our position of leadership in the world and the American tradition of justice and liberty. Therefore, I urge the Senate to move swiftly to ratify the genocide treaty.

#### OPENNESS IN GOVERNMENT AND IN THE IMPEACHMENT PROCEEDINGS

Mr. PERCY. Mr. President, last week Senator CHILES conducted hearings before the Subcommittee on Reorganization, Research, and International Organizations on a subject that I consider of great importance—openness in Government. The Government Operations Committee and two other committees have shown the way in the Senate by opening all our meetings to the public and "letting the sun shine in." I hope we can continue to lead the way by enacting Senator CHILES' bill, S. 260, of which I am a cosponsor.

I am proud of our record on openness. In the 92d Congress, Senator METCALF and I sponsored a bill in the Government Operations Committee which became the Federal Advisory Committee Act. It required for the first time that the numerous secret meetings of advisory committees in the executive branch be open to the public. As a result of that act, new light is pouring into some of the dark corners of Government.

At the beginning of the 93d Congress, a successful effort was made in the Senate to permit the committees of the Senate to establish their own rules governing the opening or closing of business meetings. This was a step in the right direction, but it was only one step.

At that time, Senator ROTH offered a floor amendment, which I cosponsored along with 22 other Senators, to make all Senate committee meetings open to the public unless voted closed. That effort failed narrowly by a vote of 38-47, but it set the tone for the future.

Early last year, the Government Operations Committee took the initiative permitted us by the new Senate rule to establish our own openness rule for committee business sessions. I supported that committee rule wholeheartedly and I believe our Members no longer need to be convinced of its efficacy.

Our committee openness rule has worked remarkably well. It has helped get Senators to meetings on time and be more attentive. At no time has the audience interfered with our work or been demonstrative. Most of all, the openness rule has removed the suspicion that so many people have about what goes on behind those closed doors when we really do the work of the Senate by writing bills.

Inspired by our committee's success, I offered in subcommittee an amendment last year to the budget reform bill to require that all meetings of the new Senate Budget Committee be open to the public. That amendment was adopted unanimously by the Subcommittee on Budgeting, Management and Expenditures and was incorporated in the bill

as reported by the full Government Operations Committee. Unfortunately, my amendment was deleted in the Rules Committee markup of the budget reform bill.

That set the stage for our greatest victory to date, in which the Budget Committee openness provision was reinstated in S. 1541 by Senator CHILES' successful floor amendment. As a floor manager of the bill, I strongly supported the CHILES amendment and it carried by the overwhelming vote of 55-26.

The bill presently before the Reorganization Subcommittee, S. 260, goes the extra mile and requires all business meetings of all Senate Committees to be open unless voted closed for specific cause. The bill applies these same rules to Federal regulatory agencies and Government commissions, so that they, too, will be operating in the sunshine.

During the hearings last week, the subcommittee heard many expert witnesses who testified to the workability of openness in Government. Two outstanding witnesses were John Gardner, chairman of Common Cause and Louis Harris, president of Louis Harris & Associates, Inc.

Mr. President, I ask unanimous consent that their excellent testimony be printed in the RECORD at the close of my remarks.

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

(See exhibit 1.)

Mr. PERCY. Mr. President, I think it is very pertinent that we have these hearings now because we, in the Congress, have an historic opportunity this year to test the theory of open Government. We must decide whether to allow the impeachment proceedings, which may take place in the House and Senate, to be open to the public through television.

My own feeling is that in this case the national interest is best served by opening the proceedings right up. The chance we are taking in having 38 people on the House Judiciary Committee in on a secret that could be leaked and cause injury to many people, including the defendants, is too great. When we have this enormous responsibility placed in the hands of 535 Members of Congress, with the consequence of possibly undoing the work of 70 million voters who voted for the President, I would hope that we would open these proceedings to the view of the American people. We should do so in a way that is in accord with the dignity and serenity of a judicial proceedings, as that is just exactly what the House and Senate would be performing.

Restrictions on the use of television equipment should be very tight. It should not really matter whether it is all in living color. If they have to use faster black and white film on tape, I technically can certify they can do it without the glare of lights and with pooled facilities, without the necessity of having numerous cameras and other equipment in the House and Senate Chambers.

I think more and more of our proceedings should be opened up. Certainly we



now have had sufficient testing of the openness principle so that we have a precedent for the impeachment proceedings to be open.

## EXHIBIT 1

## TESTIMONY OF LOUIS HARRIS

Mr. Chairman, let me say at the outset that it is a privilege to be invited here this morning to testify on S. 260, your bill to provide that meetings of government agencies and of Congressional committees shall be open to the public—the Sunshine proposal, as you have appropriately named it.

However, I must immediately state what I can and cannot comment on with any degree of competence. I am neither a legislative authority nor a student of Federal Government practices of disclosure. Thus, I am not able to comment with any weight on the specific provisions of your proposed legislation, other than as they might enhance or further deteriorate public opinion in its confidence levels toward Government and the political process.

I have read with interest the varying and often conflicting views of some of our outstanding authorities on disclosure rules and practices. As a layman, it seems to me that you have added to the new version of the bill a good many exemptions and protections to take care of most contingencies which might justify closed hearings at the Federal level. I should emphasize at the outset that one major fall-out from the Watergate trauma in this country has been a newfound and profound respect for the rights and privacy of individuals and of groups to pursue their widely differing views and convictions. The right to be different, the right to be private, the right to be protected against undue Federal intrusion into the lives of the people has never burned as vigorously as it does today.

By the same token, the people of this country have an aching, yearning desire to see their Federal Government open up and welcome the participation of the public as perhaps never before in our history. The basic proposition that a lot of problems connected with Government could be solved, if there were not so much secrecy on the thumping 71-19% agreement from the people themselves.

I note that many of the critics of this legislation believe that the fundamental issue at stake is: How much inefficiency can the Federal establishment endure by opening up the decision-making process of Government vs. how much does the normally efficient running of a tightly confined Federal decision-making process have to be opened up to satisfy the public demand to know what is really going on. I would suggest that the American people thoroughly disagree with this kind of formulation of the issue. At this point in our history, the people are roundly fed up with what they feel is incompetence, inefficiency, corruption, lack of real public interest, and just plain lack of decency in the governing circles of this country. And, most of all, people are firmly wedded to the notion that if the Federal Government were opened up, rather than gross inefficiencies and lack of candor resulting, to the contrary, an opening up of the Federal decision-making process would indeed lead to wiser, sounder, more creative, and better decisions.

As one who has spent the past 27 years of his life in the active pursuit of studying public attitudes and public behavior, I by no means subscribe to the notion that the people are always right either in their instincts or in their opinions or in their assessment of any particular situation. But I would say that in the past few years, almost without exception, the public has been leagues ahead of its leadership—far more astute, far more perceptive, and far more far-sighted than most of the elective and appointive public officials at the federal level.

Some basic and fundamental changes are taking place in our country and, if those vested with public responsibility don't begin to recognize those changes, then I can guarantee, Mr. Chairman, that the people themselves are going to make some wholesale changes in their selection of leaders.

Recently we surveyed a cross-section of the American people and the results are well worth pondering, for they say much, I believe, about where the public is and what the problem of this subcommittee is this day. First, it will come as no surprise to find out that, compared with 10 years ago, 60% of the public think that government leadership at the federal level in the country is worse now than it was then. Only a meager 8% think it is better now, and 28% feel it is about the same.

By a lopsided 76-18%, three in every four adults feel that "too many government leaders are just out for their own personal and financial gain". There is a powerful suspicion, right or wrong, that people elected or appointed to high places in the federal establishment are using their power for their own rather than the country's benefit. This in turn leads most people to conclude that a substantial amount of monitoring by the citizenry of those vested with responsibilities of running government is very much in order these days. The people are willing to give pitifully little in the way of blank checks to their leaders these days. It can be automatically assumed that any effort to defend a lack of full disclosure to the public on the grounds of either elitism—that only people with superior knowledge, training, insight, and experience are fit to judge the major issues facing the country—or on the grounds of endangering the national security which all too often has turned out in the public's mind to be a cover-up of ineptitude or chicanery or worse, or on the grounds that open disclosure will lock people into fixed positions which will prevent the art of informal interchange and compromise to work—all are likely to fall on very deaf public ears these days.

Another key finding from our recent survey shows that, by an overwhelming 78-17%, most people agree with the statement that "the trouble with most government leaders is that they think people will believe them when they make promises". This is worth analyzing further. The fact is that not only have people in this country but also in most of the western world come to believe that most politicians make false promises, but, more important, that these promises are more likely than not to not be worth receiving, even if public officials make good on them. This is particularly true in the case of special legislation designed to serve the special pleadings of different segments.

Traditionally, our political process has been based on the assumption that if a man running for office can divide up the electorate into enough segments, find out how to appeal to each key segment in terms of what he can do for that segment, make all the segments add up to 51% on election day, he will win election or reelection.

I say to you today, Mr. Chairman, that this kind of easy promise politics is fading fast in American life. The people neither believe the promises nor do they feel that when the promises are fulfilled they are worth it. Rather, they are becoming increasingly convinced that they will have to pay for those promises four, five, or six times over even if they are delivered on. What it means is that there is a growing sense of community in this country, a sense that what benefits the community will suffice to benefit the individual, that there just is almost no way left through which any individual person or group can be made the beneficiary of government services which all of the citizens do not share in.

This is partly reflected in the 76-14% majority nationwide which feel that "most government leaders are more interested in playing smart politics rather than in sharing in the same genuine idealism the people have". Much has been said and written about the strain in the American people not to pass up a good deal or a good chance to make it big, even if others do not make it in the process. Indeed, I find the American people have been libeled with such propositions. The recent outpouring of the public to restrain the consumption of gasoline and other forms of energy during the energy crunch is ample testimony to this sense of community. And, despite high skepticism about the way government and industry handled the energy situation, I might report that the people are still ready to respond with sacrifice and putting the public interest above individual gain if called upon by national leadership on the energy question again in the future.

What irritates the public almost more than anything these days is found in the 72-18% majority who feel that "most government leaders are afraid to treat the public as adults and tell them the hard truth about inflation, energy, and other subjects." The American people simply no longer have a 12-year-old mentality, no longer want to be treated as children, no longer want Papa to tell them Papa knows best, no longer want to be told they will be taken care of, no longer want to be bought by the handout, no longer want to be treated as porkchoppers at the public trough, and no longer want to be taken for granted. They feel they are reasonably well-informed, more importantly are capable of getting the full measure of bad news, and are more willing to join in the process of solving their own problems. They simply will no longer trust the sweeping shibboleth, the glowing and uplifting promise, and no longer think there are easy answers to their problems or those of the world. Basically, by 89-6%, they agree with the late President Kennedy's exhortation that government leaders "should ask people not what their country can do for them, but what they can do for their country".

Along with the era of the easy promise, so, too, the era of doting on the public's fears is coming to an end. The politics which so often have told people they can achieve heaven on earth or the politics which told them there was a mortal enemy from within or from without whom they were being protected from are rapidly passing from dominance in this country.

Let me give you some specifics on this. Only 36% of the public think "most public officials today are dedicated to helping the country rather than being out for themselves". However, a much larger 86% think it is entirely possible to have public officials who maintain just those standards. That is a gap of fully 50% of the public. Only 34% of the public think that "most public officials really care what happens to all the people", but a much larger 88% think that it is possible for the country to find such public officials—a gap of no less than 54%. Only 24% think that "in the federal government the good of the country is placed above special interests", but a much higher 85% think it possible to achieve such a condition—a gap of 61 points. Only 17% think that "the best people are attracted to public life", while 80% think it is still possible to do that—a gap of 63 points. Only 13% believe that "corruption and pay-offs almost never take place in federal government", while 65% think it is possible to have a federal establishment free from such vagaries—a gap of no less than 52 points.

There are two lessons to be drawn from this evidence. First, the public is solidly convinced that the federal government has reached new lows in moral and effective operation. The second, and much the more important, is that people have not lost faith

or become cynical about the governing process.

It is true that 86% of the people feel that "sometimes politics and government seem so complicated that a person can't really understand what's going on". Yet, by the same token, you cannot produce a majority to either of the following two propositions: first, "in most cases, on important matters, high government officials should decide what ought to be done, because they are the ones who really know what is going on", rejected by 47-42%; or second, "to make government work better, the right men should be put in control and allowed to run things with the help of the best experts", also rejected by 48-40%.

To the contrary, by an overwhelming 86-8%, the people of this country believe that "people should take action through citizens groups to improve the quality of life in this country"—and that means action impacting on all levels of government, including the federal government. Mr. Chairman, to put it in the vernacular, in the plainest language I can command, the American people today desperately not only want to be cut into the action of how to govern themselves; they have made up their minds to insist that this be the case. It is my prediction now that, in the latter part of the 1970's, you are going to see the most massive outpouring of citizen involvement this nation or the entire world has ever seen before.

Those people running the federal establishment now have the chance either to anticipate this outpouring and to accommodate to it, or to try to outfox it, end-run around it—or to studiously avoid it, if you think that will work. My own judgment is that if you do not meet it, anticipate it, and welcome it, then there will be a whole set of other people sitting up there in your seats of power before very long. It is no happenstance that less than a third of the American people can express any degree of high confidence in any branch of the federal government today.

Now what has all this to do with the central issue you have invited me to testify to here today. It has much to do with it. For certainly one threshold requirement is to throw open the doors of the Government decision-making process, let the people observe in fact how it operates, and, indeed, to invite the people in to help make the decision. And, as I understand it, that is what your Sunshine Proposal is all about.

Of course, the act of greater disclosure, a greater opening up by itself, is not necessarily going to solve the problems of how to achieve more responsive and more effective Government. But, without such opening up, without making a determined effort to allow people to know really how the Federal establishment is pondering its imminent decisions, I can assure you, Mr. Chairman, that there will be little this Government can do which will have the initial confidence of the people today. I am saying that the public has finally placed a precondition on the operating rules for the Federal Government in this country that it not withhold the hard facts, nor the uncertainties nor the differences which might exist at the top of Government over how to solve or attack problems.

The minimum which can result from such an opening up is that the people might have a far greater understanding of just how tough some of these problems—such as inflation or energy, ecology or consumerism, Government spending or taxation, or a whole host of other problems—are to solve. It is also just possible that the people themselves can add some new and creative dimensions to the solution of some of them. For it is entirely possible that suddenly public servants who have been trained to always believe that the people want to get something out of Government are willing to give the Government, to give the community something. This phenomenon is not confined to this

country alone. In Britain, on the eve of the elections there, we found a majority of the people willing to raise taxes on their own hard-pressed incomes, if this was the way to put a dent into rising prices and if this was a way to help the less fortunate, the elderly, and other groups whose incomes were lagging.

Fundamental to your bill, it seems to me, are two implicit assumptions, which ought to be kept clearly in mind throughout your considerations. First, that the people of this country are not as apathetic and uninterested as most leaders think they are. In turn, this means that people actively want to know what is going on, and will not be shocked to hear the facts nor the range of options open to this society to approach key problems of Government. Second, the people are now firmly wedded to the notion of a new pluralism, under which the tolerance for differing opinions has never been higher. Unless they are assured that Government believes in this pluralism, they are going to be suspicious that the Federal establishment is conspiring to deprive them of their rights rather than to enhance them.

These two preconditions are the bedrock for any and all reasonable measures which will open up Government decisionmaking for all to see, hear, and to comprehend. So, Mr. Chairman, the business you are about is indeed very pertinent to the mood, the temper, and the urgent desires of the American people. As with them, I cannot say you have drafted the best bill, nor that you have put all the reasonable protections and exemptions into a rule of full disclosure. But the thrust is in the right direction, the purposes sound right. If you can move this Government measurably closer to the day when people at least feel that all of you here making decisions are genuinely honest and on the level, that the public good really means something, that there is and can be a genuine community of interest in this country, then you will have made a major contribution toward restoring confidence in Government. And that would be a key achievement, indeed.

#### TESTIMONY OF JOHN W. GARDNER

Mr. Chairman, I am honored to have been given the opportunity of appearing before this committee. You, Mr. Chairman, have exercised impressive leadership in the struggle to open up the political and governmental process so that citizens may have access to their own government. We commend the initiative of the committee in considering the significant advances in open government contained in S. 260.

Recent public opinion studies reveal that the nation's government has lost the respect and confidence of the vast majority of citizens. It isn't really surprising. Citizens have seen corruption at all levels of government. They have seen big money buy political favors. They have learned that they do not have access to their own government. To most of them, government is remote, unconcerned, and ineffective.

How can we rebuild the confidence of the American people in their own political and governmental institutions? One sensible way would be to make those institutions worthy of their confidence. If we are to accomplish that, the key word is accountability. We have seen grievous abuse of power, but the problem is not power as such; the problem is power that cannot be held accountable. We need to strengthen those instruments of accountability which now exist and devise new ways of making government more responsive.

The two basic obstacles to accountable government are money and secrecy—the scandalous capacity of money to buy political outcomes and the old, bad political habit of doing the public business in secret. You are concerned in these hearings with the latter of the two problems.

#### I. SECRECY

Citizens associate the phrase "government secrecy" with the most sensitive issues of national security. But most government secrecy has nothing whatever to do with national security: it touches every field of government activity—agriculture, commerce, taxation and so on—and has infected state legislatures, county boards of supervisors, school boards, the Congress of the United States and the Executive Branch of the Federal Government. Many politicians and bureaucrats just don't like to do the public's business out in plain view of the public.

Governmental secrecy takes many forms. Too much of the legislative process still occurs behind closed doors, particularly in the Senate. Executive departments still resist legitimate citizen efforts to obtain information. Documents by the thousands are classified without regard to established criterion or the public's right to know.

There is inadequate disclosure of the financial holdings and activities of public officials. Claims of executive privilege make a mockery of the Constitutional powers of Congress to obtain the information on which to base sound legislation. Regulatory agencies are often unduly protective of data supplied by regulated industries, and often meet in secret to set rates and make other decisions affecting millions of Americans. And most special interest lobbies operate out of view of the public, thanks to loophole-riddled disclosure laws.

Secrecy is fatal to accountability. Citizens can't hold government officials accountable—if they don't know what government officials are doing. All the great instruments of accountability that the citizen must depend on—Congress, the courts, the electoral process, the press—may be rendered impotent if the information crucial to their functioning is withheld. Thus does secrecy perpetuate abuses of power, diminish the responsiveness of government and thwart citizen participation.

A decision by the House Democratic Caucus only thirteen days ago illustrates the kind of abuse which secrecy facilitates. Under heavy pressure from special interest lobbyists, the Caucus voted to derail a comprehensive plan to reorganize the House committee system. Opponents of the plan succeeded in getting the Caucus to vote by secret ballot. Even the vote on whether to have a secret ballot was unrecorded. The Caucus then voted 111 to 95 to send the measure to a review panel—a maneuver many observers saw as effective defeat of the plan for this session. And the constituents of Democratic Caucus members were denied knowledge of how their representatives voted on a crucial issue.

#### Secrecy in regulatory agencies

The secrecy which veils the activities of regulatory agencies warrants a special note. These agencies make decisions which affect all Americans in specific ways, from the quality of television commercials to the price of gas and electricity. Yet there is remarkably little public scrutiny of what goes on inside the agencies.

The Federal Power Commission exemplifies the problem. It is no secret that the industries regulated by the FPC have played a role in the Commission's membership and decisions. Effective public scrutiny of the FPC is the obvious countervailing force. Not surprisingly, the Commission has moved to minimize such scrutiny.

Last May, for example, the Senate Antitrust and Administration Procedures subcommittee tried to obtain the reports on natural gas reserves which 79 gas producers had submitted to the Federal Power Commission. The reports were needed to determine whether well-head gas prices should be de-regulated; but the FPC claimed that the reports, which it uses in setting gas prices, were confidential and refused to release



them. Critics charge that the gas producers underestimate how much natural gas is available, and thereby induce the FPC to set higher prices. Given the FPC's devotion to secrecy, such charges can never be publicly tested. Responsible outside evaluation of producers' estimates and FPC action becomes impossible. Not only does the FPC keep reports on reserves secret, but it was disclosed last fall that a Commission official ordered the documents destroyed. This was prevented, not by a concern for the public interest, but by a temporary shut down of the Arlington incinerator.

Additional evidence of the need for openness comes from the Interstate Commerce Commission. The industries it regulates have devised several ways of influencing the Commission's decisions. There is evidence that commissioners have been cleared by industry executives before being officially nominated for the post. Industry has been adept at tempting commissioners with lucrative positions after they leave the ICC. Twelve of the last seventeen commissioners to leave have accepted positions with a company regulated by the Commission. Industry executives have also taken high posts within the ICC. Campaign money from industry has flowed into the campaigns of key congressmen on ICC oversight committees. In 1973, sixteen industry groups rented desk space at ICC to keep track of hearing decisions, rate changes and policy information.

Agency secrecy makes it extremely difficult for the citizen-consumer-taxpayer to counter the behind-the-scenes influence of the industries being regulated. The ironic thing is that government secrecy is no problem for the special interests: they have ways of knowing all that goes on. The only one left in the dark is the citizen.

#### *Openness works*

Opponents of open government talk constantly of the innumerable problems that would result from public meetings and full citizen access. But these objections do not stand up against the overwhelmingly positive experience of legislative committees in Congress and around the country which have opened their proceedings. These committees have shown that openness works, and that rather than impeding business it promotes better discussions and more responsive action.

In 1973, for example, the House of Representatives reversed its long-standing tradition of doing its business behind closed doors and opened almost 80% of its bill-drafting meetings to the public. This openness did not impede the committees' work, nor did it force committees to do their real business outside the meeting room as opponents of public meetings had contended. Additional information on House committee practices under the open meetings rule contained in Appendix I.

Three Senate committees regularly hold open mark up sessions, and the Committee members who have given us an evaluation are generally pleased with the results. Senator Thomas J. McIntyre (D-NH), for example, wrote: "Frankly, I was quite skeptical and reluctant to support open markup last year but on the basis of my experience in the Senate Banking, Housing and Urban Affairs Committee, my own attitudes have changed in favor of the additional openness in the Committee and I am now persuaded that this is an appropriate and useful procedure." This statement was in response to a Common Cause inquiry on the effect of openness in the Senate. The responses we received are contained in Appendix I.

The experience in state legislatures across the country attests to the feasibility and value of open committee meetings. The Federal government is far behind in the move toward openness which has touched almost every state capitol. Most state legislatures now have open meeting requirements, and Common Cause has identified 17 states which

have taken significant steps in this direction over the last 18 months alone. State legislators have repeatedly noted that open committee sessions are generally more orderly, well attended, responsive, and characterized by a higher level of debate. A review of state open meeting statutes and some assessments of their effect are contained in Appendix 2.

#### *The Sunshine Act*

The Government in the Sunshine Act is designed to establish the principle of openness in the affairs of the Federal government. It is the most comprehensive anti-secrecy measure to come before Congress since the Freedom of Information Act of 1966. The obligation of Congress to pass this legislation is crystal clear. The public, through the polls, has declared its disgust with the present state of politics and government. It awaits some sign from the politicians that they sense the trouble they are in.

There are several provisions of the bill that are particularly important. The bill establishes a presumption of openness in meetings of Congress and regulatory agencies, requiring a majority vote (in open session) to close the meeting—and then only if certain exemptions apply. It guards against the customary abuse of "national security" as a justification by defining this exemption in specific terms. It establishes thorough review procedures to prevent violations.

The provisions on *ex parte* communications in regulatory agencies have major significance. Such contacts are prohibited during on-the-record agency proceedings, and the bill requires that communications which violate this ban be entered in the public record. This will disclose and help prevent attempts by outside parties to influence agency decisions. However, the prohibition should apply once a petition is filed with the agency, instead of at the time the proceeding is noticed for hearings or public comment.

There are two other problems which we urge the committee to consider. First, only agencies with "two or more members" are covered by Title II. This applies almost exclusively to regulatory agencies. It exempts all executive departments and agencies within them such as FDA and FAA. It also exempts agencies within the Executive Office of the President, such as the Council of Economic Advisors, Council on Environmental Quality, and OMB. We recognize the difficulties in extending the bill's applicability to other executive agencies and departments. Nevertheless, we urge the committee to explore the possibilities along these lines.

Second, the bill applies to agency meetings "at which official action is considered or discussed." Taken literally, this could mean that telephone conversations, casual discussions over lunch, or chance meetings in the coffee room must be publicly announced, open to the public, and transcribed for publication. Abundant experience with such legislation at the state level suggest that the problem could be solved by a more specific designation of the kind of meetings covered by the bill. It could apply, for example, only to those agency meetings "at which official action may be taken or at which decisions regarding such acts may be made." This exempts informal meetings at which official matters are merely discussed. It also has the important effect of requiring that all official acts and decisions must occur in open meetings. The public will be able to ask in regard to any agency action: "At what open meeting was this decision made?" If no such meeting was held, the action could be illegal and rendered null and void.

#### *II. LOBBY DISCLOSURE*

The second topic I wish to address is the need for comprehensive lobby disclosure legislation. Once again, the problem is secrecy and a breakdown of accountability.

Lobbying plays a legitimate and often valuable role in American politics. Professional lobbyists frequently provide legislators valuable and useful assistance in research and drafting. Often they serve an important ombudsman function, letting Congress, the President, and Executive Branch officers know what their clients are thinking, how government programs are working, where adjustments need to be made and injustices remedied. Lobbying also provides a vehicle for interest group representation complementing the geographical representation assured by the structure of Congress.

Yet, what began as a constitutionally guaranteed right "to petition the Government for a redress of grievances" has degenerated, in the minds of most citizens, into the sleazy art of manipulating government affairs outside the proper channels of accountability. The description is surely unfair to many lobbyists, but fair or not, the all-too-frequent under-the-table deals, secret pay-offs and slick con-jobs have given lobbying a bad name. And the bad name will be perpetuated—deservedly—as long as so many lobbies operate secretly and use money in ways that corrupt the public process.

#### *The present law*

Information about the receipts and expenditures of lobbyists is supposed to be provided by the Federal Regulation of Lobbying Act of 1946. But the law is almost totally useless. Encumbered by ambiguities and loopholes, it is impossible to enforce. It applies only to lobbying of the legislative branch, although some of the most effective and surreptitious lobbying today is practiced on executive agencies. The scant information which lobbyists do report is often preposterous. Huge discrepancies exist between a lobby's elaborate activities to influence legislation and the expenditures actually reported. Some organizations which lobby extensively report no expenses at all. Some don't even bother to register. Anyone innocent enough to believe the official lobbying reports would form a bizarre and misleading impression of modern lobbying practices.

For example, the National Association of Manufacturers spends enormous sums mobilizing grass roots business pressures on Congress. This involves a country-wide communications network through which member corporations and businesses are urged to contact their Congressmen on key issues. NAM's 1972 filing with IRS indicates that over \$2.5 million was spent that year on numerous items—staff, research, printings, mailings, telegraph, and so forth—related to this kind of lobbying. Yet the organization does not even file a lobbying report under the present law.

Common Cause has compiled numerous illustrations of this problem, many of which are cited in the series of essays on lobby disclosure contained in Appendix 3.

#### *Need for disclosure*

Our emphasis is not on prohibition of lobbying activities, but on their full disclosure. This can only be accomplished by a new lobby registration law, and by a new Executive Branch program for logging lobby contacts. Most of the abuses can be traced to the secrecy which hides lobbying from public scrutiny.

The root problem is secrecy. It enables lobbyists to offer lucrative favors and deals which border on outright bribery. It enables lobbying organizations to spend large sums to generate constituent mail to Congressmen without disclosing either the practice or the cost. It makes it easy for special interest representatives and public officials to maintain cozy relationships beneficial to each. It conceals the aims, expenditures and financial backing of lobbyists. It creates suspicion even where suspicion is unwarranted, and erodes public confidence in the integrity

of government. And perhaps worst of all, it makes it impossible to hold public officials accountable for their part in the lobbying game. Without the complicity of those being lobbied, the undue access and influence of certain individuals and groups would evaporate over night.

#### *Ingredients of reform*

A new lobby disclosure law is needed with the following ingredients:

(1) *A broad definition of lobbying* which embraces all forms of communication with members of the legislative or executive branch to influence legislation or other official actions. It should cover individuals and organizations which lobby directly, solicit others to lobby, or employ lobbyists so long as they either receive or spend over \$100 during a calendar quarter. Exemptions for the media and government officials should be allowed.

It is important that the legislation apply to those who lobby in relation to their employment, even though they are not specifically hired as lobbyists. This is a gigantic loophole in the present law. Last year, for example, executives in some of the nation's largest corporations were involved in a highly-coordinated lobbying campaign for federal funding of the bankrupt Northeast railroads. They personally visited numerous Congressmen in this effort, and GM executives met privately with Transportation Secretary Claude Brinegar. The law does not cover this sort of "incidental" lobbying by corporate executives, so none of their activities or expenses were reported.

(2) *Lobbying of the executive branch* should be covered by any new legislation. The present law applies only to lobbying of Congress, as do the other proposals before this committee. This is a glaring inadequacy—some of the most effective and secretive lobbying today involves personal contacts by special interest representatives with officials in executive departments.

The now famous milk deal of 1971 illustrates the point. The dairy lobbyists were under no requirement to report their private sessions with Administration officials. Had such requirements existed, it is doubtful that these officials, the President included, would have been so cooperative.

The kind of requirements needed to disclose lobbying of executive agencies are illustrated in Appendix 4, which is a model Common Cause regulation on lobbying for the new Federal Energy Administration. The regulation would also require F.E.A. officials to log all communications and written material from lobbyists in a public record. Such logging should be a basic requirement for all executive departments.

(3) *Comprehensive disclosure requirements* should require lobbyists to report, among other things, the source and amount of their income, itemized expenditures, the names of officials they have contacted, the actions they have tried to influence, and what they have given or loaned to public officials in money, services or other favors.

One only has to look at the reports filed under the present law to appreciate the need for tighter disclosure provisions. For example, the American Retail Federation, after engaging in very extensive activities to defeat a bill that would have reformed the billing practices of credit companies, reported spending a total of \$6,350 for the year during which this campaign was waged. There was no useful itemization of how the money was spent.

It has been argued that strict disclosure requirements impose unrealistic burdens on the lobbyists who have to comply with them. Our own experience totally refutes the argument. Common Cause has had little difficulty in filing detailed lobbying reports on the Federal level or in the 28 states where our lobbyists have complied with state statutes.

Our experience in these states is reviewed in Appendix 5, which also contains a brief on constitutionality of disclosure requirements.

(4) *Strong enforcement provisions* are needed if the new law is not to become as laughable as the present law. Effective enforcement requires an independent agency with ample enforcement powers. The Federal Elections Commission provided for in the campaign reform bill passed by the Senate is a good example. If such a commission is established, it should have the responsibility of enforcing lobby disclosure requirements. Whatever enforcement body is designated, it should have the power to investigate possible violations, to issue subpoenas and take depositions, to initiate court actions and to prescribe regulations. It should be required to publish the information reported in lobbying statements.

Mr. Chairman, I thank you for the opportunity to present this testimony.

#### NATIONAL HEALTH INSURANCE

Mr. RIBICOFF. Mr. President, on Thursday, May 23, Senator CHARLES PERCY testified before the Senate Finance Committee on the subject of national health insurance.

Senator PERCY has taken an active interest in this field, not only as coauthor of the Scott-Percy health insurance proposal but as a strong backer of S. 2513, the Long-Ribicoff bill.

Because of the importance of his testimony, I ask unanimous consent that his remarks be printed in the RECORD.

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

#### STATEMENT OF SENATOR CHARLES H. PERCY

Mr. Chairman and members of the Finance Committee. Testifying before this committee seems to have become a habit with me, a habit first started over 20 years ago. It is always a great pleasure for me to appear here.

Today I come before this committee both as cosponsor of the Scott-Percy Health Rights Act and cosponsor of the Long-Ribicoff Catastrophic Health Insurance Medical Assistance Reform Act. Normally, I do not cosponsor more than one bill on the same subject. However, in the case of the Long-Ribicoff proposal, I made an exception recognizing the bill's importance, timeliness and worth.

In the last three years innumerable national health insurance proposals, including my own, were introduced before Congress, resulting in useful discussion but not successful legislation. The disparities inherent among the proposals deadlocked Congress and made consensus politically impossible. In the meanwhile the lives and well being of Americans suffered. The average citizen's personal health bill continued to increase faster than his wages. Families who faced health catastrophes continued to succumb to financial distress and even ruin. The medically indigent continued to do without. The urgency for national health insurance continued unabated seemingly without resolution.

The Long-Ribicoff proposal, as I saw it last fall, was the wedge that could break the unhealthy stalemate, and I think subsequent events have proven me correct. The Chairman and Mr. Ribicoff deserve to be congratulated for tackling one of the most complicated reforms of public-government-professional-private relations ever undertaken in American history and coming up with an honest middle ground where all sides can find some legitimate representation. The administration represented in this instance by

Mr. Packwood also deserves our commendation for contributing a very worthy piece of legislation. Mr. Kennedy and Mr. Mills deserve no less our respect for their latest proposal that now makes the building of consensus on national health insurance for America possible. In my testimony on the Scott-Percy Health Rights Act before this committee in 1971, I summarized the major strengths of the bill, and I repeat:

First, the catastrophic plan differs from traditional plans by covering all costs above each family's health cost ceiling.

Second, inexpensive and extensive outpatient coverage would enable families to visit doctors regularly to maintain good health and prevent major illnesses.

Third, the plan would be totally voluntary, but it would protect—through Federal financing—those who are financially unable to meet their health care costs.

Fourth, to preserve some element of cost consciousness within the health care system everyone would pay something, however small, based on his income.

Fifth, the plan would require strong Federal participation, but it would also draw heavily on the private enterprise system, insuring a pluralistic system.

Sixth, to insure that increases in demand would not adversely affect the quality of care, the plan would authorize grants and loans for prepaid health maintenance organizations.

Since Congress has passed and the President has signed a separate health maintenance organization bill, point number six no longer applies. However, much of the first five points could very well describe the Long-Ribicoff proposal.

Now, I don't know what to make of the Chairman's ability as prognosticator. During the 1971 hearings he told me not to be surprised if I found some of my thinking on national health insurance coming to the Senate in a House-passed bill. Instead of finding those ideas in the House bill, I find them in the Chairman's own bill. Maybe, he's trying to make sure that he lives up to his word.

Seriously, I firmly believe, as do many members of this committee, that a program involving the magnitude of over 200 million consumer patients; almost \$100 billion; the third largest industry in the country employing 4.4 million people; and over 1,500 non-profit, commercial and independent health insurance plans cannot be successfully established without consensus and acceptance by both the general public and by every element in the health sector. Moreover, a program dealing in an area of such complexity, sensitivity and controversy cannot be successfully established overnight. History has amply illustrated that the government's administrative capacity where large-scale social programs are concerned is limited. To quote John Gardner, a former Secretary of HEW, "Any organization setting out to cure social ills had better be sure it isn't creating problems as rapidly as it cures them." An incrementalist approach to national health insurance, as exemplified by the Long-Ribicoff proposal, seems eminently sensible and practical.

Yet, the Long-Ribicoff proposal has been largely written off by the media and, even, by the President as a meager catastrophic health insurance bill. As a cosponsor of the bill, I would like to help set the record straight. The Long-Ribicoff bill is a three-part plan, and catastrophic health insurance is only one part of the whole. Under the catastrophic plan, a ceiling would be placed on almost every American family's out-of-pocket health care expenses. Once a family incurs 60 days of hospital costs, \$2,000 of medical bills and a maximum of \$1,000 medical copayment charges, its health care costs would be assumed by the program's Social Security fund.



On face value, the expenses below the catastrophic ceiling appears substantial. However, it should be clear that we are not talking about out-of-pocket expenses here. The other two parts of the Long-Ribicoff plan are designed to assure that every American has ready access to basic insurance coverage for what the catastrophic plan does not cover. Thus, the three parts working together would assure virtually every American reasonable and adequate protection against both everyday and catastrophic medical expenses.

Part two of the Long-Ribicoff plan would federalize, improve and expand the current Medicaid program to provide all low-income Americans (\$2,400 for an individual, \$3,600 for a couple, \$4,200 for a three-person family, and \$4,800 for a family of four) with uniform comprehensive benefits financed through general revenues. Above and beyond covering all expenses below the catastrophic ceiling, this low-income plan would also cover all medically-necessary physicians' services, skilled nursing facility care, intermediate care, home health services and other health services including laboratory and X-ray services. This low-income plan also contains a unique "spend down" feature which allows families with incomes above the eligibility levels to qualify for coverage after their incurred medical expenses have brought their incomes down to the eligibility levels. Moreover, under the program the only out-of-pocket expense for low-income individuals would be a nominal \$3 per visit copayment for each of first 10 physicians' visits per family with well-baby care and family planning services excepted.

Part three of the Long-Ribicoff plan would assure the availability of basic private health insurance coverage to the middle-class population at a reasonable price. Through a voluntary certification program and on insurance "pooling" mechanism, the private sector would have three years to make model basic policies available at reasonable rates to the general population. After three years, if any area of the country is without certified basic policies, such coverage would be made available through the Social Security Administration at cost.

The Long-Ribicoff plan approaches the health financing problems of low-income and middle-class individuals differently because the needs are different. For the middle class, average medical expenses and standard health insurance coverage do not take an impossibly high share of income. Also the federal government subsidizes the purchase of health insurance and the payment of medical expenses through special tax provisions. Thus, it is not surprising that 75 percent of the population with incomes between \$5,000-\$7,000, 84 percent of those with incomes between \$7,000-\$9,000, and 90 percent of those with incomes above \$10,000 have private health insurance. However, for lower-income individuals, health insurance is generally out of reach. Statistics indicate that the poorer a person is, the less likely he is to have health insurance. While 90 percent of those with incomes over \$10,000 have hospital insurance, only 39 percent of those with incomes under \$3,000 have such coverage. In 1972, some 38 million people, 20 percent of the population under 65, were entirely without any health insurance protection.

Because private health insurance has been unable to cope with the special problems of the elderly, the chronically ill and the poor, this should not obscure the fact that it has been adequate in dealing with the bulk of America's working population. The Long-Ribicoff bill recognizes that neither the federal government nor private industry is doing an unimpeachable job in the health insurance field. The Long-Ribicoff bill, therefore, takes a middle road. It would neither perpetuate the existing shortcomings of the pri-

vate health insurance system, nor would it throw out the good with the bad. To dismantle most of the private industry overnight without the assurance of anything better to put in its place except a well-motivated dream of universal health protection for all is unwise. By taking the middle road, the Long-Ribicoff bill gives the private health insurance industry a fair and feasible chance to correct present inadequacies and government time to prepare to fill any gaps which the insurance industry might fail to meet—a most reasonable and practical approach.

By taking the middle road, the Long-Ribicoff bill also pays heed to the very important problem of cost. There is no such thing as free medical care. The real cost of that care remains the same whether it is paid through taxes or directly by individuals. There is, however, the issue of how much this cost should be run through the Social Security system. For some the Social Security tax payment has more than doubled just since 1970. The combined tax on employee-employer has risen more than 30 percent in only two years. This increase has taken place with the Social Security tax rate standing still at 5.8 percent. Now that the Social Security tax wage base is tied to changes in the cost of living, that rate will rise above 6 percent by 1978. For millions of Americans, particularly lower-income Americans, the Social Security tax is now a heavier burden than the federal income tax. In shaping a national health insurance program we must make very sure that the financing scheme does not impose tax increases that the average American cannot bear.

However timely and worthy the Long-Ribicoff bill is, it is not perfect. Borrowing Chairman Long's own words, if I may, "This bill is not a be-all-end-all approach, but it does provide significant assistance to many millions by closing major gaps in the financing of necessary health care..." I, therefore, take this opportunity to offer a few suggestions, which in my humble opinion, might further improve the bill.

First, I feel very strongly that everyone in this country—young or old, rich or poor—needs catastrophic health insurance protection. Under the excellent Long-Ribicoff catastrophic plan, a small minority—those not participating in the Social Security program—would not be protected. I understand that the Chairman and Mr. Ribicoff in responding to questions before the Ways and Means Committee shared this goal. I hope the technical problems can be worked out so that the catastrophic plan is made available to all individuals who might need it, regardless of Social Security participation.

Second, like Mr. Ribicoff, I have long worked for the expansion of Medicare's drug coverage. Technically there may be no need for the Long-Ribicoff bill to cover prescription drugs, since Mr. Ribicoff's amendment to provide such coverage overwhelmingly passed the Senate and is now pending in conference. However, pending in conference is not the same as enactment. I would feel much more comfortable if the Long-Ribicoff bill specifically provided for the coverage of all prescription drugs, or, at the least, coverage for those drugs used to treat specified conditions.

Third, I consider alcoholism and drug abuse two of this country's most tragic health problems. The administration's bill clearly provides coverage for the treatment of alcoholism and drug abuse. I hope the Chairman and Mr. Ribicoff will make it very clear, as I assume it was your intention, that alcoholism and drug abuse qualify for coverage under the Long-Ribicoff bill also.

Fourth, the health of our children is precious. Although the Long-Ribicoff bill provides substantial benefits for children, I would like to see such benefits further broadened with specific coverage for speech, visual and auditory services, subject, of

course, to appropriate professional review to prevent possible abuse.

Fifth, I believe it is time that we begin to place as much importance on mental health as on physical health. A step in that direction would be to make the mental health coverage available in Title II of the Long-Ribicoff bill also reimbursable under Title I and Medicare.

Sixth, the availability of catastrophic health insurance will finally resolve the dilemma faced by hemophiliacs and their families. The victims of this dread disease will no longer have to go without necessary treatment—which is available—just because of the lack of funds. I urge, however, the Chairman and members of this committee to keep a careful overview of the coverage of blood, particularly the relationships between the coverage of whole blood and blood products. In the area of blood therapy it is important that we make sure that chronic blood users have access to the most efficient form of treatment available.

Finally, all the members of this committee, I know, are very sympathetic to the problems of the elderly. One of the most critical but still unresolved needs of older Americans has to do with long-term care. Although the Long-Ribicoff bill contains very generous long-term care provisions under Title II, it does not address itself to the issue of non-hospital institutional care. I understand the objections to establishing a long-term care financing program at this time. However, I would like to see the Long-Ribicoff bill include, at the least, some provision to make possible an improved national policy for long term care.

I would like to end my testimony by quoting another former Secretary of HEW, Mr. Wilbur Cohen, "If we take the steps we can take now, we could have a comprehensive national health plan ready to begin operations in 1976, when we commemorate the 200th anniversary of the Declaration of Independence." If only we will work together, there is no question but that we can achieve this goal.

#### FOREIGN TAX CREDITS—DISALLOWING ROYALTY PAYMENT CREDITS—S. 3095.

Mr. HASKELL, Mr. President, several weeks ago I introduced S. 3095, a bill to disallow treatment as a foreign tax credit any payment to a foreign government, in connection with the extraction of oil or gas, which is in reality a royalty payment to that government.

The equities and the practicalities of this bill are clear, Mr. President. Domestic businesses often pay royalties to other businesses or individuals, but when they do so, their payment results only in a deductible ordinary business expense under the tax laws, not in a credit against taxes. Multinational oil and gas companies should not be treated more favorably than other businesses in this regard.

Moreover, the preferential treatment accorded to these multinationals is, at the current time, in direct conflict with our supposed goal of achieving energy self-sufficiency, since the foreign tax credit as presently defined creates a distinct incentive to investment abroad rather than here in the United States.

S. 3095 resolves these inequities and impracticalities, Mr. President. It does so by requiring that royalty payments in the guise of income taxes be henceforth treated only as deductible business expenses.

Since introducing S. 3095, I have been joined in its cosponsorship by the distinguished Senators from Illinois (Mr. STEVENSON), New Hampshire (Mr. MCINTYRE), California (Messrs. CRANSTON and TUNNEY), Nevada (Mr. CANNON), New Jersey (Mr. CASE), Minnesota (Mr. HUMPHREY), and Idaho (Mr. CHURCH).

S. 3095 directs the Secretary of the Treasury, or his delegate, to formulate certain standards for the determination of what portion, if any, of a payment to a foreign government in connection with income received by that corporation is, in reality, a royalty payment to that government. In countries that tax other income producing activities, the determination that a part, or the entirety, of a payment to a foreign government is a royalty will be a relatively straightforward matter. In countries, however, that tax only oil or gas related activities, the determination is somewhat more difficult, although far from impossible. As in other situations, such as the value of closely held stock, the Internal Revenue Service can very easily place a royalty value on a given well.

Recently, it was brought to my attention that S. 3095 makes no mention of taxes in the form of per barrel or other per volume standards. I would like to make clear the intent behind this omission at this time. S. 3095 makes clear that it is only income taxes that can be treated as a creditable payment, and even then, only to the extent that the payment is not in reality a royalty payment. Any per volume "tax" does not enter the picture, because such a tax is in no way an "income" tax, a sit is entirely unrelated to the income of the producer. A per volume "tax" or other such payment is in all cases to be treated as a royalty payment, a deductible business expense, regardless of the label attached to such payment by the foreign government or the corporation.

In conclusion, Mr. President, I again appeal to my colleagues on both sides of the aisle to join with those of us sponsoring S. 3095 so that a measure of fairness is finally brought into the tax treatment of multinational oil and gas corporations.

#### WATERGATE AND U.S. FOREIGN POLICY

Mr. BROOKE. Mr. President, in recent remarks given at Akron University, Akron, Ohio, I outlined several of the dangers inherent in our present situation.

My main focus was the implications of the so-called Watergate crisis on the conduct of our foreign relations. In the hope that my views will be of some interest to my colleagues, I ask unanimous consent that my speech entitled "Watergate and U.S. Foreign Policy" be printed in the RECORD.

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

#### WATERGATE AND U.S. FOREIGN POLICY

On November 4th, in response to a question on ABC's Issues and Answers, I stated that I had reluctantly come to the conclu-

sion that it would be in the best interests of the country if President Nixon resigned. Ten days later, at a meeting in the White House, I reviewed my thoughts on resignation with Mr. Nixon personally. And, tonight I continue to believe that the President's resignation would serve the best interests of the country.

The beliefs that prompted and prompt my recommendation for the President's resignation stem from my concern for both the continued well-being of this country domestically and the dangers I perceive to lie ahead for the United States in its foreign and security relations if our political crisis is not promptly concluded. It is this latter concern—the effect of the Watergate Crisis on the conduct of American foreign policy—that I call your attention to tonight.

It would be presumptuous to contend that one can readily identify specific effects of Watergate on our diplomatic endeavors. Only those directly involved in such activities are in a position to make such assessments.

Moreover, the nature of intercourse between sovereign states is such that perceptions and feelings are at least as important as tangible considerations. And this naturally inhibits accurate assessment when one is several times removed from direct involvement. Yet, there are general perils inherent in a situation where a chief executive has been weakened, perhaps beyond repair. And these perils compel thoughtful attention.

Let me briefly review the President's present situation. Over the last year, he has suffered a dramatic loss of public confidence which has greatly impaired his ability to govern. We have reached a point where a majority of Americans feel he should resign. If unwilling to do so many demand that he be impeached.

This loss of popular support is not a normal cyclical dissatisfaction with the President. Rather, it is a deep-seated revulsion against all that Watergate has come to signify. It is a substantive erosion of the foundation of confidence needed to effectively govern our nation.

The withdrawal of public support, coupled with the departure from the White House of many of his closest associates, has resulted in the President becoming increasingly isolated.

The "siege mentality" that the Watergate transcripts indicate existed in the White House before the crisis broke has deepened.

The Chief Executive has become increasingly estranged from his natural bases of support within the Republican Party and throughout the country.

Domestically, the effect of the loss of public confidence is readily discernible. Problems that cry out for solution receive but superficial attention. The country is adrift in a sea of uncertainty.

Americans have for the moment lost faith in the ability of all our institutions to meet the needs of the day. The two-party system, the cornerstone of political stability, is facing its greatest challenge. A disappointed electorate unjustly appears ready to take out its frustrations on the Republican Party for a scandal that had its roots outside the party structure among a small group of power-hungry men who ignored the permissible limits of power.

However, Watergate is not the only source of the ills that beset us. Many of the problems existed long before this sordid chapter in our history began. But it is undeniable that Watergate lawlessness has accelerated the breakdown of the procedural consensus that has provided the sinews of unity for our very diverse country. And the cancerous decay continues!

In sum, our political crisis has steadily eroded the ability of the President to fulfill his responsibilities in a time when our domestic situation demands stable effective leadership in the White House.

The negative impact of the Presidential leadership void on the conduct of our foreign relations, though less easy to discern, nevertheless does exist.

Great opportunities and serious problems are present in the international arena. Many of the opportunities stem, at least in part, from the prior initiatives of President Richard M. Nixon, now so weakened by Watergate.

The possibility exists of bringing the strategic arms race under some form of permanent control through the Strategic Arms Limitation Talks (SALT).

Greater security for both East and West could be gained at lower costs through successful negotiations leading to a mutual reduction of forces in Europe.

Arab-Israeli peace could be closer to realization than at any point in the last quarter of a century.

There is the possibility that the People's Republic of China can be brought further into the mainstream of international politics, thereby creating greater stability in the international system.

These opportunities, though impressive, are overshadowed by growing international problems.

Trade and monetary dislocations threaten to plunge the international economy into chaos.

Famine and its attendant tragedies threaten millions throughout the world while the world's food reserves continue to diminish.

And the standard of living of the world's poor, already at a marginal level of existence, is further threatened by the effects of escalating prices of energy, fertilizer and other essential agricultural resources.

These problems and these opportunities demand effective leadership from the United States. Like it or not, we remain the most important single nation in the international system. If we fail to provide inspirational and concerned leadership, no other country can or will. But we may fail if our present political troubles remain unresolved.

The ramifications of the growing inability of this President to provide meaningful leadership are manifested in several ways.

Political malaise exists in the West. Almost every Western democracy is experiencing political instability.

In West Germany Willy Brandt has resigned as chancellor because of a spy scandal. In France President Valéry Giscard d'Estaing rules with only the slimmest plurality. In Great Britain Harold Wilson's cabinet is rocked by scandal. In Canada Pierre Trudeau's government has fallen. And political instability in Italy is compounded by severe economic troubles.

To be sure, there have been previous periods of political instability in the West. But, during such periods, effective, respected United States leadership has always been a steadfast anchor. Now, our allies question whether we can hold firm. And the very fact that our friends question our ability to do so is disturbing and alarming. Confidence in American leadership is based on a President's ability to mobilize support at home and abroad. When that ability is seriously impaired, confidence wanes.

The lack of stable political leadership comes at a crucial time. The problems we face transcend any one nation's ability to manage them. Solutions must be based on a recognition of the interdependence of the nations. Stable, mature leadership is needed to meet the challenge of interdependence. And it is doubtful if a President preoccupied with his own political survival can provide such leadership.



The present peril manifests itself in yet another important area. A crucial function of a President is to persuade his country of the wisdom of a certain course of action. Our system of government puts a premium on this Presidential ability to persuade, especially in foreign affairs. If there is not widespread popular support for a given policy, its chances of success are drastically reduced. The Vietnam tragedy at least should have taught us that lesson.

There is an increasing tendency to be skeptical of Mr. Nixon's statements on foreign policy, not because of their substance but rather because of their source. Indeed, there exists a growing possibility that Presidential statements on foreign and domestic subjects may engender a willingness to assume something is not true because this particular President states that it is.

During the 1973 Middle East War the President put certain of our strategic and conventional forces on alert. This was in response to a threat by Moscow to airlift forces to the Middle East. Subsequent developments and statements by Russian leaders indicate that the Soviet threat to intervene directly in the crisis was not an idle one.

An introduction of Soviet combat forces into the Middle East would have been an extremely dangerous provocation. Hence, an American response was needed. Yet, at the time of the alert, many influential Americans suggested that the President's action was nothing more than a self-serving attempt to draw attention away from his political difficulties. The fact that many Americans concur in this view indicates a serious decline in the persuasive capabilities of the President.

There is too, the growing likelihood that this President may be unable to mobilize support, either from the people or in the Congress, for continued U.S. involvement in efforts to provide the developing world needed assistance. This was amply illustrated by the recent vote of the House of Representatives to deny funds for U.S. participation in the Fourth Replenishment of the International Development Association commonly referred to as IDA. This organization provides aid on a concessional basis to the least developed nations.

The House IDA vote indicates a growing disregard of Presidential preferences and an increasing diminution of Richard Nixon's persuasiveness. We cannot long pursue a rational and useful course in world politics devoid of a President capable of commanding support for foreign policy initiatives. Foreign policy cannot be conducted by the Congress where many different views may exist in any given situation. Nor does the Congress desire to impinge upon the areas of Executive powers. However, the Congress does expect its powers in foreign affairs to be respected by the Executive as well.

Our political crisis also threatens to foster an inordinate amount of pressure on the President to achieve "spectacular successes" in foreign policy. The danger of such pressures is that they could create the appearance of success rather than its substance.

Several years ago a noted authority on foreign policy wrote:

"Where a leader's estimate of himself is not completely dependent on his standing in an administrative structure, measures can be judged in terms of a conception of the future rather than of an almost compulsive desire to avoid even a temporary setback."

The author of these remarks is now the Secretary of State.

In his 1966 article, Doctor Kissinger touched upon a crucial aspect of our current dilemma. As we have descended deeper into the morass of Watergate the possibility has increased that the President may become so concerned about his standing in the government that the measures he advocates in for-

ign policy may partake more and more of the "compulsive desire to avoid even a temporary setback." Watergate has certainly intensified pressures on the President to excel in foreign policy, his area of greatest expertise and interest. Perhaps we have come to a point where there is too much of a need to excel.

An integral part of any bargaining posture is the ability to wait, to be patient, until events and thinking evolve to a point where meaningful and just compromises can be achieved. However, patience may be very difficult to exercise when there is a compulsion to make a dramatic gesture, to effect an immediate solution. Such compulsion contains an inherent tendency not to say no, even though objective conditions may demand that one do so. While I cannot state that such has been the case in any specific instance, this is a potential problem that must be considered as we examine the question of the President's ability to fully uphold his Constitutional responsibilities.

A second manifestation of the "need to excel" is the tendency to oversell initiatory events as major achievements in and of themselves. I believe this may be a problem in the Middle East where the disengagement of forces is only a preliminary first step toward peace and perhaps the easiest one to achieve. Yet, the tendency has been to identify a disengagement agreement as the linchpin in the entire peace structure. This is simply not the case.

"Oversell" blurs the distinction between the crux of a problem and its various manifestations. It raises false expectations as to how much progress has been made. When the expectations go too long unfulfilled, the necessary long-term support for protracted and complex negotiations dissipates. This is a danger not only in the Middle East negotiations but also in the SALT talks. In SALT, far too great expectations have been engendered regarding an early end to the arms race. If these expectations are not soon fulfilled the resultant disillusionment may destroy support for the protracted SALT process. It is the continuation of that process that promises an eventual termination of the strategic arms race.

I would agree that the tendency to "oversell" exists in most, if not all political endeavors. But, what is disturbing about the present situation is that "oversell" may become such an important input that it overrides more substantive policy considerations.

Those who are sensitive to the grave perils of the nuclear age have always been concerned about the possibility of miscalculations by opposing sides. Many fear that the likelihood of miscalculation has increased because of the President's diminished leadership capacity.

I certainly do not believe that an overt attack on the United States is imminent. Nor is it reasonable to assume that our major adversaries may be tempted to bring direct military pressure to bear on our allies. Yet, there are situations where an adversary may be tempted to seek advantage while we struggle with our political problems. Moscow's actions in the recent Middle East war is one case in point. The Soviet strategic missile buildup may be another. While it would be foolish to ignore alternative explanations for Soviet actions, one must recognize the likelihood that our political travails tempt those prone to see superpower competition as a "zero-sum game," one in which every Soviet gain is a corresponding loss for the United States.

Thus it is prudent to assume that that possibility of miscalculation increases as our political crisis drags on.

What immediate considerations should guide the United States at this time? Naturally, the earliest possible resolution of the future of President Nixon is crucial in lessening the dangers inherent in our political instability. Because I believe the impeach-

ment process will be a prolonged one beset with ambiguity and the likelihood of further divisive trauma, I personally continue to favor resignation. However, this course of action appears unacceptable to the President. Hence the constitutional process must be taken to its conclusion, whatever that may be.

During this process, to the extent possible, the President and Congress should insulate foreign relations from the direct and indirect effects of Watergate. This will require bipartisan cooperation in the Congress and it will require cooperation between the Congress and the President. And more importantly, it will require of the President and his Secretary of State a willingness to involve members of Congress in the formulation of foreign policy initiatives rather than simply in their ratification after the fact. As of yet, no such willingness has been evidenced.

The President recently sent to the Congress a proposal for an extensive Middle East aid package. The objective of this proposal is to create a vested interest in peace among the belligerents. Though the President's proposal has merit, it faces a difficult time in the Congress, in part because of the President's failure to involve the Congress fully in the formulation of the proposal.

Suspicion of the President's motives will be lessened more or less proportionally to the degree he is willing to seek Congressional advice before undertaking foreign policy initiatives.

The President must avoid all situations where agreements with other countries appear based on his personal prestige. The main problems in this regard are the SALT negotiations and the President's anticipated trip to Moscow. Unless the substantive articles of a SALT II accord are known prior to the visit and receive widespread approval by a relevant cross-section of the Congressional leadership, I seriously question the wisdom of a summit meeting in June.

First, the trip would take place approximately at the same time that the question of impeachment could be coming to a head in the House of Representatives. Thus, late June would hardly be a propitious time for a summit meeting unless an acceptable SALT agreement existed.

Second, if substantive articles of an agreement remained to be worked out at the summit, the Kremlin might be tempted to seek undue advantage of a weakened President who desperately needs a "dramatic gesture" to counterbalance his political liabilities. Several dangers would arise if the Soviets adopted such a course of action. The President might compromise to a greater degree than he should or normally would were his position at home more secure. If this happened opponents of SALT would be in a position not only to attack the specific agreement but to also weaken support for the general process of East-West détente.

On the other hand, the President might overreact to an attempted Soviet squeeze, accuse Moscow of perfidy, and return to a "hardline" cold war posture. The possibility of this type of reaction cannot be totally dismissed in view of the fact that a "hardline" approach by the President could find favor with some members of Congress at a time when the impeachment question could be before them.

These two dangers are essentially "worst case" situations. A third reaction by the President to Soviet pressure could be the suspension of the SALT negotiations and the possible termination of the visit. While this would certainly be preferable to the other alternatives, it could also endanger support for protracted SALT negotiations and the détente process in general. Suspicions in the West as to Soviet motives could increase. A corresponding hardening of the

Kremlin's approach in 'SALT' and other East-West negotiations could be likely. There is wisdom in minimizing the chances that this could occur. Conditioning the holding of the summit on the prior existence of a substantive SALT agreement acceptable to the Congress could accomplish this objective.

There is increasing evidence that the Russian leaders may doubt that the President can effectively make commitments that will be supported by the U.S. Congress and the American people. Hence, they may be unwilling to deal with him on substantive issues during his Moscow visit. If this were the case, a summit meeting would be nothing more than a hollow shell, devoid of substantive purpose and certainly demeaning to the office of the Presidency, particularly if President Nixon were perceived by others to be going to Moscow in quest of the Kremlin's help to bolster his image at home.

A Presidential visit to Moscow, coming at this time, will be viewed by many Americans as a cynical attempt to cloud the impeachment issue. Unless a substantive SALT agreement exists prior to the trip, there is no merit deepening the cynicism now extant in this country.

For it is that cynicism and its corrosive effect on America's faith in itself that weakens our capacity to meet the challenges before us. If cynicism is to be abandoned, the leadership of this country must once again merit the confidence of the American people.

Thank you.

#### SOUTHERN CALIFORNIA OFFSHORE OIL DEVELOPMENT

Mr. CRANSTON. Mr. President, the Department of Interior is now proceeding with plans to develop the oil and gas resources in the Federal waters offshore from southern California. Legislation is now pending in the Senate to tighten Federal regulations on offshore oil and gas exploration and production. On May 8, 1974, I testified on this legislation before the Senate Subcommittee on Minerals, Materials, and Fuels of the Committee on Interior and Insular Affairs. I urged that development of the southern California offshore oil and gas resources be halted until more complete information is available on the environmental, economic and social risks, technology adequate for southern California sea conditions is available, and a reasonable, orderly resources development policy has been established.

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

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

#### STATEMENT OF SENATOR ALAN CRANSTON

Mr. Chairman, I am grateful for this opportunity to present my views on the policies and practices related to development of the energy resources of the Outer Continental Shelf. This is an issue of great importance to all Americans, and I commend this Committee for moving promptly to examine the various proposals in this area.

The Energy Supply Act, S. 3221, is a comprehensive piece of legislation, and I endorse many of its provisions. The other bills being considered here today also are positive steps toward improving and clarifying existing Outer Continental Shelf regulation—steps which are essential before the OCS is more fully developed.

My involvement in Outer Continental Shelf issues dates from the very beginning of my term in the Senate when, largely due to the

tragic Santa Barbara oil spill, national attention was focused on the need to improve regulations and strengthen precautions related to offshore oil development. Since that time OCS regulations have been strengthened and the number of personnel enforcing these regulations has been increased. However, in view of the substantial new pressures to develop the OCS, I believe new legislation is needed that can strike a reasonable balance between our desire to develop new energy resources and our continuing need to insure maximum environmental protection.

Our recent experience with serious fuel shortages has made clear that we must become more self-sufficient in meeting our energy needs. An obvious domestic energy resource is the oil and gas on the Outer Continental Shelf.

But I suggest to this Committee that we cannot afford to rush head-long into massive OCS development without careful planning, consideration of the environmental risks, and comparison of this resource with competing energy sources. We must proceed, but we must do so with the utmost caution.

We must also review the resources of the OCS within the general context of a national energy policy which encourages stringent energy conservation measures until we have developed and made available abundant and environmentally sound energy sources. I am the author of legislation now moving through the Senate to authorize a major government-sponsored demonstration of technology for utilizing the energy of the sun for the heating and cooling of buildings. The goal of the bill is to stimulate widespread commercial application of this technology in the shortest possible time. If successful, solar energy could supply by the year 2000, 10 to 30 percent of the Nation's required BTU's and as much as 50 percent by the year 2020.

I raise this point as an illustration of the new energy sources that are now being developed and which may well reduce our reliance on petroleum in the same general time period that will be required to obtain reasonable quantities of OCS oil and gas. We cannot assume that our present demand for petroleum will be maintained indefinitely.

I would like to focus the remainder of my remarks this morning on the pending development of the Southern California Borderlands. This is the offshore area bounded by the Santa Barbara Channel Islands on the north and the Mexican border on the south.

The Southern California Borderland has been described by the U.S. Geological Survey as a "frontier area"—one which is essentially unknown in a geological or oil exploration sense. We do know that it is highly faulted, located in a seismically active area, and characterized generally by a series of ridges and troughs quite different from the OCS formation commonly found along the coast of the United States. Moreover, it is just off shore of the Southern California coastal zone, an area used daily by millions of people. Never before has oil development been contemplated seaward of a state-designated "marine sanctuary" which extends the length of the Borderland area with the exception of the Long Beach and Huntington Beach shorelines.

Development of the Southern California Borderland is imminent. The Bureau of Land Management has already accepted nominations from the oil companies for this area, tracts to be put up for bid will be announced in June, and a lease sale is now planned for May, 1975.

I would like to propose for your consideration that various concepts embodied in the bills before this Committee for revised methods of OCS development be applied—perhaps on an experimental basis—to the Southern California Borderland.

I recommend that the May, 1975 lease sale be postponed and that the area be designated

as the Southern California Borderland Energy Reserve. The federal government would then immediately undertake an oil and gas survey of the area in order to ascertain as precisely as possible the location and extent of the oil and gas resources thought to be present and attainable from this Reserve. Studies of the environmental, economic and social risks and benefits should be conducted. In general, our effort should be directed toward collecting and analyzing all pertinent information about the Borderland area so that we can establish a reasonable and orderly resource development policy and more accurately judge how the energy resources of the Borderland Reserve rank in comparison with other offshore energy resources, as well as new forms of energy as they are developed.

The threat of a major oil spill on the Southern California coastal zone and the even more certain danger of pollution from very small day-to-day spills underscores the necessity for employing the very strictest environmental safeguards. In a working note prepared for the California Assembly by the Rand Corporation on the environmental implications of federal leasing in Southern California waters, it was estimated that as many as sixteen major oil spills could occur in the next 40 years based on the assumption that one to five platforms in Santa Monica Bay and three to ten platforms on the San Pedro Shelf would be producing.

I recommend that a decision to begin production from the Reserve be tied to a finding by the Secretary of the Interior that the following eight environmental provisions have been met:

(1) Oil spill containment and recovery technology adequate for Southern California Borderland sea conditions and the rate of flow historically associated with major oil spills (1,000 barrels per day or more) has been developed and made available;

(2) Independent oil consultants of national reputation concur that the characteristics of the specific geological formation to be drilled and produced do not present unusual hazards and indicate sufficient stability for drilling and production without the danger of causing an oil blowout from the ocean floor;

(3) The technology of the offshore drilling provides the optimum in pollution prevention for the specific geological formation to be drilled;

(4) Underwater completion and production techniques have been perfected and demonstrated to be safe and effective;

(5) The location of the drilling site offers no navigational hazards;

(6) The reliability of a proposed drilling or production technology has been established and demonstrated to be safe and effective;

(7) Environmental impact recommendations are filed by appropriate federal agencies or advisory boards in compliance with the reporting requirements of the National Environmental Policy Act of 1969; and,

(8) Public hearings on these matters have been held in Southern California.

These conditions, as well as the concept of the Energy Reserve, are embodied in legislation I have introduced and which is still pending before this Committee to establish a Santa Barbara Channel Federal Energy Reserve. This bill is S. 2339, and the conditions I have outlined above are contained in Section 4.

This Committee has already compiled extensive information about the 1969 Santa Barbara blowout, and I am sure there is unanimous agreement that every effort must be made to prevent a repeat of this disaster. The above conditions under which OCS oil and gas production could be undertaken are the product of many conversations with both industry and environmental leaders, and were developed after the Santa Barbara blowout. I believe they should apply also to the Southern California Borderland.



At such time as the above conditions are met, oil and gas production could begin, stressing a timing and location of leasing that is consistent with sound environmental policy. It is my hope that research in such technologies as downhole safety devices, well control, containment and cleanup, where serious weaknesses now exist, moves forward rapidly so that the conditions I have recommended can be met at the earliest possible date. I would also suggest that any legislation approved by this Committee specifically recognize the need for additional information on marine life, the coastal zone, and commercial and recreational needs.

My next recommendation concerns the system of bidding for offshore leases. The present system of bonus bidding calls for 20 percent of the bonus to accompany submittal of the bid and the remainder of the bonus to follow 30 days after the award of the lease. This effectively limits the bidders to the large companies. As you know, the Department of Interior received a record \$2.16 billion in bids for 421,000 acres at the recent offshore Louisiana sale. Smaller firms are perhaps able to participate on a joint venture basis, but they are largely dependent upon the substantial amounts of capital provided by the bigger companies.

I recommend instead that we establish a royalty system where bids are submitted as pledges to provide the federal share in kind or in value when production begins. This would open the door for smaller companies to participate. Criteria could be established by the Department of Interior to insure that only qualified, responsible producers are awarded leases, and with adoption of provisions such as those in S. 3221 that require adherence to a production timetable or termination of a lease with civil penalties for failure to comply, the danger of unqualified producers retaining undeveloped tracts would be minimized.

A sliding scale of decreasing royalty payments could be employed to provide an incentive for recovery of as much of the oil and gas resources as possible and guard against premature abandonment of the lease.

When the federal share of royalty oil is taken in kind rather than in cash value, disposition of that federal share becomes an important issue. The present system of disposition of federal royalty oil is one that works well for small California refiners. At the present time all federal offshore leases with the exception of a few that are tied up in state-federal legal disputes in the Gulf of Mexico are providing the federal royalty share in kind rather than in value, and making it available to small refiners who can demonstrate a need for it. This practice has been extremely important to the small refiners, those with a capacity of less than 30,000 barrels per day and employing less than 1,000 persons. I recommend that this practice be embodied in law. Although the definition of a small refiner could be enlarged to increase the number of eligible refiners, a provision should exist to make some portion of the product available to small refiners on a permanent basis.

Regardless of the amount of OCS land leased, the practice of providing the federal royalty share in kind is a sound one. Small refiners who have difficulty purchasing crude can be assisted to remain competitive, and the remainder of the product can always be sold on the open market by competitive bidding, as provided for in Sec. 204 of S. 3221. Overall competition in the oil industry will be enhanced.

The legislation pending before this Committee recognizes the importance of our offshore resources, the need to develop them with utmost precaution, and the impact of this development on the coastal states. On April 18, the California State Assembly

unanimously passed a resolution urging that the State be allowed to participate in decision making relating to the leasing of offshore oil and gas resources. This is a reasonable position and the State's interest in OCS matters should be recognized in OCS legislation.

My remarks today refer to only a few of the legislative provisions being considered in these hearings, but I support the comprehensive approach of S. 3221, the Energy Supply Act. Its provisions for a leasing program, equipment and performance standards, lessee liability and enforcement of regulations are particularly important for maximizing protection. Congress must give the Department of Interior specific guidance on OCS resource management and I agree this must be undertaken carefully. In addition, I urge that immediate steps be taken to protect the Southern California Borderland from premature development.

Mr. Chairman, the resources of the Outer Continental Shelf cannot be viewed in isolation. Although the need for improved OCS regulation exists, development should be weighed against the development and improved recovery methods of other energy resources such as coal, the many uses of the coastal zone, and the effects of energy conservation. The energy crisis will be with us for many years, and we cannot afford to sacrifice our environment to temporary solutions.

#### JEWISH EMIGRATION

Mr. HASKELL. Mr. President, the 1974 session of the Senate of the 45th General Assembly of the State of Colorado assembled in Denver has adopted Senate Memorial No. 3 memorializing the Congress of the United States to enact legislation concerning Jewish emigration. I offer this memorial for the consideration of my colleagues and ask unanimous consent that it be printed in the RECORD.

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

##### SENATE MEMORIAL NO. 3

Memorializing the Congress of the United States to enact legislation concerning Jewish emigration

Whereas, There is pending in the United States Congress a bill to prohibit most-favored-nation treatment and commercial and guarantee agreements with respect to any nonmarket economy country which denies to its citizens the right to emigrate or which imposes more than nominal fees upon its citizens as a condition to emigration; and

Whereas, There are three million Jews in the Union of Soviet Socialist Republics; and

Whereas, There are many thousands of Jews in the USSR applying for visas to Israel and other countries; and

Whereas, It has been the policy of the USSR by fees and other red-tape matters to discourage and prohibit those people from migrating; and

Whereas, These people have the desire to leave the USSR and migrate to Israel and other countries; now, therefore,

*Be It Resolved by the Senate of the Forty-ninth General Assembly of the State of Colorado:*

(1) That the Congress of the United States is hereby memorialized to enact legislation whereby:

(a) Products from any nonmarket economy country shall not be eligible to receive most-favored-nation treatment, such country shall not participate in any program of the Government of the United States which extends credits, credit guarantees, or investment guarantees, directly or indirectly, and

the President of the United States shall not conclude any commercial agreement with any such country during the period beginning with the date on which the President determines that such country:

(I) Denies its citizens the right or opportunity to emigrate;

(II) Imposes more than a nominal tax on emigration or on the visas or other documents required for emigration for any purpose or cause whatsoever; or

(III) Imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice; and

(b) The period of such sanctions shall end on the date on which the President determines that such country is no longer in violation of subparagraph (I), (II), or (III) of paragraph (a) of this subsection (1).

(2) That in the event such legislation is enacted, the President is urged to find that the Union of Soviet Socialist Republics is in violation of the conditions set forth in subsection (1)(a) of this Memorial.

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

#### POLISH-HUNGARIAN WORLD FEDERATION

Mr. PERCY. Mr. President, at a meeting of the Polish-Hungarian World Federation and Affiliates in Chicago on May 25, 1974, a resolution was passed stating that many Poles, Hungarians, Lithuanians, Estonians, and Latvians are still interned in labor camps, and asking the administration, the Congress, and the United Nations to work for their release and emigration.

The resolution also appealed to the administration and the Congress to intervene with the Government of the Soviet Union on behalf of freedom and self-determination for the peoples of East Central Europe and the Baltic States.

The president of the Polish-Hungarian World Federation is Dr. Karol Ripa, whom I have known and admired for many years. His meeting on May 25 was attended by official representatives of many organizations in this country, Canada, and Western Europe. I have always been impressed with the depth of feeling, conviction, and dedication of these leaders of some of our most distinguished ethnic heritage groups.

#### UNAVAILABILITY OF A DEFENSE PRODUCTION ACT PRIORITY FOR COMMERCIAL SHIP CONSTRUCTION

Mr. BENTSEN. Mr. President, I am deeply concerned by a recent decision of the Department of the Navy to block a Defense Department priority for the construction of six new ultra large crude carriers (ULCC). I am referring to the recent announcement by the Todd Shipyards Corp. that it is postponing its plans to build a new \$100 million shipyard at Galveston, Tex., and dropping plans for the construction of six 400,000 deadweight-tonnage tankers.

These supertankers would have been the largest ever built in the United States and this new shipyard would represent a major new shipbuilding capacity for the United States.

The Navy has taken the position that supertankers have no direct military application and, therefore, do not qualify for a priority under the Defense Production Act. The Navy in effect takes the narrow view that unless a ship can be directly used by the military services it does not meet the criteria which would warrant a priority under the Defense Production Act. I question this strict Navy interpretation of the Defense Production Act and I strongly disagree with the judgment of the Navy that supertankers do not meet an essential national priority.

The Nation has a need for these supertankers; that is obvious to any observer. The United States will import 38 percent of its required petroleum in 1974 from abroad. A large percentage of that crude oil will come from the Middle East and supertankers are by far the most economical and efficient means of transporting this petroleum to our shores. Even if Project Independence is successful as I hope that it will be, we will still import substantial quantities of oil.

It is important for the United States to have the capacity to compete for adequate petroleum supplies abroad and to deliver those supplies to the United States in an economical fashion. In order to meet this requirement petroleum producing companies have undertaken the construction of hundreds of ULCC's around the world. The U.S. Maritime Administration has before it 62 requests by U.S. companies to build these giant tankers. A priority for steel under the Defense Production Act means the difference of whether these ships are built here or if they are built abroad. The difference between them flying an American flag or some other nation's flag.

The granting of a priority under the Defense Production Act for the construction of these new supertankers, Mr. President, could mean the difference between billions of dollars in ship construction and thousands of shipyard jobs remaining in the United States or going abroad.

The Navy certainly has a legitimate concern for the completion of its own shipbuilding program and I believe the record will show that I have been a strong supporter of that program. The question I would pose, however, is how sensible is it for the United States to build a strong Navy to insure our access to the sea while at the same time we fail to build the necessary ships to make use of those protected lanes of shipping. The Navy, for instance, is seeking an expanded base of operation at Diego Garcia to protect, among other things, the shipping lanes from the Middle East, through the Indian Ocean. The ships the Navy expects to protect are the very supercarriers which are being blocked from construction by the position of the Navy on priorities under the Defense Production Act.

Even though the supercarriers will not have a direct military use, they certainly

will have an impact on those parts of our shipping and industry which do. The use of supercarriers in a time of national emergency would free smaller carriers, such as those in the 90,000-ton class, which the Navy says would be usable in a time of war as support vessels. The yards built to construct these supercarriers would provide the Navy with a new capacity to drydock Navy vessels, such as aircraft carriers, which can be handled by few U.S. yards at this time. Finally the supercarriers would provide a capacity to move huge quantities of petroleum in a short period of time during any national emergency.

The case I believe is clear then that the Navy is allowing an overly strict interpretation of the Defense Production Act to impede a critical national need for the construction of crude carriers in U.S. yards. I do not believe that we in the Congress should allow such an important decision affecting such vital U.S. interests to be determined by a nitpicking interpretation of the Defense Production Act. We need these ships, these ships should be built in U.S. yards and if an amendment to the Defense Production Act is necessary to accomplish that purpose, then I believe the Congress should act swiftly to approve one.

I ask unanimous consent that a recent article from Business Week magazine on this subject be printed in the RECORD.

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

#### THE SUPERTANKER STEEL SQUEEZE

"I had nothing to do with it," said crusty, 74-year-old Admiral Hyman G. Rickover, who is as legendary as the late J. Edgar Hoover in getting his own way in Washington. "How can I block a Defense Dept. priority?" he wanted to know.

In fact, however, Rickover, the Navy's nuclear chief and a man of strong convictions, was a key, undisclosed force behind last week's tersely worded announcement by Todd Shipyards Corp. that it was ditching an \$800-million program it had been working on for more than a year. The reason: The Defense Dept. refused to grant the company a priority to get steel under the Defense Production Act of 1950.

Todd had planned to construct a new \$100-million shipyard in Galveston, Tex., where it would build 400,000-deadweight-tonnage tankers, the biggest ever for the U.S. The company already had orders worth \$780-million for six of the ships from Exxon Corp., Zapata Bulk Transport, and Central Gulf Lines. Todd was also negotiating with several companies that wanted to build 24 of the mammoth tankers at a potential cost of \$2.6-billion. In all, the Maritime Administration has pending requests from companies to build 62 of the giant tankers at a total value of \$7.4-billion.

It was not only the initial contracts but also the outlook for additional orders that made the pill hard for Todd to swallow. "We moved heaven and earth to get this authority, and it seems unappealable," says a Todd official. Indications are that that was one of the understatements of the year.

#### ULTERIOR MOTIVES

Central to the issue are charges by shipyard officials that the Navy wants to slow merchant ship construction because it is having trouble getting competitive bids on the ships it wants to build.

For the shipyards, construction of the highly capital-intensive ultralarge crude

carriers (ULCCs) along with liquefied natural gas (LNG) carriers represents one area where U.S. shipyards, which generally have advantageous financing, can compete for orders with foreign yards. Several U.S. shipyards can build LNG carriers, but at present no U.S. yard can handle \$100-million and more 400,000-ton ULCCs. However, Newport News Shipbuilding & Dry Dock Co., owned by Tenneco, Inc., is building a \$150-million yard capable of building the ships.

Indeed, the new Newport News shipyard is a key factor in the decision to deny Todd a steel priority. Shipyard officials and some government officials contend that the Navy, and specifically Rickover, is miffed at Newport News's decision to jump heavily into merchant ship construction. Traditionally, the yard has concentrated on Navy ships, and it has the reputation of being one of the most competent shipbuilders in the world.

"Rickover contends that we will dilute our expertise by shifting skilled workers to the new yard," a Newport News spokesman says, adding, "We can't seem to convince him this won't happen."

Rickover's denial of Todd's request for shipyard steel is backed up by Chief of Naval Operations Admiral Elmo R. Zumwalt and other Navy brass. The Navy has apparently decided to block all materials priority requests for the ultralarge tankers and LNG carriers. If this position prevails, "it will drive billions of dollars of ship construction to foreign shipyards," says Edwin Hartzman, president of Avondale Shipyards, Inc.

"Without a steel priority," says Hartzman, "you cannot be assured of delivery schedules." Because of the current steel shortage in the U.S., Hartzman reports that his yard is now running almost 25% behind schedule in the construction of two LNG carriers for which the company was denied a steel priority. Avondale's predicament suggests why Todd decided to drop its plans rather than risk building without a priority, which is given to a merchant ship only if the Defense Dept. declares that it has a military value in case of war.

Infighting. The Todd request reflects the Navy squabble between the civilian officials and the brass. Initially, the Assistant Secretary of the Navy for installations and logistics, Jack L. Bowers, sent the Todd request and his recommendation for approval up to the Defense Dept. level, to Arthur I. Mendolla, assistant secretary for installations & logistics. Bowers was so certain that the application would be approved that he informed the office of Senator Lloyd M. Bentsen (D-Tex.) that there were no more problems. But Bowers underestimated the power of the admirals. Despite Rickover's vehement claim that he had nothing to do with the decision, Mendolla openly admits that Rickover was present along with Zumwalt and Bowers when Mendolla made his decision. Asked whether Admiral Rickover was against granting the priority, Bowers admits: "Sure, Rickover was against the priority," and, he adds, "I won't deny it [the request] might not have gone the other way without him."

Mendolla explains that in reversing the Navy's recommendation for approval, he was "restricting our interpretation of the Defense Production Act of 1950 to its narrowest sense that each ship must have a direct military value." Bowers had reasoned that in the broad context of the act, such ships would be useful to supply the industrial base with fuel in time of war.

Helping to seal the fate of Todd's request, Representative Wright Patman (D-Tex.), chairman of the House Banking Committee, wrote Mendolla strongly suggesting a narrow interpretation of the act. Patman's committee wrote the original act, and it comes up for renewal next month. "Patman wrote the letter," says a shipyard official, "at the



request of Rickover." Patman's district would not benefit from the Todd contract.

"This situation has reached the stage that it has got to be brought out in the open and cleared up," claims a shipyard official. But he as well as other ship construction officials are loath to be the one to openly push the issue. That reticence is understandable. Rickover's roughshod dealings with shipyards is legendary. Says one official: "If he decides to bother you, he knows how."

## SPORTS EVENTS ON CABLE TELEVISION

Mr. HUGH SCOTT, Mr. President, on June 6, 1974, the Senate Judiciary Committee will meet to consider the copyright revision bill, S. 1361.

A subsection of S. 1361 which deals with cable television has caused some concern.

On May 16, 1974, I inserted in the RECORD a letter and memorandum by Mr. Bowie Kuhn, the commissioner of baseball. Mr. Kuhn outlined the position of professional baseball vis-a-vis baseball telecasts and cable television.

Recently, I received a similar letter and position paper from Mr. Pete Rozelle, commissioner of the National Football League. At one point in his letter Mr. Rozelle states:

Contrary to representations that might have been made to you or your staff by cable television interests, the existing language in S. 1361 should not deprive a single television viewer of this substantial offering of live NFL game telecasts. It is true that some communities do not receive one or more of the network signals off the air. But I state unequivocally that in these communities we fully support the effort of cable television systems to provide that missing service. A good example is the Monday night telecast on ABC. Any community that now receives those telecasts only via cable would continue to receive them if the current language in the bill is preserved intact, notwithstanding any language in S. 1361 that might be construed differently. Likewise, in communities that do not receive ABC either off the air or on cable, we would welcome cable making up this loss. And we would impose no conditions of payment or demand any other price.

I am happy that Commissioner Rozelle has expressed his desire to have the views of the National Football League concerning sports and CATV on the public record.

I commend his letter and position paper on section 111(c)(2)(c) to each Senator's attention. I ask unanimous consent to print the letter and memorandum in the RECORD.

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

THE NATIONAL FOOTBALL LEAGUE,  
New York, N.Y., May 22, 1974.

Hon. HUGH SCOTT,  
U.S. Senate,  
Old Senate Office Building,  
Washington, D.C.

DEAR SENATOR SCOTT: It is my understanding that the Judiciary Committee will soon be considering S. 1361, the revision of existing copyright law, including the provisions relating to cable television, or CATV. My purpose in writing is to express my earnest hope that in dealing with these provisions you will affirm the action of the Copyright

Subcommittee insofar as cable carriage of professional football telecasts are concerned.

Two very notable facts about NFL game telecasts must be kept firmly in mind. The first is that unlike a movie or syndicated series program, the telecast of any sporting event has very little value after the game is over. This means that from a copyright point of view, it is important that professional sports teams receive their television revenues almost entirely from the live telecasts of their games.

The second notable fact about NFL games in particular is that with very few exceptions all League season games are played more or less simultaneously on Sunday afternoon and without exception all are televised live to substantial parts of the American television audience. In fact, everyone who can receive either a CBS or NBC affiliate station on his television set—which is probably everyone who owns a set—is able to see one, two or three NFL games every Sunday afternoon in the fall, and everyone who can receive an ABC affiliate station may see the popular Monday night game telecast except those in the immediate area of the game itself if it is not sold out.

Contrary to representations that might have been made to you or your staff by cable television interests, the existing language in S. 1361 should not deprive a single television viewer of this substantial offering of live NFL game telecasts. It is true that some communities do not receive one or more of the network signals off the air. But I state unequivocally that in these communities we fully support the effort of cable television systems to provide that missing service. A good example is the Monday night telecast on ABC. Any community that now receives those telecasts only via cable would continue to receive them if the current language in the bill is preserved intact, notwithstanding any language in S. 1361 that might be construed differently. Likewise, in communities that do not receive ABC either off the air or on cable, we would welcome cable making up this loss. And we would impose no conditions of payment or demand any other price.

Unless there is a law or FCC regulation, however, that prohibits a cable system located right in an NFL franchise city from bringing in a telecast of that team's home games or of other games, there could be a serious adverse impact on ticket sales. Likewise, if cable systems located in other cities can carry numerous NFL game telecasts in direct competition with the live telecasts that are already available on nearby television stations, there would likely be a substantial impact not only on the economic value of our television package but also on other important values. For example, the networks now make each team's away games available in its home city and in the region in which that city is located. This results from a requirement we impose. Thus, if the New England Patriots are playing in San Diego, NBC must bring that game back to the Boston area, despite the costs, and in the face of competition from the game there on CBS. But if cable were allowed to bring more games into that area, NBC's audience would be still further diluted, and there would be increased pressure to save all the costs of bringing the Patriots' game to its fans back home. The loss here, though not financial is nonetheless severe.

Our objective is not to deprive any fan of what he can see on regular television or on cable which is extending television signals to those in truly underserved areas. Nor is our objective to hurt an industry which appears to have a good many beneficial aspects. Our objective instead is to prevent that industry from building its own fortunes by undermining the rights of National Football League teams, distorting our existing television distribution patterns, and causing

services economic harm—in short, from using our own product against us.

The foregoing has been a somewhat abbreviated summary of our position. Enclosed herewith is a more detailed memorandum reflecting our position on this matter. Should you want or need still further information, our Washington counsel, John Vanderstar 293-3300, is in a position to provide it promptly if you or your staff will simply give him a call. Ultimately, when the time comes to vote on S. 1361, I hope you will keep these points in mind and will support the Subcommittee bill insofar as it relates to cable television carriage of professional sports telecasts.

Sincerely,

PETE ROZELLE,  
Commissioner.

## MEMORANDUM

In considering the subject of professional sports telecasts and CATV in the context of S. 1361, we will review the legal background of the National Football League's existing television practices, then discuss the economic and other reasons for those practices, concluding with a description of how unrestricted CATV will disrupt those practices to the prejudice not only of the teams themselves but also of their fans and the public generally.

## BACKGROUND—JUDGE GRIM'S DECISIONS AND PUBLIC LAW 87-331

The starting point for consideration of the merits of the National Football League's present television policies is *United States v. National Football League*, 116 F. Supp. 319 (E.D. Pa. 1953). At that time, the member clubs of the NFL were selling their television rights individually. They were also operating under Bylaw agreements the effect of which was to accord to each member club of the League exclusive television rights within its own home territory. This Bylaw agreement was viewed by the Department of Justice as an illegal allocation of television marketing territories.

The Federal District Court decided the case partly in favor of the member clubs and partly in favor of the Government. The Court concluded that it was reasonable to accord each member club exclusive television rights within its home territory when that club was playing a game at home, but that it was not reasonable to accord it exclusive television rights within its own home territory when it was playing a game away and simply carrying its own away game back on television.

This litigation was in no way concerned with the right of the member clubs which are participating in a game to make the decision not to telecast their own game locally. The decree itself specifically excluded from its application all agreements between the clubs participating in any game with respect to where, when, and how their game would be broadcast or telecast.

Since this litigation was concerned solely with the National Football League, the decree applied only to it. When single network sale practices by sports groups became relatively common in later years, the NFL alone was confronted with limitations. No court had ever directly concerned itself with the antitrust implications of joint sales of television rights by the member clubs of a sports league, but the Philadelphia District Court, on petition by the NFL, concluded that it was bound by the terms of its earlier decree, 196 F. Supp. 445 (E.D. Pa. 1961).

The League therefore petitioned Congress for relief. But the relief sought was not protection of its "blackout" privileges or confirmation of its "blackout" rights. These were either inherent in the situation or already protected by court decision. What the League sought, and what Congress granted, was the right of the League to reestablish a

reasonable level of control over its own patterns of telecasts—a control which the League could not hope to exercise while its fourteen member clubs were required to deal individually with the limited network facilities available. Evidence had been offered to both the District Court and to the sponsors of the legislation that continued sales of television rights by the clubs individually would inevitably result in lost television values, an endless fragmentation of television audiences for NFL games, a loss of the League's ability to require the networks to carry each away game of each NFL team back to its home territory, a disruption of the League's regional network programming, and even the inability of some clubs to acquire access to television facilities—all resulting from the League's inability to control its own patterns of telecasts.

In enacting Public Law 87-331 in 1961, therefore, Congress was not concerned with "blackout" issues but with the grant of authority set forth in Section 1—the authority granted to the members of a sports league to act jointly in the sale of their television rights for the purpose and with the effect of reestablishing control over their own patterns of telecasts. It was recognized by all concerned that sales by the League to a single network (such network would have only one local affiliate in each television market) would inevitably have the effect of reducing the number of NFL telecasts which would be available in many markets. But it was felt that the increased ability of the League to impose affirmative regional network obligations on its purchasing network and to restore order to its television patterns justified this effect. And the NFL promptly concluded a television contract following this philosophy. The American Football League, which was then separate, entered into a similar contract with a different national network.

#### THE NFL'S EXISTING TELEVISION POLICIES

The National Football League's television programming is unique in two respects: (1) its games have their primary audience interest only when telecast "live"; and (2) as many as twelve NFL games are played and broadcast either simultaneously or in overlapping time periods on each Sunday afternoon. (We are of course speaking here of the 26-team League that has come about after the dissolution of the AFL.)

The National Football League now makes use of the services of two different national television networks for the coverage of these Sunday games (plus the popular Monday night game on the third network). As a result, as many as two NFL games are available to home viewers in each NFL home territory on a Sunday when the home team is playing at home, as many as three NFL games are available within home territories on a Sunday when the home team is playing away, and as many as three NFL games are commonly available on each Sunday afternoon in television markets not located within member club home territories. This is quite enough to serve any public interest (there are those who believe it is already too much). It is difficult to understand why any outside interest should have the privilege of altering this pattern without the League's permission.

The structure of television distribution of NFL games is grounded in four basic principles:

The first is to make live game telecasts available on free television to as many fans as possible without undermining other important objectives. To this end, all regular season games and post season championship and all-year games are made available to the national television networks to tele-

vise on a live basis (many preseason games are also telecast by the networks and the clubs on a live basis). To the extent CATV can further this purpose without undercutting other important principles, the NFL does not oppose and indeed would welcome such activity. Thus, for example, a CATV located in an area that cannot receive the Monday night game off the air (other than "the area where the game is being played") would meet no opposition (or demand for payment) from the NFL.

The second is to preserve as much as possible the essence of a professional football game—a stadium full of interested fans, rather than a sound stage for television productions. To this end, a team's home games are never telecast within the team's home territory because of the extremely adverse impact such a practice would have upon ticket sales and stadium attendance, except when sold-out games are telecast under Public Law 93-107. (In the late 1960s, the NFL voluntarily abandoned its practice of excluding outside NFL games from home territories when a home team is playing at home. As a consequence, at least two other NFL games are available to home territory television viewers whether the home team is playing at home or not.)

The third is to maintain a regional network structure that provides roughly equal television exposure to all teams, regardless of their won-lost records in particular years. This is one of several efforts the NFL makes to promote and maintain substantial equality of member teams, which in turn produces more vigorous competition on the playing field and increased fan interest and excitement.<sup>1</sup> To this end, the television networks are required to bring each team's "away" games back to the team's home city (which as a practical matter becomes the center of that team's regional network).<sup>2</sup>

The fourth is the protection of attendance at college and high school football games from the adverse impact live telecasts of NFL games might cause. This is directly required by Section 3 of Public Law 87-331, as amended, 15 U.S.C. § 1293, and the NFL imposes restrictions on the television networks (and upon its own member clubs) to carry out this public policy.

These four principles of NFL television distribution are all specifically oriented toward one or more aspects of the public interest. But there are economic values involved as well, for the television networks pay substantial sums for the rights to televise NFL games live each weekend. And the revenue from these television contracts is an important source of the funds that are needed to continue to meet the heavy expenses—for player salaries, equipment, stadium rentals, etc.—plus whatever returns the club owners enjoy on their investment. This, too, is a major consideration for without it there would be no teams and no National Football League.

#### HOW UNRESTRICTED CATV CAN UNDERMINE THE NFL'S TELEVISION POLICIES

The NFL's primary concern (apart from home game telecasts on top of the games themselves) is with the regional network structure. It will be recalled that the net-

<sup>1</sup> Other such policies are the equal division among all clubs of the total revenue from the regular season television package and the giving of higher player draft choices to the teams with poorer won-lost records.

<sup>2</sup> Under a recently developed practice, "double headers" are provided on one network or the other on most Sundays. This provides fans with telecasts not only of area teams when they are playing away games but also of teams playing in other parts of the country.

works must televise *every NFL game*—normally 12 games every Sunday—live in the home cities of the visiting teams. To carry out this requirement, the networks must incur substantial costs (for extra broadcast crews, line charges, etc.) which could be avoided if only one or a few games were telecast nationally each Sunday afternoon.

But the networks receive for these regional telecasts at least that degree of exclusivity which results from there being no more than one primary affiliate of each network in each city. This permits, among other things, the sale of advertising time to local and regional sponsors, who might not otherwise be able to participate in NFL game telecasts and who provide an important source of revenue to the networks and their affiliated stations.

What happens if CATV is allowed to carry NFL game telecasts without adequate restriction? The answer is clear: The network that once had, for example, the exclusive attention of football fans in a given area—subject, of course, to the competition of the other "Sunday network"—now finds any number of extra games brought in on the cable, fragmenting the audience and diminishing the value of its regional advertising spots, and the affiliated station finds the value of its adjacencies considerably diminished.

The impact on professional football would be quite disruptive. The networks could well decide that since CATV is not required to respect their exclusivity, the additional costs of the regional network structure are too onerous. Pressure to give up regional networks would mount, and the important objectives this structure is designed to promote would be endangered. And for what? Nothing more than the availability—on cable and for pay—of four or six or eight NFL game telecasts in the same city at the same time. We think the public is far better served by maintaining the existing system.

Another element of unfairness is the concern of television stations in NFL cities. These stations can carry home games of the local club only when they are sold out pursuant to Public Law 93-107. Yet if CATV is not adequately restricted, it would be able to carry home games that are not sold out.

Another principle that unrestricted CATV would undermine is the protection of college and high school football game attendance. Sharing their stadiums with baseball teams and other tenants, the NFL teams cannot in every instance avoid scheduling conflicts with the colleges and high schools. They can meet their responsibilities in this area only by controlling their own patterns of game telecasts.

Finally, the overall economic values of the NFL's television package are a matter of concern. The discussion of the regional network problem above provides an example of how CATV, if not adequately regulated, could affect the value of game television rights by destroying the exclusivity the networks bargain and pay for. When this is multiplied by the enormous number of CATV systems carrying distant signals which the present FCC cable rules are likely—and, indeed, designed—to stimulate, it can be seen that the impact on the networks' willingness to continue to pay substantial sums for game rights could be truly staggering.<sup>3</sup> The eventual impact could be the opposite of the immediate increase in available games; ultimately, unrestricted CATV could *reduce* the general

<sup>3</sup> A recent count indicates that about 193 new CATV certificates of compliance have been issued in the 35-mile zones surrounding the 25 NFL cities, and of course many hundreds more have been issued in other areas.



availability of live professional football games on free over-the-air television. We doubt that anyone could find such a result to be in the public interest.

#### CONCLUSION

In short, whenever any CATV is given unlicensed access to an NFL game signal under circumstances where, under the League's present television practices, no local station would be authorized to broadcast such game, the following results will be produced:

(1) the local broadcast stations which have purchased the rights to one or more NFL games on that particular afternoon will encounter a form of direct NFL television competition from a television outlet which, unlike the local broadcast stations, has not been required to purchase the rights to the NFL game being telecast;

(2) the sponsors of the local NFL game telecasts on the standard broadcast stations will be deprived of whatever level of exclusivity the League's present network sale patterns afford and thus cannot be guaranteed any level of audience potential for the games they are sponsoring;

(3) the NFL will be unable to guarantee the networks which purchase its television rights any particular pattern of NFL game telecasts within most television markets (without which the networks will lose a firm basis for sales to sponsors);

(4) local and regional sponsors of NFL standard broadcast telecasts (neither NBC nor CBS is today capable of selling all time spots on NFL programming to national sponsors) will be confronted with competing NFL game programming carrying the commercial messages of non-local and non-regional sponsors (to the extent that their own sponsor messages are carried on remote CATV outlets elsewhere, such sponsors will in no way be benefited).

In these circumstances, the networks will ultimately resist continuation of the League's present patterns of multiple-game regional network programming (which is an uneconomic method of programming in many instances), particularly where the television signals of more nearby NFL games are imported by local CATVs. Furthermore, the League may ultimately be forced to abandon its practice of requiring the networks to carry each away game of each home team back to that team's home territory (a total of twelve games each Sunday) in order to limit the number of its game signals available for unauthorized appropriation by CATVs.

What the National Football League requires—solely because of its own unique patterns of multiple-game programming on each regular season Sunday afternoon—is protection against any form of unauthorized competition by CATVs with its own licensed standard broadcast programming. This need would not be met by a rule according the member clubs protections only within their home territories when they are playing games at home; that situation arises in only twelve American cities on any particular Sunday afternoon of the regular season. A broader rule, such as that presently contained in S. 1361, is needed.

#### WORLD FOOD PROSPECTS

Mr. KENNEDY. Mr. President, as we all know, the world came dangerously close last year to running out of food. And although the current crop appears to have averted disaster, the message of last year remains urgent: the international community must soon come to grips with the need for increased international cooperation over food resources.

In this area, the United Nations Food and Agriculture Organization, FAO, has played an important and creative role. Their information office for North America, located here in Washington, is and has been a valuable resource for information on the world food crisis.

Recently, Mr. Robert C. Tetro, senior economist for the FAO Washington Office, drafted an insightful paper on "World Food Prospects and Problems." I know, Mr. President, that the information contained in this FAO report will be exceptionally useful to my colleagues in the Senate, and I ask unanimous consent that it be printed in the RECORD.

The being no objection, the report was ordered to be printed in the RECORD, as follows:

#### WORLD FOOD PROSPECTS AND PROBLEMS

(By Robert C. Tetro)

In spite of 1973's increase in food production the world situation remains highly precarious. Import demand for grains continues to run high, stocks have dwindled and world market prices remain at relatively high levels.

In 1973 farmers and governments did their best to expand production in a situation of short supplies and high prices. Their efforts had to succeed if the world's basic food requirements were to be met because of the low level of opening stocks. The outcome of the 1973 cereal harvest was awaited with great anxiety; a crop failure in just one single major producing area would have seriously jeopardized the world's food security. Fortunately, the worst did not occur. Good or even excellent crops were harvested in most parts of the world, with record crops in the U.S.A. and the U.S.S.R. The good monsoon in Asia removed the danger that exceptionally large imports of food grains again would be required by these populous regions, grains which simply would not have been available in world markets. Some factual details on what is happening are needed here before getting into what might be done nationally and internationally about man's competition with animals for scarce grain supplies.

#### AFRICA STILL SERIOUS

World food production is estimated to have increased by 4 percent (Table 1) in 1973 compared with a slight drop in 1972. At the per capita level, production went up by two percent. There were relatively good results in 1973 in both developed (up 5 percent) and developing regions (4 percent). However, production fell in two regions—Africa and the Near East—by 3 and 5 percent, respectively. The most serious situation was, and still is, in Africa where this drop in production followed a year in which most countries of the continent made little, if any, improvement. The African per capita production level in 1973 was some 5 to 6 percent below that of 1961–65. Drought was mainly responsible for this discouraging situation, not only in the Sahelian zone but in other countries of West Africa and also in east and southern Africa. The drop of 5 percent in the Near East is not as disappointing as it may first appear, as production in 1973 is compared with a year in which there had been an exceptionally large increase. Production was still higher, by about 2 percent, than the previous record level attained in 1971, although the per capita production was slightly below that of 1961–65. Clearly, little progress has been made recently in per capita food production in either of these regions (or in most of the other developing regions for that matter).

The best result in the developing regions was in the Far East (total up 10 percent) where favorable monsoon conditions led to excellent grain crops especially in India, Bangladesh, Thailand and the Philippines. Nevertheless the recovery from the poor results of 1972, when production fell 3 percent, only brought per capita output to 3 percent above the 1961–65 level. In Latin America, total production rose by 4 percent which contrasted favorably with near stagnancy of the two previous years and yet left per capita production only equal to 1961–65.

There was a 3 percent gain in China where a record grain harvest slightly more than 250 million tons helped to overcome the setback caused by drought in 1972.

The best result in the developed regions was in eastern Europe and the U.S.S.R. (latest estimate, up 10 percent) where the record Soviet grain harvest of 222 million tons, one-third larger than in 1972, was a major factor. There was a good recovery too in Oceania from the drought-stricken level of 1972. The Australian wheat crop of about 11 million tons was some two-thirds larger but livestock production, especially of mutton and lamb, was down slightly. In western Europe and North America harvests were generally good to excellent, although livestock production increased only slowly.

World supplies of grains remain very short in relation to demand despite increases in world production of wheat and coarse grains in 1973 by about 9 percent and 6 percent respectively. (See Tables 2, 2A and 2B.) Two-thirds of that increase was due to a record crop in the U.S.S.R. and there are no indications yet what that increase may mean to the U.S.S.R. or its trade. For the rest of the world, growth in production was only 3 percent for wheat, and 2 percent for coarse grains, which is not sufficient to offset the heavy fall in exporters' opening stocks. Total grain availabilities in 1973–74 will, therefore, be less than they were in the previous season, and import demand can be met only by means of a further fall in exporters' stocks to near minimum levels. The world will thus remain dependent for its food supplies in 1974–75, to an even greater extent that it was last year, on the performance of the new crops.

World trade in wheat and flour in 1973–74 is still expected to be close to 65 million tons provided sufficient wheat is released from stocks during the remaining months of the season, and wheat movements are not materially affected by strikes, shortage of bunker fuel, or delays in delivery dates for shipments already contracted. Trade in coarse grains is expected to rise substantially above the level of 57 million tons reached in 1972–73, owing to an upward trend in demand for grains as animal feed, poor coarse grain crops in a number of developing countries, and continuing tight supply-demand situation for wheat and rice. Larger shipments are expected to western Europe and Japan as well as into Latin America, Africa and Asia, including China, which is emerging as a large importer this season. Aggregate export availabilities in countries other than the United States are at present estimated to be the same as in the previous season, so that any substantial increase in the volume of trade in coarse grains would depend on a further rise in United States exports.

#### RICE SUPPLIES TIGHT

World rice supplies were extremely tight during the last quarters of 1972. (See Table 3.) The poor crop in 1972 had left Asian exporters with very little rice for shipment during 1973. Most importers found themselves with a considerable part of their import demand unsatisfied, and in the last quarter of the year shortages became even more pronounced in some countries. Stocks were

nearly exhausted and a growing imbalance between supply and demand pushed world market prices to levels which were three times as high as a year earlier.

Fortunately, world paddy output in 1973 (which will be available for consumption and trade in 1974) not only recovered from the 1972 setback but may have reached a new record. Preliminary estimates indicate that output may be about 310 million tons compared with 294 million tons in 1972, an increase of some 5 percent. (The previous record was 309 million tons in 1971.) The big increase in world output was due not only to favorable weather in most producing countries, especially in the Far East, but also the response of producers to sharply increased prices realized during 1973, as well as to policy measures, including relaxation of acreage controls and considerable increases in support-procurement prices.

The excellent 1973 rice crop has improved the situation, particularly in the Far East, but the effect on prices is likely to be limited, as import demand is continuing strong for precautionary reasons. Demand for stock replenishment is, indeed, likely to be very substantial in 1974 as several governments—especially, though not exclusively, of importing countries—have decided to increase stocks to build up reserves. At the same time owing to heavily depleted stocks in exporting countries, export supplies may not rise as much as production. In view of these factors, prices, although likely to decline from the unprecedentedly high levels of 1973, may remain considerably above those of 1972, at least during the first half of 1974. High prices and continuing tight supply/demand situation of other cereals, especially wheat, may also contribute to keeping rice prices relatively high. The outlook for the second half of 1974 will depend largely on the monsoon in Asia, the main rice producing region in the world.

The food situation is particularly difficult in those countries where poor crop conditions at home have coincided with short supplies and high prices of basic food abroad. Throughout 1973, poor crops and food shortages were reported for an unusual number of countries. Perhaps even more significantly, food shortages and high consumer prices are not limited to those areas where crops and livestock production were cut by unfavorable weather. Their effects are being felt the world over, even in exporting countries. Consumers in rich countries of the West have organized boycotts against meat and in some countries of the far East (particularly India) and Latin America, serious food riots have occurred.

#### GOOD PROSPECTS FOR 1974 DESPITE OIL CRISIS

Record world crops will be needed in 1974 to make ends meet in the coming season, and to make at least a modest start towards the replenishment of stocks. Fortunately, there are good indications of record crops. The area sown to winter grains was greatly expanded in the United States, crop conditions are generally good, and farmers' sowing intentions point to larger spring plantings. However, apart from weather conditions, there is one additional, new factor influencing the food outlook: the oil crisis in all its various aspects. Not much is known about the likely availability and prices of such essential inputs as fertilizers and fuel in individual countries and regions, although the total used will be higher. The effect of these new developments on the world food situation cannot be fully assessed yet. However, it is clear that high oil prices will put a terrific strain on the balance of payments of many developing countries. For some it will mean curtailing both imports and produc-

tion of fertilizers, thus reducing yield prospects. Forecasts for the Indian spring grain crops have already been lowered on this account, and the main rice crop harvested in the autumn is likely to be affected as well.

The new season is approached with anxiety, as the world population steadily expands and food stocks are almost exhausted. If all goes well, there will be an easing of the situation, somewhat lower prices, and, hopefully, some replenishment of stocks. But once again, a major crop failure could bring about a serious food crisis which would require large-scale international cooperation if mass starvation were to be avoided. Even average crops would pose difficulties, because there will be no stocks left to supplement current production.

#### SHORTAGES: TEMPORARY OR CHRONIC?

This brief but gloomy survey of the world food situation inevitably leads to the question: "Are these shortages temporary or chronic?" There have already been many dismal forecasts, which only add to the depressing climate generated by the energy crisis.

Whichever attitude is adopted it does seem clear that a fundamental change has recently occurred in the world's food economy, characterized by growing instability in commodity markets. The margin between surpluses and shortages has become very thin with the depletion of North American grain stocks which had cushioned the world against food shortages and price fluctuations for two decades. Now, small fluctuations in production of North America or such countries as the U.S.S.R., India and China can have a very large impact on international food prices and trade in foodgrains. The precarious nature of food balances and the slimmest of this margin were demonstrated in 1973 as world grain stocks were at their lowest point in a generation, equal to only seven weeks of world's annual consumption.

To say, as Malthus did nearly two centuries ago, that the world's population is limited by its food supplies does not set any precise limit on either population or food. When Malthus spoke world population was about one billion. Today it is approaching four billion (probably better fed), a number that will be doubled shortly after the turn of the century. From another perspective, qualities of life and diet create sharp differences in the adequacy of any given food supply. For example, if we measure food availability by grains alone, 1973 production would have fed about 1.4 billion people at the North American "rather high on the hog" levels of one ton of grain per person per year. Of that ton, most is consumed indirectly after being converted to livestock products. In contrast, the same grain supply consumed at the Asian level of some 400 pounds per person, could have supported a population of 7 billion, and livestock products would have been almost insignificant in the diet.

In the longer run, the food prospects for the world continue to be of growing concern, with cautious optimism on the adequacy of global food resources. All statistical projections point to larger supplies of grain and oilseeds and to probably modest increases in food availability. However, I would prefer to state a corollary that the serious food shortages on a global scale are likely to be more frequent. The caution arises from a number of questions and responses, such as:

1. Is there a reasonable prospect that population can soon be controlled? Probably not.
2. Can increased food from developed countries and developing countries be distributed to meet all foreseeable needs? Only with great difficulty and substantial improvement in developing countries' technology.

3. What are the more serious immediate problems for world food technology?

- a. Water Conservation.
- b. Improved fisheries culture—sea and fresh water.
- c. Increased fertilizer production and improved use.
- d. New impetus to the Green Revolution.
- e. A food security system that includes provision for disaster relief.
- f. Global adjustment of production and trade to achieve the most efficient use of food resources.

A summary of present thinking on the supply of and demand for food points to a concern relative to availability and cost which seems to grow in direct proportion to population increases. It is fortunate that agriculture deals with renewable resources that are responsive to intelligent handling; however, present famine threats and unusual price changes suggest the need for the closest cooperation among governments.

#### WORLD FOOD CONFERENCE

A product of the concern, and almost panic, that arose from the '72-'73 food events was a United Nations' decision to hold a World Food Conference. Such a Conference was proposed by Secretary Kissinger in his maiden speech to the United Nations General Assembly, supporting an earlier resolution from Algiers by the unaligned nations of the world. The Conference will be held in Rome at the headquarters of FAO and will be under the auspices of the United Nations. An early preparatory meeting has agreed on a rough outline of the program which will:

1. Assess the present and prospective adequacy of food production.
2. Outline programs, both national and international, that will increase the production of food and improve its marketing.
3. Appraise and probably approve a proposal for the creation of a food security system providing for emergency reserves, food aid for both disasters and the chronic indigent, and possibly, a formal global scheme for preventative action aimed to mitigate disasters.
4. Consideration of some international approaches, in both production and trade, to improve the use of resources in food production.

In its assessment of the present situation the Conference is likely to underline my conclusion that present levels of living and constantly higher populations tend to decrease the already thin margin between food supplies and needs and to increase the frequency of serious food crises.

#### BASIC FACTORS IN SITUATION

In assessing longer-term prospects there are two major demand factors and at least four supply factors that need to be considered. Let's take a brief look at these.

On the demand side, and by far the most important single factor, is the steady and alarming increases in world population. (See Chart.) With nearly four billion people in the world, one is conservative to put the annual increase at 70 million persons who, even at our Asian grain equivalent measure, add an additional annual demand of some 15 million tons. The other major factor in demand has been the improvement in incomes and diets that was rather steady up until two years ago. Lester Brown of the Overseas Development Council adding these two together estimates an annual grain-equivalent increase of 30 million tons\*, of which 8 million he attributes to improvements of diets, meaning largely consump-

\*This probably high number consumes grain at the world average of 700 pounds per person.



tion of more livestock products. A footnote on population lies in the steady shift toward developing countries, which with birth rates nearly double those of the developed countries, are steadily increasing their "majority" position.

The supply factors are land, water, other inputs (including fertilizers) and management. The impact of these on supply has generally been good with total world food production in 1973 nearly one-third higher than '63 and much higher than 1953. (Table 4.)

Even on a per capita basis, the world situation looked pretty good with a global increase of one-sixth over 1953. However, over that 20-year period, less developed countries, where the most hungry of the world are concentrated, increased per capita food production only seven percent, and in 1972, a bad year, fell back to the meager levels of 20 years earlier.

While the assessment of resources available for food production is continuously changing, the changes have been nearly all in the direction of greater availability. (Malthus knew of North America but not of its fantastically fertile heartland.) Since World War II agronomists have doubled from some 3½ to 7 billion acres their estimate of soils available for food production. Much of the addition comes from a better understanding of tropical soils. Water has always, but perhaps arrogantly, been presumed to be readily available and with costly economical desalinization schemes probably could meet foreseeable future needs. The same is true of most other inputs, including fertilizers, although once again at constantly rising prices. The main problem seems to be with people and management science where some analysts predict the greatest defects are to be found.

#### GREEN REVOLUTION: SUCCESS OR FAILURE?

Particularly during the serious food doubts of a year ago, the critics were pouncing on the Green Revolution, wondering "what it was, if it ever had been". Actually, the Green Revolution probably prevented disasters in 1972 and has been fully as successful as had been anticipated by qualified observers many years ago. One analyst points to India's increases in wheat production from 1965 to 1972 which alone added 14 million tons to 1972 availabilities, thus providing the wherewithal for the continued meager existence of the 100 million Indians added to that country's population over the same period of time.

As of 1972-73, a world total of over 80 million acres was planted to high yielding varieties of wheat and rice in non-Communist nations, excluding Mexico and Taiwan. Nearly all of this area was in Asia with most of it in India. Outside Asia some 2 million acres had been planted to wheat, largely in North Africa. The success with wheat has been greater than that for rice, largely owing to differences in the two grains. Rice is an aqueous plant for which management, particularly of water, is highly important. Also, the early direction of breeding may probably have been less successful than hoped for in achieving disease resistance against a wide range of hazards to which oriental rice is exposed. However, even with rice, some yield improvements have been reported and progress in genetics continues.

Management seems the most difficult factor to transfer in the technology package and yet it is the one that becomes essential as production processes become more complicated and costly. I have heard, and believe the comment has no facetious connotation whatsoever, that plant breeders in much of

Asia are now stressing the importance of management to the extent that they are building "management resistance" (or poor-management-proof) into their breeding processes. For example, new rice varieties won't wilt so easily if irrigation is late or skimpy and will struggle better against unfriendly weeds that should have been removed. In assessing prospects for the difficult transfer of technology needed in the developing countries, one must eventually become pragmatic and say that "It shall be done because it must be done!" As an alternative, we always have The Apocalypse.

#### FOOD SECURITY SYSTEM

Turning for a moment to an alarmingly critical need, let's take a look at the prospects for adequate food reserves. Collective food security on a global scale has been one of the most illusive goals of international agriculture. Better nutrition, better levels of rural living, increased agricultural production, and improved marketing even including commodity consultation—all have been accepted by governments over the quarter century of FAO's existence. Finally, the Conference of 1973 gave approval for a limited scheme for food security as proposed by Dr. Boerma. His plans for food security involved acceptance by all governments of food security as a collective responsibility; reserves are to be undertaken as a national responsibility and created against guidelines developed and approved by governments; new and improved mechanisms will be created for regular reporting of critical information on prospective food availabilities and adequacy; and means to implement agreed plans will be underwritten by all countries.

Included in the food security system will be an undertaking to create reserve protection against emergency shortfalls. In a different category but also to be considered will be some provision for food aid to supplement the inadequate rations of the world's needy, a job made harder by expanding population. Also implicit is the aim to make more specific provisions for food in international schemes for disaster relief. Excluded from the present proposal is any concept of a globally created and controlled reserve. The structure is of national reserves, nationally created and controlled, but within a framework of international guidelines and cooperation.

#### DIFFERING QUALITY OF DIETS

No assessment of world food prospects can be complete without some measure of the quality and cost of diets, partly to show the differences among countries and partly to demonstrate the existence of what Secretary Butz called the security reserve in the grains now fed to livestock that might be diverted to human use or more efficient livestock use if and when the chips were really down on a world level. It is most difficult to find hard information in this area, so with your permission I would like to develop a number of assorted statistics and attempt a quick deduction from those data we do have. FAO is presently conducting its Fourth World Food Survey and we will know a little more about consumption patterns and elasticities by this time next year.

Some ten years ago, while the world average use of grain for feed per capita was estimated at 95 kilos, the United States was feeding 590 kilos, exceeded only by Canada at 669. (See Table 5.) South Asia and Africa, south of the Sahara, were tied for low at 2 kilos. South Asia, of course, includes India with the world's largest cattle population. Actually, as my friends among the statistical purists would be quick to point out, the comparisons in Table 5 of grain used and live-

stock products produced that give us this confusing array of numbers, are quite deceiving. Australasia and Argentina, for example, do not finish much beef with grain as does the U.S. and all countries put a lot of their grain and other concentrates in chicken.

While the concept of emergency grain reserves coming from a livestock industry that uses grains heavily may be comforting during critical shortages of grains in storage, the recapture from livestock of such grains would not be quick or easy; however, to get some measure of this possibility, let us take a look at grains and other concentrates fed. Of the total being used, still unfortunately ten years ago, (Table 6), the world was consuming 961 million tons of grain, of which 319.5 was going for feed and the United States fed 113.1 or more than a third of the total. Canada, whose feeding per capita was higher, had a total of 13.2 million tons, a bit more than ten percent of the use in the U.S. While these comparisons seem to castigate the U.S.A. for its wasteful use of grains, one must say that the market created in the United States for livestock products has been demanding this kind of effort and the feeding efficiency of the U.S. industry has improved steadily. The question globally may be at what human or social cost. The worldwide diversion of more and more grain to livestock feeding as affluence rises tends to raise prices to grain consumers and promotes land cultivation for feed rather than food grains. For some soil and climate combinations, this may be the optimum use; however, much of this resource can go either way.

Once we have decided to push livestock feeding, there are many ways to improve its efficiency, thus decreasing the impact on those consumers who must eat relatively more grain. Feedlot managers, adding 700 to 800 pounds to a 300 to 400 pound calf, do it quickly and efficiently and produce the beef with less fat than was true some years ago with the older fatter slaughter animals. Almost by definition, the older animal has used grain less efficiently owing to the proportionately greater quantities used simply for maintenance. To the extent that the world does feed out beef, the new techniques demand attention to some of these management factors. Others in the same category include more attention to crosses for best product results regardless of breed, more one-time breeding of perhaps all heifer calves with weaning by "nurse" cows rather than all mothers, less vealing in total slaughter and more feeding of bulls who seem to provide their own hormones.

The importance of such attention is demonstrated by the increasing quantities of concentrates fed. Into this form of feeding goes about one-sixth of the byproduct feeds that supplement grains. (See Table 7.) Poultry is the big user of both. As indicated, the total of concentrates fed to cattle more than tripled from shortly after World War II to 1967. Most of this apparently came from increased slaughter of beef and veal animals. (See Table 8.) In part, the increase has also gone into heavier finishing, much of which has been fat rather than muscle, as indicated by the steady increase in the "choice" component of that slaughter.

The broad generalization to be made from this information on beef productions tends to support Secretary Butz' contention that in a dire emergency not only could we stop feeding animals at all, but also we could make substantial savings by altering the kind of feeding. While such a procedure has not been done in quite this way, it is a distinct possibility if world crises should rise to dis-

aster proportions. Another feature of this prospective shift might be a reversal from large commercial feeding that would put stockers and feeders closer to their mothers on a different kind of feeding program which might permit more use of grass and less of concentrates. Before we attach too much hope to such possibilities, we need to recognize the T.D.N. competition for the land. Moving from grains to grass on the same land is most likely to reduce the intensity of use and lower our efficiency. Grass feeding by pasturing slows the fattening process and, as we pointed out above adds to the total inputs required to reach slaughter weights. In sum, there aren't any easy solutions.

These kinds of changes in cattle feeding are a small part of what might be done over time to tackle the basic, long-term problems of improving global food production. FAO has been working for some time now on a more profound and far-reaching strategy known as international agricultural adjustment.

The basic idea underlying FAO's approach to international agricultural adjustment is that the time has now come for countries to recognize that the world has become so interdependent that national agricultural policies in one country inevitably have repercussions on events in other countries. Many of these repercussions may be harmful, especially so far as the developing countries are concerned and so far as food needs are concerned.

Another fundamental concept in our approach is that one cannot begin to tackle conflicts over agricultural trade, which are the sharpest manifestations of such differences, without tackling the production situations in individual countries which are at the root of these conflicts. This leads into a whole complex of problems. In the developed countries, for example, it raises issues such as the optimum size of farms, the reduction in the number of people who work the land, how to improve the incomes of those who remain in farming and the forms that government intervention should take with people or markets. In the developing countries, the emphasis is on a radical change needed to increase production.

Adjustment, of course, is a continuous process whereby agricultural supplies have to be constantly adjusted to changes in demand as conditions and prospects themselves change. But this does not mean that there should be a reduction in output in any part of the world, except the rare case where demand has shifted permanently away from a particular product. Rather the aim is for an orderly increase in both agricultural production and trade, which implies that the world

must stop lurching between large surpluses and sudden deficits.

FAO's role in all this is twofold. Through our studies and meetings we intend to try and make countries more aware of the issues involved and the best ways of handling them. Secondly, we want to promote a closer and continuing discussion among countries on these issues and at the same time provide a forum for such discussion.

For us, the most vital and urgent objective in the whole broad scheme of international agricultural adjustment—and indeed going beyond it—is a massive increase in production in the developing countries. Without this, very little can be done to alleviate the appalling plight of the overwhelming majority of the 800 million people in the least developed countries who live in circumstances which Mr. Robert McNamara of the World Bank has described as "a condition of life so degrading as to insult human dignity." Most of these are now classed as that "Fourth" World whose plight has worsened in the recent energy crunch.

FAO's emphasis on increased production in the developing countries in any approach to international agricultural adjustment does not deny the view of those who say that a main key to adjustment is freer trade. But it is clear that freer trade alone cannot bring about the kind of adjustment processes we are seeking. The economic situations of the developed and developing worlds are so different that it is essential that conditions of stability should be created in which the developing countries can properly invest in the building up of their agricultural sector and thus be enabled to participate in a global approach to adjustment.

#### FOOD CONFERENCE TEST—1974

The special U.N. World Food Conference in Rome next November, coming as it does after major international conferences on Raw Materials, Population and Law of the Sea, will test the will of governments to tackle the various problems of the world food situation with not only better knowledge, but also a far more serious sense of purpose than in the past. There are two essential preconditions for the success of the Conference. In the first place, it will need to be very carefully prepared in substantive terms if it is not to turn into a decorative forum for the exchange of well-intentioned platitudes. Secondly, and more important, there must be a common understanding among governments that they are out to achieve practical, meaningful results.

In a way, the success of the Conference will be tested by the extent to which it meets the goals set for the U.N. Conference on Raw

Materials by Secretary-General Waldheim, who in his opening speech said:

"The main theme of this Conference is to secure optimum use of the world resources with the basic objective of securing better conditions of social justice throughout the world."

Most of the data we have been considering today highlights the critical threat of food shortages to man's future. Most of us are inclined to agree with the development concept that keeps the brakes on other sectors of the economy until food availability is made reasonably secure. Were it not for the energy crisis the food dangers this year would be even more paramount in man's thinking. Without exaggerating the difficulties among rich and poor, both within nations and between nations, the dynamics and danger of the present situation were well summarized by Helmut Schmidt, Minister of Finance for the Federal Republic of Germany in the April issue of *Foreign Affairs*. After running through the chaos in capital flows and monetary alignments he concluded as follows:

"On a worldwide scale, it will not be possible to reduce the differences in the levels of wealth unless the more advanced industrialized nations develop their own resources in close coordination with one another and with the primary-producing countries. If they fail to do so, the result might be social storms which could even seriously jeopardize world peace. If it can be assumed that most of the developed countries with a high level of prosperity have a great preference for peace, and that most of the less-developed countries have a high preference for increased wealth, there must be a level on which a convergence of preferences would stabilize the international political situation at a higher level of prosperity for both the wealthier and currently poorer countries. It would, therefore, serve the efforts to maintain peace on a worldwide scale if a comprehensive policy of economic cooperation were to be pursued rather than a policy of economic 'apartheid'."

In agreeing with Minister Schmidt I should like to close with a plea that the best possible use of international organizations be made as we struggle toward cooperative approaches to these troublesome problems. For decades governments have been slowly improving their effectiveness in global consultation. The challenge of 1974 seems to say that that progress has been too slow. Imperfect as the global frameworks may be, the dangers of flying blind in the current situation should persuade us of the inevitability somehow of making our imperfect systems work.

TABLE 1.—INDEXES OF WORLD AND REGIONAL FOOD AND AGRICULTURAL PRODUCTION  
[1961-65 average=100]

Food production	Total					Per capita				
	1970	1971	1972	1973 <sup>1</sup>	1972-1973	1970	1971	1972	1973 <sup>1</sup>	1972-1973
Developed economies <sup>2</sup>	116	123	122	126	+3	108	114	112	114	+2
Western Europe	117	122	121	124	+2	111	115	113	115	+2
North America	113	124	122	126	+3	104	113	110	112	+2
Oceania	121	129	127	139	+9	107	111	108	116	+7
Eastern Europe and U.S.S.R.	130	132	133	144	+8	121	123	122	131	+7
Total, developed countries	121	127	126	132	+5	112	117	115	120	+4
Developing economies <sup>2</sup>	124	126	125	131	+5	103	102	99	101	+2
Latin America	126	127	128	133	+4	103	101	100	100	+1
Far East	124	125	120	132	+10	104	102	96	103	+7
Near East	124	129	138	131	-5	102	103	107	99	-8
Africa	120	125	126	122	-3	102	103	101	95	-6
Asian planned economies	122	125	123	127	+3	107	108	105	107	+2
Total, developing countries	123	125	125	130	+4	105	104	101	103	+2
World	121	126	125	131	+4	106	108	105	108	+2

<sup>1</sup> Preliminary.

<sup>2</sup> Including countries in other regions not specified

Source: FAO monthly bulletin of Agricultural Economics and Statistics, April 1974.



TABLE 2.—PRODUCTION OF WHEAT AND COARSE GRAINS 1971-73<sup>1</sup>

[In million tons]

	Wheat			Coarse grains		
	1971	1972	1973	1971	1972	1973
Western Europe.....	56.7	56.3	55.4	90.0	90.5	93.0
EEC (9 members).....	(40.1)	(41.4)	(41.5)	(60.5)	(61.8)	(64.1)
Eastern Europe.....	24.7	25.9	27.0	43.6	47.8	49.2
U.S.S.R.....	98.8	85.9	109.7	72.8	72.5	100.0
North and Central America.....	60.5	58.3	65.7	229.3	216.0	221.7
Canada.....	(14.4)	(14.5)	(17.1)	(24.6)	(21.4)	(20.5)
United States.....	(44.0)	(42.0)	(46.6)	(189.7)	(182.1)	(186.7)
Mexico.....	(2.0)	(1.7)	(2.0)	(12.2)	(10.2)	(11.8)
Latin America.....	9.8	10.0	10.0	35.2	30.2	36.6
Argentina.....	(5.8)	(7.9)	(6.5)	(16.2)	(10.6)	(16.5)
Asia.....	85.6	93.1	88.0	126.7	119.5	123.0
Near East.....	(21.3)	(24.2)	(19.0)	(11.1)	(11.6)	(9.5)
Far East (including China).....	(31.8)	(34.4)	(33.7)	(115.6)	(107.9)	(113.5)
China People's Republic.....	(32.5)	(34.5)	(35.3)	(75.5)	(71.5)	(74.9)
Africa.....	8.9	9.7	8.6	47.6	50.7	40.4
North of Sahara.....	(5.9)	(6.6)	(5.9)	(12.4)	(11.2)	(9.0)
Republic of South Africa.....	(1.7)	(1.7)	(1.8)	(9.4)	(10.3)	(4.6)
Oceania.....	8.8	7.0	11.9	6.3	4.4	5.1
Australia.....	(8.5)	(6.6)	(11.5)	(5.9)	(3.9)	(4.7)
World total.....	353.8	346.2	376.3	651.5	631.6	669.0

<sup>1</sup> Differs from FAS 2A, 2B, and 3 in periods and manner of estimating.

Source: FAO Monthly Bulletin of Agricultural Economics and Statistics, April 1974.

TABLE 2A.—WHEAT AND WHEAT FLOUR: WORLD TRADE, PRODUCTION, STOCKS, AND CONSUMPTION FOR 1971-72, 1972-73, AND PROJECTED LEVELS FOR 1973-74 AND 1974-75, YEARS BEGINNING JULY 1

[In million metric tons]

Country or region	1971-72	Projected 1973-74		Estimate 1974-75, as of Mar. 15
		1972-73 (preliminary)	As of Dec. 10	
Exports:				
Canada.....	15.8	15.6	13.7	13.0
Australia.....	8.7	5.5	6.5	6.5
Argentina.....	1.3	3.4	1.5	1.7
Subtotal.....	25.8	24.5	21.7	21.2
West Europe.....	8.7	11.7	11.4	12.0
(Excluding intra EC 9).....	(4.7)	(5.9)	(5.4)	(5.5)
U.S.S.R.....	5.8	1.3	5.0	5.0
All others.....	1.3	3.0	1.5	1.5
Total, non-United States.....	41.6	40.5	39.6	39.7
United States <sup>1</sup> .....	16.9	31.7	31.7	32.4
World total.....	58.5	72.2	71.3	72.1
(World total, excluding intra EC 9).....	(54.5)	(66.4)	(65.3)	(65.6)
Imports:				
Western Europe.....	12.2	13.6	13.4	13.7
(Excluding intra EC 9).....	(8.2)	(7.8)	(7.4)	(7.2)
Japan.....	5.0	5.5	5.6	5.6
East Europe.....	5.2	4.6	4.5	4.5
China, People's Republic of.....	3.0	5.3	6.5	6.5
U.S.S.R.....	3.4	14.9	5.0	4.1
Production: <sup>2</sup>				
Canada.....	14.4	14.5	17.1	17.1
Australia.....	8.5	6.5	11.2	11.9
Argentina.....	5.7	6.9	5.4	6.0
West Europe.....	50.8	51.2	50.2	50.5
U.S.S.R. <sup>3</sup> .....	98.8	86.0	105.0	109.7
East Europe.....	30.2	30.6	31.0	31.8
All other foreign.....	89.1	96.0	91.4	93.4
Total foreign.....	296.6	291.7	311.3	320.4
United States.....	44.0	42.0	46.6	46.6
World total.....	341.5	333.8	357.9	367.0
Stocks, (ending June 30):				
Major competitors <sup>4</sup> .....	25.8	16.9	16.4	17.8
United States.....	23.5	11.9	5.8	4.9
Total.....	49.3	28.8	22.2	22.7
Consumption: World total <sup>5</sup> .....	342.3	358.2	352.1	358.0

<sup>1</sup> Include transshipments through Canadian ports, excludes products other than flour.<sup>2</sup> Production data includes all harvests occurring within the July-June year shown, except that small grain crops from the early-harvesting Northern Hemisphere areas are moved forward; i.e., the May 1972 harvests in areas such as India, North Africa, and southern United States are actually included in 1972-73 accounting period which begins July 1, 1972.<sup>3</sup> Production figures and estimates for all years for the U.S.S.R. are expressed in terms of gross weight, the same as official Soviet data.<sup>4</sup> Canada, Australia, and Argentina.<sup>5</sup> Estimates for marketing year, taking into account all known and estimated stocks changes.

Source: Foreign Agricultural Service—Grains Circular, March 1974.

TABLE 2B.—FEEDGRAINS: WORLD TRADE, PRODUCTION, STOCKS, AND CONSUMPTION FOR 1971-72, 1972-73, AND PROJECTED LEVELS FOR 1973-74 AND 1974-75, YEARS BEGINNING JULY 1

[In million metric tons]

Country or region	1971-72	Projected 1973-74		Estimate 1974-75, as of Mar. 15
		1972-73 (preliminary)	As of Dec. 10	
Exports: <sup>1</sup>				
Canada.....	4.4	4.0	3.3	3.3
Australia.....	3.2	1.7	1.4	1.7
Argentina.....	6.2	4.3	7.8	9.7
South Africa.....	3.1	3.6	3	4
Thailand.....	2.3	1.3	2.2	2.1
Subtotal.....	19.2	14.9	15.0	17.2
West Europe.....	11.4	10.1	11.0	11.3
(Excluding intra EC 9).....	(4.3)	(3.6)	(5.0)	(2.3)
All others.....	2.9	2.9	2.5	2.3
Total non-United States.....	33.5	27.9	28.5	30.8
United States <sup>2</sup> .....	20.7	35.5	37.3	39.6

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TABLE 2B.—FEEDGRAINS: WORLD TRADE, PRODUCTION, STOCKS, AND CONSUMPTION FOR 1971-72, 1972-73, AND PROJECTED LEVELS FOR 1973-74 AND 1974-75, YEARS BEGINNING JULY 1—Continued

[In million metric tons]

Country or region	1972-73		Projected 1973-74		Estimate 1974-75, as of Mar. 15
	1971-72	(preliminary)	As of Dec. 10	As of Mar. 15	
World total.....	54.2	63.4	65.8	70.4	71.9
(World total, excluding intra EC 9).....	(47.1)	(56.9)	(59.8)	(61.4)	(62.9)
(United States marketing, year, million short tons) <sup>3</sup> .....	(27.3)	(43.0)	(39.7)	(41.9)	(41.6)
Imports: <sup>1</sup>					
West Europe.....	27.0	27.4	28.7	31.0	32.5
(Excluding intra EC 9).....	(19.9)	(20.9)	(22.7)	(22.0)	(23.5)
Japan.....	10.1	12.0	13.2	13.8	15.1
U.S.S.R. <sup>2</sup> .....	4.3	5.6	5.0	5.0	2.5
East Europe.....	4.6	5.2	3.0	3.5	4.5
All others.....	8.2	13.2	15.9	17.1	71.3
World total.....	54.2	63.4	65.8	70.4	71.9
(World total, excluding intra EC 9).....	(47.1)	(56.9)	(59.8)	(61.4)	(62.9)
Production: <sup>4</sup>					
Canada.....	22.2	18.8	18.5	18.5	17.8

<sup>1</sup> Corn, barley, oats, and sorghum, excluding products.<sup>2</sup> Includes transshipments through Canadian ports, but excludes products.<sup>3</sup> Includes products and transshipments through Canadian ports.<sup>4</sup> Rye, corn, barley, oats, and sorghum. Production data include all harvests occurring within the July-June year indicated, except that small grain crops from the early-harvesting Northern Hemisphere areas are moved forward: i.e., the May 1972 harvest in such areas as India, North Africa, and southern United States are actually included in 1972-73 accounting period which begins July 1, 1972.<sup>5</sup> Production figures and estimates for all years for the U.S.S.R. are expressed in terms of gross weight, the same as official Soviet data.<sup>6</sup> West Europe was included in "All other foreign."

(See 2A.)

<sup>7</sup> Estimate for marketing year, taking into account all known and estimated stocks changes.<sup>8</sup> Includes corn, barley, oats, and sorghum.TABLE 3.—RICE: WORLD TRADE, PRODUCTION, STOCKS, AND CONSUMPTION FOR 1971-72, 1972-73, AND PROJECTED LEVELS FOR 1973-74<sup>1</sup>

[In million metric tons]

Country or region	1971-72	1972-73		Estimate for 1973-74 as of	
		(preliminary)	Dec. 10	Mar. 15	
Production: <sup>2</sup>					
Bangladesh.....	15.7	14.8	18.2	18.6	
Burma.....	8.2	7.4	8.6	8.6	
India.....	64.0	58.0	65.5	65.3	
Indonesia.....	19.6	19.0	20.3	20.3	
Japan.....	13.6	14.9	15.2	15.2	
Pakistan.....	3.3	3.5	2.9	3.7	
PRC.....	100.0	98.0	103.0	103.0	
South Korea.....	5.6	5.8	6.1	6.1	
Thailand.....	12.3	12.2	13.5	14.2	
Subtotal.....	242.3	233.6	253.3	255.0	
EC-9.....	1.0	.8	1.1	1.1	
Australia.....	.2	.3	.4	.4	
Argentina.....	.3	.3	.3	.3	
Brazil.....	5.4	6.2	6.2	6.2	
all others.....	46.3	40.9	41.5	42.3	
Total non-United States.....	295.5	282.1	302.8	305.3	
United States.....	3.9	3.9	4.3	4.2	
World total.....	299.4	286.0	307.1	309.5	
Exports: <sup>3</sup>					
Burma.....	.5	.1	.6	.6	
Pakistan.....	.2	.8	.4	.5	
Imports:					
EC-9.....	.5	.6	.6	.6	
Hong Kong.....	.4	.4	.4	.4	
Bangladesh.....	.7	.4	.5	.5	
Cambodia.....	.1	.1	.3	.3	
Indonesia.....	.7	1.4	1.2	1.2	
South Korea.....	.5	.4	.3	.3	
Philippines.....	.6	.3	.4	.4	
South Vietnam.....	.1	.3	.3	.3	
All others.....	3.9	2.6	3.4	3.4	
World total.....	7.4	6.5	7.4	7.4	
Stocks:					
United States (ending July 31).....	.4	.2	.2	.2	

<sup>1</sup> Production is on a rough basis; trade and stocks are listed as milled.<sup>2</sup> The world rice harvest stretches over 6 to 8 months. Thus 1973-74 production, for example

represents the 1973 harvest in the Northern Hemisphere plus preliminary data for the Southern Hemisphere where harvest began late in 1973 and will end early in 1974.

<sup>3</sup> Trade data are on a calendar year basis. (See 2A.)TABLE 4.—INDICES OF WORLD POPULATION AND FOOD PRODUCTION, 1954-73<sup>1</sup>

[1961-65=100]

Calendar year	World			Developed countries			Less developed countries		
	Population	Food production		Population	Food production		Population	Food production	
		Total	Per capita		Total	Per capita		Total	Per capita
1954.....	84.2	77	91	89.1	77	86	80.6	77	96
1955.....	85.7	80	93	90.3	81	90	82.5	78	95
1956.....	87.3	84	96	91.5	85	93	84.4	82	97
1957.....	89.0	85	96	92.7	86	93	86.3	83	96
1958.....	90.7	90	99	93.9	91	97	88.4	87	98
1959.....	92.4	91	98	95.1	92	97	90.5	89	98
1960.....	94.2	94	100	96.3	96	100	92.8	92	99
1961.....	96.1	95	99	97.5	95	97	95.1	94	99
1962.....	98.0	98	100	98.9	98	99	97.5	97	100
1963.....	100.0	100	100	100.1	99	99	99.9	100	100
1964.....	101.9	103	101	101.2	103	102	102.4	104	102



Calendar year	World			Developed countries			Less developed countries		
	Population	Food production		Population	Food production		Population	Food production	
		Total	Per capita		Total	Per capita		Total	Per capita
1965	103.9	104	100	102.3	104	102	105.0	104	99
1966	105.9	109	103	103.4	111	107	107.7	106	98
1967	107.9	114	106	104.3	115	110	110.4	111	101
1968	109.9	118	107	105.3	119	113	113.2	115	102
1969	112.0	118	105	106.3	117	110	116.1	121	104
1970	114.2	121	106	107.3	119	111	119.0	126	106
1971	116.4	126	108	108.3	125	115	122.1	128	105
1972	118.7	124	104	109.3	124	113	125.3	124	99
1973	120.9	131	108	110.2	131	119	128.5	132	103

<sup>1</sup> World excluding Communist Asia.

Source: Economic Research Service, USDA, March 1974.

TABLE 5.—USE OF GRAIN FOR FEED AND OUTPUT OF ANIMAL PRODUCTS, PER CAPITA, 1964-66 AVERAGE

[In Kilograms per year]

Region	Grain used for feed, per capita	Output per capita			Region	Grain used for feed, per capita	Output per capita		
		Meat	Eggs	Milk			Meat	Eggs	Milk
Developed:					Less developed:				
United States	590	102	20.3	287	Argentina	173	135	7.2	216
Canada	669	90	14.8	406	Mexico and Central America	36	25	4.6	57
Australia and New Zealand	217	192	14.5	932	Other South America	15	36	3.6	77
U.S.S.R.	169	38	7.1	258	West Asia	60	14	2.4	82
EC-9 <sup>1</sup>	238	62	13.0	327	China	15	17	3.7	6
Eastern Europe	283	50	9.2	236	Brazil	88	33	5.5	84
Japan	62	12	10.5	32	East Asia and Pacific	5	8	1.9	1
South Africa	81	43	3.7	132	North Africa	19	16	1.7	55
Other Western Europe	179	38	9.5	238	South Asia	2	2	.3	54
					Southeast Asia	2	11	2.4	5
Total	277	58	12.0	264	Africa South of Sahara	2	12	1.1	19
					Total	16	14	2.3	33
					World	95	27	5.2	103

TABLE 6.—GRAIN USED, TOTAL AND PER CAPITA, 1964-66 AVERAGE

Region	Total grain used (million metric tons)			Population (millions)	Grain used per capita (kilograms per year)		
	Total	Food	Feed		Total	Food	Feed
Developed:							
United States	143.0	17.5	113.1	191.7	746	91	590
Canada	17.8	1.8	13.2	19.7	906	92	669
Australia and New Zealand	6.1	1.6	3.1	14.1	428	113	217
U.S.S.R.	128.3	50.0	39.0	230.6	556	217	169
EC-9 <sup>1</sup>	99.4	29.6	58.6	246.4	404	120	238
Eastern Europe	70.0	25.1	34.3	121.4	576	207	283
Japan	23.7	15.4	6.1	98.2	241	157	62
South Africa	5.9	3.6	1.6	20.2	294	178	81
Other Western Europe	27.9	10.1	14.1	78.8	354	128	179
Total	522.1	154.8	283.1	1,021.1	511	152	277
Less developed:							
Argentina	8.7	3.1	3.9	22.5	388	138	173
Mexico and Central America	15.7	11.7	2.8	77.9	204	151	36
Other South America	9.1	7.1	.9	62.8	144	112	15
West Asia	29.8	18.9	6.2	102.3	292	185	60
China	150.8	125.4	11.2	764.1	197	164	15
Brazil	19.5	9.9	7.1	80.8	242	123	88
East Asia and Pacific	33.2	30.4	1.0	206.5	161	147	5
North Africa	16.3	13.3	1.4	74.3	219	178	19
South Asia	103.3	93.4	1.1	621.2	166	150	2
Southeast Asia	19.5	16.1	.3	98.9	197	163	3
Africa, South of Sahara	32.8	28.9	.5	217.3	151	133	2
Total	438.9	358.2	36.4	2,328.6	188	154	16
World	961.0	513.0	319.5	3,349.7	287	153	95

<sup>1</sup> The population figures shown were taken from OECD food consumption statistics and generally refer to Dec. 31. <sup>2</sup> The population figures shown were taken from OECD food consumption statistics and generally refer to Dec. 31. ments for grains omitted by OECD and FAO. Rice included as milled rice. Economic Research Service, USDA, March 1974.

Source: OECD food consumption statistics 1960-68 and FAO food balances 1964-66, with adjustment for grains omitted by OECD and FAO. Rice included as milled rice. Economic Research Service, USDA, March 1974.

TABLE 7.—TOTAL CONCENTRATES FED TO ALL LIVESTOCK AND QUANTITY AND PERCENTAGE FED TO CATTLE ON FEED, BY TYPE OF CONCENTRATE, FEEDING YEARS 1949-51, 1959-61, AND 1967<sup>1</sup>

Concentrates fed to livestock	1949-51 average (1,000 tons)			1959-61 average (1,000 tons)			1967 (1,000 tons)		
	Fed to cattle on feed			Fed to cattle on feed			Fed to cattle on feed		
	Total concentrates fed	Quantity	Percentage of total	Total concentrates fed	Quantity	Percentage of total	Total concentrates fed	Quantity	Percentage of total
Feed grains:									
Corn	67,523	6,725	10	80,361	9,223	11	97,581	17,260	18
Oats	18,816	110	1	14,564	143	1	10,738	473	4
Barley	3,256	144	4	4,064	1,552	38	5,129	2,120	41
Sorghum grain	2,913	73	2	8,932	2,250	25	14,873	4,500	30
Wheat and rye	3,170	20	1	1,655	23	1	4,630	1,791	39
Total	95,678	7,072	7	109,576	13,191	12	132,951	26,144	20

TABLE 7.—TOTAL CONCENTRATES FED TO ALL LIVESTOCK AND QUANTITY AND PERCENTAGE FED TO CATTLE ON FEED, BY TYPE OF CONCENTRATE, FEEDING YEARS 1949-51, 1959-61, AND 1967—Continued

Concentrates fed to livestock	1949-51 average (1,000 tons)			1959-61 average (1,000 tons)			1967 (1,000 tons)		
	Total concentrates fed	Fed to cattle on feed		Total concentrates fed	Fed to cattle on feed		Total concentrates fed	Fed to cattle on feed	
		Quantity	Percentage of total		Quantity	Percentage of total		Quantity	Percentage of total
By product feeds:									
Oilseed meal.....	7,858	694	9	10,730	1,138	11	12,648	1,163	9
Grain protein.....	1,606	35	2	1,731	43	2	2,297	126	5
Millfeeds.....	4,987	77	1	5,051	118	2	4,966	210	4
Other.....	3,717	410	11	5,254	1,082	21	7,346	1,314	18
Total.....	18,168	1,216	7	22,766	2,381	10	27,257	2,813	10
Total fed.....	113,846	8,288	7	132,342	15,572	12	160,208	28,957	18

<sup>1</sup> A feeding year begins Oct. 1 of the 1st year designated. For example, the 1949-51 average is for the 3-year period Oct. 1, 1949, to Sept. 30, 1952. Source: Economic Research Service, USDA, report 186, 1970.

TABLE 8.—TOTAL BEEF PRODUCTION AND PERCENTAGE DISTRIBUTION BY KIND AND GRADE AND QUANTITY OF FED BEEF, SELECTED YEARS, 1950-68

Year	Total beef production (million pounds) <sup>1</sup>	Percentage of total by kind			Percentage of total by grade						Fed beef		
		Steer	Heifer	Cow <sup>2</sup>	Prime	Choice	Good	Standard	Commercial <sup>3</sup>	Utility	Canner and cutter	Quantity (million pounds)	Percentage of total
1950	9,534	57	9	34	7	34	19	-----	14	15	11	4,446	47
1953	12,407	59	10	31	5	34	19	-----	16	13	13	5,254	42
1956	14,462	56	13	31	4	33	21	-----	16	13	13	6,536	45
1959	13,580	60	19	21	4	36	27	-----	14	10	9	7,818	58
1962	15,324	61	20	19	3	47	18	11	4	9	8	9,896	65
1964	18,456	62	19	19	3	49	17	10	4	8	9	12,049	65
1965	18,727	56	21	23	4	47	17	8	4	8	12	12,038	64
1966	19,726	56	24	20	4	49	18	7	4	8	10	13,207	67
1967	20,219	58	24	18	5	51	17	7	5	7	8	14,075	70
1968	20,875	57	25	18	4	52	18	6	5	7	8	14,909	71

<sup>1</sup> Includes commercial and farm slaughter, excludes veal.  
<sup>2</sup> Includes bull and stag beef.  
<sup>3</sup> Includes standard and commercial grades through 1960.

Source: Economic Research Service, USDA, Report 186, 1970.

## LIFE QUALITY INDEX

Mr. HART. Mr. President, this past Saturday, I had the pleasure of speaking at commencement exercises at Kenyon College.

One theme for my talk was taken from a paper presented by Prof. Robert C. Juvinal, department of mechanical engineering, University of Michigan, at an international conference in Sweden.

Professor Juvinal's paper, in part, explores the need for a new yardstick to measure progress toward achieving an environment that promotes "mental, emotional and spiritual health" as well as material security.

Because I think Professor Juvinal's paper merits more attention than my brief discussion, I ask unanimous consent that it be printed in the RECORD. Also, for those who might be interested in how at least one politician reacts to the suggestions made in the paper, I ask that the text of my speech at Kenyon be printed following Dr. Juvinal's paper.

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

### PRODUCTION RESEARCH BASIC OBJECTIVES AND GUIDELINES

(By Robert C. Juvinal)

#### INTRODUCTION

Among the many concerns facing society, perhaps none is more basic than the development of production systems. All persons are dependent upon the output of these systems for the material needs and comforts of life. And most persons are profoundly affected by the fact that they spend much of their lifetime working within these systems. Indeed, it is through our systems of production that science, engineering, and technology make their profound impact upon modern society.

This is an historic time to take a broad look at the basic objectives and guidelines for planning future production systems and production research. Those of us in the universities are now working with a generation of students who will be at the height of their careers at the opening not only of the twenty-first century, but also of the third millennium, A.D.

#### HISTORICAL PERSPECTIVE: THE "GOLDEN AGE OF ENGINEERING"

In the broad sweep of history, our industrial production system—and indeed the whole engineering profession—is a spectacular product of the late second millennium. To be sure, the ancient Egyptians did a great engineering job in building their pyramids, and the Romans constructed some mighty fine roads; but it was not until the late eighteenth century that the steam engine became a significant source of industrial power, and electrical power did not come along until nearly 100 years after that. So, until comparatively recent times, even middle-class citizens of the advanced countries were often uncomfortable because of exposure, thirst, hunger, and disease; and their associations with the world were largely limited to an area which could be covered on foot or by horse.

I have previously contended that engineering passed through an amazing "Golden Age" of 90 years duration—beginning in 1868 and ending in 1958 (Juvinal 1971). These specific dates were chosen somewhat arbitrarily on the basis of historic events in the United States. In 1868 there was not yet a railroad connecting the East and West coasts; yet only 90 years later commercial jet airliners were flying across the continent! During this period we went from the first workable gasoline engine to mass-produced cars which could accelerate smoothly and rapidly to 100 m.p.h.: from Bell's first telephone and Crookes's first cathode ray tube to mass-produced modern communication systems; and from Edison's first electric light to millions of homes equipped not only with electric lights but

also with complete modern plumbing, automatically controlled central heating systems, and a full range of electrical appliances.

The enormous development of industrial productivity during this Golden Age was profoundly influenced by the introduction of "scientific management" and assembly line methods. Scientific management was based largely on the pioneering work in time study by Frederick W. Taylor, and in motion study by Frank B. and Lillian M. Gilbreth (Barnes 1968, Gilbreth 1911 and Taylor 1911). The first real assembly line was introduced by Henry Ford for his Model T car in 1914. It reduced the time required to assemble a car from approximately 12½ hours to only 1½ hours. The philosophy of that era was one of breaking production tasks down into small work elements which are completely standardized and spelled out to the worker in minute detail. Thus, production jobs can be filled by unskilled workers who can be quickly and economically trained. Quality should be high because every worker can easily become an expert in his own narrow job. Production rates are under control because they are automatically determined by the speed of the production line. Since job training is quickly accomplished, management can interchange workers among different jobs as other workers are absent or as needs change. The output from such mechanized production lines is sufficient to provide great quantities of a given product to society, and relatively high wages to the workers.

Although the output of any single plant or industry is important to the welfare of the society involved, this is just one component of the total productivity. When speaking in terms of the productivity of a nation, we customarily look beyond the "trees" of individual production units and focus attention on the "forest" which we call the Gross National Product (GNP). In recent years we have become increasingly aware that there is more to national health and well-being than the GNP. With respect to the total picture, therefore, the GNP is itself only a part of the "forest."



## THE POST-GOLDEN AGE YEARS

Since the end of the Golden Age, scientific knowledge has leaped ahead—perhaps there has been more pure scientific and technological development during this period than in all previous history—but the significant and disturbing point is this: during these same 15 years, real engineering advances which have a direct and positive impact on the lives of people have been comparatively minor.

Let us consider the impact of technological progress during the lifetime of students now entering our universities. Take housing for example. At least in the United States, housing has changed negligibly. The available items of special materials, plumbing, heating, air conditioning, and appliances are essentially identical of those of a decade and a half ago. Similarly, our American university freshman cannot remember his family ever owning a car which differed very much, except for styling, from the current models. And he has never lived in a house without modern telephones, radios, and television. Furthermore, our college freshman observes that by itself technology is unable to ensure the distribution of even the necessities of a decent life to vast segments of the world's population. At the same time our youth are properly disturbed by the ecological problems associated with modern production systems and by the extent to which technology is being applied in the military realm for destructive purposes.

Looking at some of our most modern systems for mass production, we find enormous dissatisfaction of workers with the routine, repetitive tasks required of our production lines. The "blue-collar blues" has become a topic of almost universal general concern among the industrialized nations. Similarly, uninspiring office jobs are causing the "white-collar blues."

## PRESENT PROBLEMS

Before turning our attention to the present problems of society, let us recognize that despite these, the technologists of recent generations have done a remarkable job of solving the problems with which they were confronted. These people have given to middle class citizens of the industrialized nations a standard of living not enjoyed by even the royalty of earlier times. Life expectancy of these countries has increased about 50 percent in the last 50 years, while working hours have decreased about one-third in the same period. The resulting leisure time, combined with greatly enhanced communication and transportation facilities, makes it possible for individuals to pursue their own personal ambitions more actively than their grandparents dreamed possible.

In order for our generation to make effective technological contributions, we must delve deeply into the basic needs and purposes of society. Certainly one major need is for effective population control. Recent studies indicate a virtual certainty that world population will increase by at least 50 percent to 150 percent by the year 2050. With equal certainty it is predicted that the present ratio of 30 : 70 between the populations of the rich and the poor nations will shift inevitably to at least 20 : 80 and perhaps to 10 : 90 (Frejka 1973). This fact has profound implications as we look toward the world's future production needs.

There are other well-known societal problems, but these need to be more thoroughly understood before technological innovations can contribute to their solutions. These include poverty and starvation in vast segments of world population; war and the threat of catastrophic nuclear war, alarming increases in crime and in drug and alcohol addiction; and pollution of our environment. I submit that our basic problem is not one of an environment which has degraded marine life in our waters, or plant and animal life on land and in our atmosphere; rather the fundamental problem of society

today is that we have failed to develop an environment in which the basic character and fibre of man himself grows and strengthens. Thus, the basic objective of technology—of which production systems are a major part—is to develop a continually improved total environment for the promotion of man's physical, mental, emotional, and spiritual health.

## LQI THE "ULTIMATE FOREST"

To measure progress toward achieving such an objective, we need a new yardstick—something that indicates a weighted average of all factors contributing importantly to our broad objective. Gross national product was introduced as a measure of the 'total forest' of productivity as distinct from the individual component 'trees'. But the GNP is itself only a segment of the broader 'forest' that is our concern. We are looking for the ultimate forest, one which cannot later be seen as only part of a still greater forest. Perhaps this can appropriately be called the Life Quality Index (LQI).

What more constructive concern could possibly be debated within the various segments of world society than the proper make-up of the Life Quality Index—particularly if this were followed by the challenge to continually increase the LQI in the various countries? Were this to be done, different countries would undoubtedly arrive at somewhat different compositions for their own national LQI. Moreover, the compositions would vary with time as societies continued to mature and develop.

To illustrate the LQI concept, I have listed in the table a few of the important factors that most of us would agree it should reflect. Perhaps one might arbitrarily assign a value of 100 to the factor deemed most important, with other factors being weighed accordingly. The total might then be normalized to a base of 100 as a starting value for the LQI in year 1973.

## Preliminary list of factors for comprising the LQI

- (1) Population control
- (2) Material well-being
  - (a) Per cent above poverty level
  - (b) Per cent above desired 'comfortable' level
- (3) Safety
  - (a) crime rates
  - (b) drug and alcohol addiction rates
  - (c) accident rates
  - (d) criminal rehabilitation success rates
- (4) Environment
  - (a) air cleanliness
  - (b) water cleanliness
  - (c) land (solid waste and litter) cleanliness
  - (d) natural resource availability and conservation
- (5) Cultural—educational
  - (a) literacy rate
  - (b) public school quality
  - (c) per cent attending colleges among those qualified and desirous
  - (d) adult education opportunities
  - (e) library and museum facilities
  - (f) art, music, etc., opportunities and motivation
- (6) Treatment of disadvantaged groups
  - (a) education for handicapped children
  - (b) success in integrating handicapped adults into society
  - (c) care of the aged
  - (d) assistance to poorer segments of society (which are outside of the national or other group being rates)
- (7) Equality of opportunity among members of the society, and stimulation of initiative to make the most of available opportunities
- (8) Freedom of choice and action

The above is admittedly a very rough and over-simplified indication of the direction of thought that would be involved in arriving at the LQI for a given segment of society

at a given time. But this kind of thinking must be done. And it must include a re-searching of the 'wisdom of the ages' (including the fields of philosophy, sociology, psychology, and theology) to determine as best we can the conditions which make for full, rich, and deeply satisfying lives.

We cannot achieve a desired society without thinking through and coming to some sort of consensus regarding the general nature of what it is we are striving for. Having arrived at an overall objective, and having created some means for evaluating progress toward it, we are in a position to plan long-range research pertaining to basic systems—such as production systems—which are involved in our quest for a more desirable society.

## MAN—WHAT DO WE KNOW ABOUT HIM?

Any consideration of the elements making up a significant Life Quality Index focuses attention on the characteristics of man himself. It is a cliché to say that future production systems must be designed to fit man, not man remoulded to fit the production systems. Be this as it may, the fact is that we engineers must become more concerned with the areas of psychology and sociology.

We all know that man exhibits an infinitely varying, and often baffling, set of characteristics. But we also know that there are certain inherent characteristics of man which remain fixed—for all races and presumably for all time. Perhaps the most significant of these are the levels of human need proposed by the late Abraham Maslow, a psychologist at Brandeis University (Maslow 1943, 1954). I have previously taken the liberty of expressing these in terms of five key words beginning with 'S' (Juvinall 1973).

## Maslow's hierarchy of needs:

- (1) Survival;
- (2) Security;
- (3) Social acceptance;
- (4) Status; and
- (5) Self-fulfillment.

The first level, obviously, is the need for immediate *survival*—food, shelter, clothing, and rest—here and now.

The second level emphasizes protection from all kinds of enemies. Having satisfied the immediate survival needs, man instinctively turns to *security*—ensuring his safety and future survival.

The third level is *social acceptance*. Man needs to belong to and interact with a family, clan, or other groups. He becomes concerned with more than his own welfare. He needs love and acceptance.

The fourth level is that of *status* or recognition—a need not only to fit into a social group but to stand out in that group in some way; to have his ego satisfied by the admiration of his fellows. A person needs to earn and receive the respect of his peers as an individual in his own right.

The highest level is *self-fulfillment*—growth toward reaching one's full potential, and achievement of the resulting inner satisfaction.

At any given time, both men and nations operate on more than one of these levels; yet the levels define a general path or ladder of advancement that leads from primitive existence to a mature, rich quality of life.

Historically, production systems have been designed to contribute primarily toward satisfying needs (1) and (2). A worker's wages and job security were powerful factors in satisfying his survival and security needs. Similarly, the products he helped produce were largely directed toward satisfying the same basic needs of the consumer.

More recently, an increased percentage of the production systems have been designed to provide society with products going beyond basic survival and security needs, presumably contributing to satisfying the legitimate higher needs of the consumer. As far as the workers are concerned, it is interesting

to note that the recent "job enlargement" and "job enrichment" programmes are in every case directed toward the worker's higher needs, particularly (3) and (4) (Barnes 1968, Hackman and Lawler 1971, Herzberg 1966).

Although Maslow's hierarchy of five fundamental needs applies universally to all men, it also recognizes basic differences among men. The various groups within which individuals seek acceptance in level (3) are very different. When advancing to level (4), each person seeks to establish himself as a unique individual within his group. Furthermore, both groups and individuals operate at different levels along this hierarchy. In a poverty-stricken primitive society, for example, men of necessity focus virtually all attention on fulfilling immediate survival needs. At the opposite extreme, at least a few cultured, broadly educated individuals in advanced affluent society are largely concerned with satisfying the highest need of broad self-fulfillment.

These differences are of obvious basic importance in developing production systems. What appears to be an excellent system for the workers in one country may be totally unsatisfactory for use in another. The same is true with respect to workers in the same country but of differing racial, socio-economic, or education backgrounds; and to workers of different age levels and sex. Perhaps the most important of all factors causing differences among workers is time. Society is changing and will continue to change. A good production system for a given segment of society 30 years ago is probably unacceptable now. Likewise, a system which today provides a good match with the needs and capabilities of a particular working society will likely become badly mismatched in the future. Thus, worker needs and capabilities are variables in the production equation. We must seek a better understanding of these human factors as they are today, and also a better understanding of the changes which will cause these factors to be different in the future.

#### PRODUCTION, RESEARCH, PEOPLE, LQI—THE ENGINEER MUST PUT IT ALL TOGETHER

The figure suggests a diagrammatic representation of several basic relationships. Production systems utilize people and material resources in order to produce desired products. By-products and waste materials are also produced. An important additional product of the system is *experience*. This consists of the total working experience on the part of the participants who invest a major portion of their life-effort into the system, and also technical experience for the management as to the performance and merits of the particular production system. This latter experience adds to available knowledge when future systems are designed, as shown by the dotted 'knowledge feedback' line. Another feedback line shows that the participant's work experience and the consumer's use of the products serve to influence the people in the society from which future workers are drawn. Also, the nature of the products, processing, and waste materials contribute to the inventory of natural resources available for use in future production systems.

This diagram suggests important guidelines for production research. Obviously, we need to know more about people: (a) what their capabilities are, and how they can be motivated to apply these capabilities to their work; and (b) what their needs are, and how their jobs can be made to offer better opportunities for fulfilling these needs. Moreover, we must understand the inherent *changing* nature of people, and seek to make the influence of production systems upon these changes a positive one. Perhaps more attention should be given to the nature of the products themselves. Are we, in our society,

'tooling up' to produce an overall product mix that is consistent with our basic objective of improving the Life Quality Index? At this point we must probably interact with government. It is not realistic to expect companies and individuals to act nobly in the interests of society when such actions are contrary to their own best interests. Therefore, we must seek to evolve government regulations which establish 'rules of the game' so that the interests of society, industry, and individuals are as compatible as possible, while at the same time permitting maximal freedom. Research related to improving the ecological balance and to improving processing efficiency are also important parts of the total picture.

We used to think the 'ultimate' production system would involve completely automated factories capable of producing everything that anyone wanted with virtually no human effort. We now know that this is not so. People need opportunities to work at significant tasks which provide fair remuneration, justifiable pride, social recognition, and opportunities for advancement. Moreover, it is important to provide such opportunities for all, including the handicapped and persons with minimal capabilities. There will always be those who can do nothing for industry that a machine can't do as well, and cheaper. It makes sense for an employer to replace a \$4 per hour employee with a machine which costs \$3 per hour. But from the standpoint of society, it makes no sense to replace the \$4 worker with the \$3 machine and then give him \$2 per hour as charity in order to live. And, of course, the human cost of displacing the worker far exceeds the simple monetary cost. This illustrates the necessity for governments to establish 'rules' so that industry can retain the worker without economic loss to itself.

#### CORE CHARACTERISTICS OF DESIRABLE, SATISFYING JOBS

Studies of the 'job enlargement' and 'job enrichment' programmes introduced over the past several years have produced added insight into the basic ingredients that tend to make jobs better suited to the needs and abilities of most workers (Barnes 1968, Hackman and Lawler 1971, Herzberg 1966). The following list of five 'core characteristics' of desirable jobs is suggested as being consistent with the reported research:

##### Core characteristics:

- (1) Choice;
- (2) Challenge (creativity);
- (3) Change;
- (4) Credit; and
- (5) Concern.

Most people like to have some *choices* in the selection and execution of their work tasks. This implies the possibility of some variety of tasks, and some authority over work details. Most people choose and respond favourably to tasks offering some *challenge* to their capabilities. This gives a feeling of having done something worthwhile, and of justifiable pride. In most cases the challenge implies an opportunity for *creativity* on some level. Tasks originally challenging and appealing tend to become routine after a period of time. Therefore, an opportunity for *change* is important. Ideally, experience with previous tasks will have upgraded the worker's capabilities so that the change can enable him to make a higher-level contribution to the production system, with obvious benefits to both the system and himself. For sustained motivation, it is important that a worker receive *credit* for the results of his work. This means that he must be identified with some part of the production system output so that both he and others know of his accomplishments. It is important that the worker feels that his efforts are appreciated for their true value, and that appropriate credit is received. Finally, most people respond favourably to a feeling that their

superiors have a genuine *concern* for their welfare, and understand and respect them as individuals of value.

#### SUMMARY AND CONCLUSIONS

Since production systems are so basic to the well-being and future improvement of society, production research is of primary importance. Effective, long-range planning of production research requires clearly identifying the fundamental objective of society, or the "ultimate forest," as opposed to the component trees. Our fundamental objective must be more clearly defined as providing the best possible environment for the growth and development of satisfying, fulfilled human lives. Progress toward this end can appropriately be measured by the Life Quality Index. These concepts highlight the importance of understanding more about people, and the need for bringing to bear the best contributions of the psychologist, sociologist, philosophers, and others. It was suggested that Maslow's hierarchy of human needs, together with an appreciation of human differences and changes with time, provides a helpful starting point. Interrelationships between man, production systems, and Life Quality Index, and the total environment should be identified and studied, with production research aimed at optimizing these interrelationships.

The monumental role of production systems to present and future societies causes this International Conference to be of utmost importance. The primary interface between society and all of technology is in our production systems. As a practitioner of mechanical engineering design, but particularly as a teacher in this area, I am grateful for the opportunity afforded by this International Conference to gain new insight concerning the broad role of engineers in building a better society.

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COMMENCEMENT ADDRESS BY HON. PHILIP A. HART, KENYON COLLEGE, GAMBIER, OHIO, SATURDAY, MAY 25, 1974

It is strange what traditions hold at a time when the past is so soon forgotten. If I had been asked when I sat where you now sit, I would have nominated for early demise the tradition of commencement speakers.

But here we are, you sitting out there waiting for the program to end, and standing here, I'm expected to say something which should be both profound and challenging.

How presumptuous! If the trip through Kenyon hasn't been a challenge and offered exposure to some profound thoughts, a twenty-minute speech at the end of the trip won't fill the void.



So, mindful of my own view of commencement speeches, I will ask rather than answer, suggest rather than challenge . . . which is another way of saying that the problems are more profound than any solutions I have to offer and that any challenge, if it is to ring true, should recognize that state of affairs.

These are not happy times in our country. People have lost confidence in government and other institutions they once trusted. A recent poll documented this loss of confidence: two out of three persons are cynical about government. The reasons: Watergate and the economy.

One need not be a political science major to understand that a democratic system such as ours cannot function well unless a large percentage of its people trust their government officials.

Equally important, perhaps, these are not particularly happy times for democracies in general. Political systems of every Western nation are under increasing strain triggered by world-wide inflation fueled by the oil crisis.

In Europe, where it is easier to do than here, voters are turning out old leaders in search of new answers, and that will no doubt happen in due course here. Still to be answered is the question: what direction will the search take?

Will people select thoughtful leaders, who, given the complexity of our problems, will be forced to muddle along as they ask the "haves" to share more with the "havenots?" Or will they turn to the demagogues who Yeats warned us will inherit the stage when things fall apart?

Will the ills of the world—inflation, hunger, poverty—at last bring nations together? Or will leaders of governments seek short-range gains which will split us still further apart until the atom splits us all?

Will each of us recognize the folly of a world system which spends in a year more than 200 billion dollars on arms while two-thirds of the people live in poverty?

Will our nation be willing to sacrifice as much talent, money and energy to combat godless starvation as it has over decades to fight godless Communism?

The answers, unhappily, are not clear, for along with our impulse to help those in need, we share the same demon that drives other nations to seek gains at the expense of others.

That is not the kind of world your parents seek to pass on.

If you are disappointed in the results of our efforts, at least understand the dismay felt by those who have labored long to improve the quality of life for their children. If we have bungled, and we have, it was only because we have not been as wise as we would have wished.

But this is not the place to appraise or bury the past. Rather, I'd ask you to explore some tentative thoughts on where we might go from here.

And that forces us to ask at least two questions:

Are Watergate and inflation the core of our problems, or is our malaise more basic?

And, is democracy, as Walter Lippmann wrote, an experiment due to fail because of population growth?

A good place to start is with two articles which appeared side-by-side very recently on the New York Times opinion page.

One, written by the board chairman of a large bank, warned that we must keep our economic freedom if we are to protect our political liberty. In doing so, he noted . . .

" . . . that America is at peace with its neighbors, and that never in history have more people been employed at higher wages in a free society . . ."

The other article, written by a recently divorced public relations executive, was a

good-bye to the good life of suburban Scarsdale.

He had no gripe with Scarsdale. It had delivered as promised—room to roam, trees, tennis, land, schools, upward mobility. Only he came to learn that when you've got your health, you've got just about everything—but not quite.

In a sense, the dilemma we face today is summed up by the fact that both commentaries are valid.

Those fortunate enough to have affluence—earned, inherited or lucked into—have come to understand that when you get a measure of wealth you've got almost everything, but not quite.

But if that's so, should we really expect the many more who are still struggling up that mountain to accept the word of those who have been to the top and found it not quite satisfying?

Can any of us look for new mountains to climb without first having achieved a plateau if not a summit which guarantees survival and security?

I think not, and I think as we seek new directions for society, we would do well to return to some basic understandings about the nature of man.

Abraham Maslow, a psychologist at Brandeis University, developed a list of human needs which presumably hold true from generation to generation.

The items on that list, call it a ladder of progress, go like this: survival, security, social acceptance, status and self-fulfillment.

If we can accept the list as valid, it can help us understand some of the conflicts generated in a country and in a world experiencing rapid change.

Depending on a country's level of development, depending on an individual's or a group's standing in society, people are primarily concerned with different items on that list.

Countries and people threatened by mass starvation are most concerned about surviving.

Those people who find something missing in the quality of life in Scarsdale are concerned with some step further along the ladder, perhaps self-fulfillment.

It is because our society has many people at each step of the ladder—and some, tragically yet to reach the first step—that we have fierce competition for resources to meet legitimate but competing claims made on government and society.

To some on one level of the ladder, the answer to the energy crisis is let prices increase, but that's not making sense to those already heavily burdened to survive.

So, too, depending on which rung you stand, it may make good sense for the cause of clean air and clean water to shut down a polluting plant, but how much sense does it make to the worker who will be without a job when the plant is closed—or to his or her family?

I do not pretend to have just offered some profound or new insights about the nature of man or our dilemma, but I hope these points suggest that the time has come for us to develop a new way to measure progress, a measuring device which takes into account the diversity of the needs of our people.

Coming out of the depression of the 30's, it was inevitable that my generation measured progress in terms of jobs, wages and the Gross National Product, and it is important for many Americans that jobs and income continue to be part of any measure of progress.

Professor Robert C. Juvinal, of the University of Michigan, however, points out that the Gross National Product is just one tree in the forest which make up the quality of life for a developed society.

Professor Juvinal suggests that progress should be judged by a Life Quality Index

which also might include measurements of population control, crime rates, conservation and pollution abatement, cultural and educational opportunities, treatment of disadvantaged groups, equality of opportunity and freedom of choice. I would add at least one category—protection of personal privacy.

Each of you would add a measure of your own, so without attempting to suggest a finite list, I do think such an index would be useful.

If there could be general agreement on a Life Quality Index, it could help policy makers sort out this business of priorities, guide politicians and remind each of us how large and diverse a land and people we are.

Could a democracy agree on such an index? That question is made difficult by inflation which makes it hard for many people to maintain their place on the ladder of progress, let alone advance. It is made more difficult when the force of technology moves toward a less individualized society.

I don't know, but I'll give you what will sound as a most unsatisfactory choice.

You may stand aside, as Watergate may tempt you to do, and let change happen as it will. Or you can join in and try to shape change with no real assurance that you will succeed.

That is the challenge for all generations . . . to keep trying, never to give up.

While I cannot promise success if you join in, I can at least suggest a way for you to proceed.

That way starts with the understanding that Watergate was not politics as usual, and that the spirit which fueled Watergate was a spirit of self-righteousness which can equal arrogance, which put the goals of a few above the laws of the land and above the trust of the people government is supposed to serve.

That way also starts with the understanding that a spirit of self-righteousness that justifies dropping out when the multitudes don't join you in scaling your particular mountain is also destructive of democracy.

The way starts with the wisdom of the British statesman Edmund Burke, who observed:

"All government—indeed, every human benefit and enjoyment, every virtue and every prudent act—is founded on compromise and barter."

That may sound like an extreme or crude statement, but on reflection I think you will find it valid. It does not mean, of course, that you should shun commitment or not work intensely for what you believe.

It does mean that in a complex and free society, few if any mountains will be scaled on the first try, and that progress comes by climbing a molehill at a time. And perhaps that is the way it should be, for who among us has the wisdom to foresee with certainty what life is like on a summit we have yet to achieve.

If I may impose, I would ask that you give high priority to helping us achieve that summit on which tolerance and understanding flourish and on which discourse, debate and the free testing of ideas is encouraged. Given the tendency of people to look inward in times of stress, that summit may be out of reach, but it must be reached if a varied and complex society is to improve its score on any Life Quality Index.

And I would ask one more thing. As you leave this lovely setting, as you return to what for many of you are comfortable homes, recall from time to time these words of an Indian youth:

"The part of Indian culture I would like to see restored is the respect for natural resources . . . an appreciation of the sky, winds and water."

"It's an appreciation of your surroundings and the people in it."

"The most important thing is your belief in those surroundings and not using them indiscriminately, especially people," he said. Hunger, poverty, wars, bigotry; each use people indiscriminately. The goal of any Life Quality Index you choose should be to end such waste.

Thank you.

(NOTE.—I am indebted to Professor Robert C. Juvinall, Department of Mechanical Engineering, University of Michigan, for ideas on this subject contained in the paper he presented to the 2nd International Conference on Production Research at Copenhagen, August 1973).

#### FACTFINDING MISSION REPORTS ON SITUATION IN SOUTH VIETNAM

Mr. McCURE. Mr. President, so often, congressional decisions necessarily must be made based on second-hand information, at best. It is not often that first-hand information from reliable sources is available, especially in the area of foreign affairs. Such, however, is not the case with regard to South Vietnam.

I speak of a recent factfinding mission to South Vietnam, sponsored by the American Security Council and the South Vietnam Council on Foreign Relations. The nonpartisan group who went to Vietnam to see firsthand what is going on there is distinguished not only for the caliber of the men who went, but also for the expertise of the participants. Included in the group were former Ambassador John Moore Allison, who served as Assistant Secretary of State for Far Eastern Affairs, as well as in Japan, Indonesia, and Czechoslovakia; former Ambassador Elbridge Durbrow, who served as U.S. Ambassador to South Vietnam, and had a 38-year career with the State Department that saw him serve in Moscow, Warsaw, Bucharest, Rome, Singapore, Lisbon, and with NATO; Congressman PHILIP CRANE of Illinois; Dr. Anthony Kubeck of the University of Dallas; and a number of other distinguished persons.

Mr. President, the findings of the factfinding mission are important, especially in light of numerous news media articles which have purported to tell the facts about Vietnam but which have somehow overlooked what this distinguished mission found.

So that my colleagues may have the benefit of this thorough and enlightening factfinding report. Mr. President, I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

#### VIETNAM REPORT: "NOT IN VAIN"

(EDITOR'S NOTE.—This special report was prepared by a fact-finding mission co-sponsored by the American Security Council and the South Vietnam Council on Foreign Relations. The distinguished members of this mission found that most of the anti-South Vietnam charges echoed in much of our national media are without basis in fact. So, after you've read this important report, please share it with your local editor.)

"The costs of the struggle, in which we joined, have been huge—in lives, in treasure, in the destruction of homes, people uprooted, in the divisions in our own country.

"But I believe history will determine that it has been not in vain. One small country has gained a chance at self-determination. Other nations nearby have gained the time to create a more stable Asia. The U.S. has demonstrated to other nations that it had the will to accept the responsibilities of power and to assure the credibility of its commitments.

"And the great powers of the world have, through this war, evolved a way to replace confrontation with diplomacy."—Ambassador-at-Large, Ellsworth Bunker, U.S. Ambassador to South Vietnam, 1967–1973, in an address to New York-New England Press Association, September 21, 1973.

#### I—VIETNAM MISSION: THE OBJECTIVES

More than 50,000 Americans died in defense of South Vietnam. More than 130 billion dollars were spent in support of that objective.

Has the pursuit of that objective been in vain? The facts indicate quite the opposite. Today, more than one year after the Paris peace agreement and the final withdrawal of all American forces, South Vietnam remains a free society, even though massive problems persist.

Due to the sacrifices of the seven million Americans who served there, the 18 million people of South Vietnam have gained a fair chance to preserve their independence. The South Vietnamese have been trained and equipped and encouraged to defend themselves—to "go it alone."

#### A nation is emerging

That they are now trying to do. From all indications, South Vietnam today stands on the threshold of viability, of being able truly to "go it alone." Its armed forces appear to be holding their own, or better, against continued Communist aggression. Morale is up, desertions, though still a problem, are down. For the first time, there are signs that a nation is emerging, with a unity of purpose and of leadership and with an increasing degree of popular participation.

South Vietnam's survival, however, is still in question. The withdrawal of U.S. forces left a vacuum and the economy is suffering. World-wide inflation and energy shortages have left their mark; prices went up 64 percent last year, and are still rising. An acute shortage of fertilizer threatens the nation's life-sustaining crop, rice. As elsewhere, oil is in critical short supply.

The South Vietnamese are tightening their belts and learning to live with less, a great deal less. To survive, they need continued help, just as the nations of Western Europe needed help to recover from the ravages of World War II and to rebuild their defenses against the threat of Communist aggression.

The next two years will be crucial years. If the South Vietnamese can be helped to fill the vacuum left by the departure of more than half a million American troops and to strengthen their defenses and economy and political and social life, they will have a better than even chance to endure and to prosper in the years to come.

It can be assumed that a great majority of Americans support these objectives. It is not in the American character to abandon a struggle within reach of success, or to desert a friend in need.

Yet, this is what a small minority of critics of American policy in Vietnam would have us do. Not content with the total withdrawal of U.S. forces, and Congress's denial of further direct active military support for the embattled free nations of Indochina, these critics now demand a total cut-off of all U.S. military and economic support.

They would, in effect, snatch failure from the jaws of success, and deliver South Vietnam and its 18 million people to the Communists by default.

#### Propaganda front—Washington

Since South Vietnam stands steady on the battle front, its enemies have mounted new attacks on another front—Washington.

The government of South Vietnam and its elected leader, President Nguyen Van Thieu, are portrayed far and wide as corrupt and oppressive and thereby unworthy of continued U.S. support.

These verbal assaults have reached a crescendo unparalleled since the days of the Vietnam "moratorium" and the march on the Pentagon. Familiar voices that once demanded U.S. withdrawal from Vietnam now denounce any and all U.S. aid to Saigon.

Jane Fonda and Tom Hayden set up shop in Congress and openly lobby for the abandonment of South Vietnam. A three-week anti-Vietnam seminar is organized in a committee hearing room of the U.S. House of Representatives. Remnants of the "Vietnam Veterans Against the War" invade and briefly seize the information offices of the South Vietnamese Embassy in Washington.

"Study groups," composed of articulate and well-known propagandists against U.S. policy in Indochina, visit Vietnam and return with shocking new tales of torture and imprisonment of tens of thousands of innocent "political prisoners." Their views and expressions are afforded prominence before committees of Congress and in the news media with scant attention to their credentials or credibility.

Volumes of testimony and statistics recite a long litany of alleged savagery and wrongdoing by "General Thieu and his henchmen." By sheer weight of words, the professional Vietnam critics seek to confuse, confound and wear down their opposition.

Taken alone, such organized efforts to influence U.S. foreign policy could be dismissed as so much propaganda. But in an America weary of war and preoccupied with newer problems of inflation, energy and Watergate, the critics of Vietnam have gone largely unchallenged and their allegations mostly unanswered.

Without rebuttal, there is a danger that the views of these critics in time could gain acceptance, through repetition if for no other reason.

#### Fact-finding mission to Vietnam

To afford Congress and the American people an opportunity to hear from both sides and to reach reasoned judgments based on all the facts, the American Security Council in cooperation with the South Vietnamese Council on Foreign Relations sponsored a private, non-partisan fact-finding visit to South Vietnam.

The mission was headed by Ambassador John Moore Allison (Ret.), former Assistant Secretary of State for Far Eastern Affairs, whose distinguished diplomatic career included Ambassadorships in Japan, Indonesia and Czechoslovakia.

Other members included:

Congressman Philip M. Crane (R-Ill.), member of House Committees on Banking and Currency and House Administration. A former history professor at Indiana and Bradley Universities, Congressman Crane has visited Indochina on several occasions and conducted a special investigation of prison conditions on Con Son Island for a report to Congress.

Richard W. Smith, Chairman, National Federation of Young Republicans, who also serves as Administrative Assistant to the Minority Leader of the Florida State Senate.

Dr. Anthony Kubeck, Research Professor, University of Dallas, author, lecturer and former visiting professor at three Chinese universities. He has traveled extensively in Asia and presently serves as consultant to the Senate Internal Security Subcommittee.

Ambassador Elbridge Durbrow (Ret.), Director of Freedom Studies Center, Boston, Virginia, and former Ambassador to South Vietnam (1957–61), whose 38-year diplo-



matic career included extended tours of duty in Moscow, Warsaw, Bucharest, Rome, Singapore, Lisbon and with the NATO Council in Paris.

Charles A. Stewart, Director of Communications, Institute for American Strategy, and Director of Broadcast Communications, American Security Council.

Philip C. Clarke, correspondent and commentator, Mutual Broadcasting System, and Capital Editor of the American Security Council's Washington Report. Clarke, a journalist for 35 years, served as an AP foreign correspondent and Newsweek's General Editor.

Accompanying the group as an observer was veteran correspondent James Cary, Washington Bureau Chief, Copley Press. (Texts of Cary's published dispatches from Vietnam are included in this report's appendix.)

The group traveled by plane, helicopter and jeep from Saigon to Quang Tri in the far North, and from the Mekong Delta to Con Son Island off the southeast coast of South Vietnam. It witnessed soldiers guarding the ceasefire lines, peasants harvesting rice, village schools in session, government officials at work, and a host of other activities that comprise a nation striving to survive in the twilight of an undeclared war thrust upon it by an aggressor that still aims at total conquest.

There were lengthy private meetings with President Nguyen Van Thieu in the Presidential Palace in Saigon; Hoang Duc Nha, Minister of Information; with Foreign Minister Vuong Van Bac; Pham Kim Ngoc, the former National Commissioner for Planning; Nguyen Duc Cuong, Minister of Trade and Industry; Ton That Trinh, Minister of Agriculture; Pho Ba Quan, Special Assistant to the Minister of Finance; and with the Commander of the National Police, Brig. Gen. Nguyen Khac Binh.

There were meetings also with leading members of the South Vietnamese National Assembly, with private business and professional men, and with students, shopkeepers, and workers. In the countryside, there were briefings by Corps Commanders in Military Regions 1 and 4, and inspection trips of defense lines. Provincial representatives afforded visits to community centers, banks, and irrigation projects.

U.S. Ambassador to Saigon, Graham Martin, conducted an extensive personal briefing, along with members of his staff, and there was a detailed review from Maj. Gen. John E. Murray, who heads the U.S. Defense Attache mission in South Vietnam.

While the fact-finding group claims no "instant expertise" or easy answers to the many complex problems of Vietnam, it did reach a number of conclusions based on first-hand observations.

#### II—"POLICE STATE": WHAT THE FACTS SHOW

Charges that South Vietnam, with U.S. financial and technical support, has become a "police state" are not supported by the facts. South Vietnam's 122,000-man national police force has the function of preserving law and order in both the cities and the countryside; it is a vital element in the government's efforts to provide greater safety and security against terrorist attack, kidnapping, assassination, and sabotage. Since its reorganization in 1971, it has become an increasingly efficient force in securing areas that before were easy prey to guerrilla raids, infiltration and intimidation. By its nature, this fight against subversion is almost certain to lead to some abuses. But there is a definite effort to improve procedures and safeguard individual rights.

As in the U.S., the police operate under the law and arrests are made only for violations of the law. Rather than serving only to protect the government and suppress political opposition, as alleged by critics, the national

police are welcomed by most South Vietnamese as a protector. In hundreds of remote hamlets, the gray-uniformed policeman is the lone symbol of authority and, as such, often a prime target of communist assassination squads. The courage and heroism of the policeman is legendary in many rural areas, as it is in the refugee-crowded cities.

Much of the progress made by the national police is due to the advice and training provided at modest cost by U.S. experts under the Office of Public Safety (OPS), a branch of the State Department's AID program of assistance to foreign governments at their request. Although this aid-and-training program was ended in South Vietnam under terms of the Paris peace agreement, a handful of U.S. civilian technicians continue to provide advice in the operation of a newly-installed computer system which keeps tabs on more than 10 million South Vietnamese. Far from being a secret police device to oppress the populace, as charged by critics, the new computer system is used primarily to curb crime and enforce the law, just as in most advanced countries, including the U.S. And through frequent checking of I.D. cards, the South Vietnamese police are able to spot lawbreakers as well as enemy agents, thereby preventing large-scale infiltration of highly-trained saboteurs, sappers and spies into the cities such as occurred during the '68 Tet offensive.

Despite such achievements, OPS itself is now a favorite object of attack by opponents of U.S. foreign assistance who charge that it promotes "oppressive police states." The record shows quite the opposite is true. In South Vietnam, it seems that leftist propaganda attacks against the police are increased in almost direct proportion to the improvement of police efficiency and effectiveness.

#### III—"POLITICAL PRISONERS": FACT VS. FICTION

Charges that the South Vietnamese government has jailed tens, even hundreds of thousands of "political prisoners" are in variance with the facts.

Following recent allegations that the Thieu government was holding up to 202,000 political opponents in barbarous captivity, the U.S. Embassy in Saigon undertook what it described as "an exhaustive and painstaking analysis" utilizing all available sources, including the personal knowledge of U.S. police advisers who had been on the scene until early 1973. The results of this official U.S. Embassy survey, comprising 15 closely typewritten pages, covers every penal institution in South Vietnam, from the four national prisons and 35 provincial jails to local police lockups where suspected criminals are held for up to five days before disposition of their cases.

The Embassy survey reached "the firm conclusion that the total prisoner and detention population in South Vietnam in the July-August, 1973, period (when the check was conducted) was 35,139. This figure comprises civilian prisoners of all types, not just 'political prisoners,' however defined."

The U.S. Embassy placed the total capacity of South Vietnam's prison and detention system at 51,941 as of December 31, 1972. The total prison occupancy on that date was 43,717, and less since then.

The Embassy said that its survey "conclusively refutes the widely-spread charge that South Vietnam government jails hold '200,000 political prisoners.'" And it found no evidence whatsoever that large numbers of persons had been jailed solely for their political opposition to the present government.

The allegation that the Saigon government holds "202,000 political prisoners" was found to have originated with a well-known government opponent, Father Chan Tin, a Paris-educated Redemptorist priest who seems to put the human suffering he encounters among his parishioners in class

struggle terms. He also heads an organization he calls the "Committee To Investigate Mis-treatment of Political Prisoners"—which he defines, very broadly, to include arrested communist cadre.

In his latest statement, Father Tin lists prisons that allegedly contain many thousands more prisoners than could be physically accommodated.

Yet, apparently without checking into Father Tin's background or supposed sources, a member of Congress recently inserted Tin's "202,000 political prisoner" figure in the Congressional Record.

Interestingly, Father Tin still puts out his story and continues to attack the government without interference from the authorities—a fact that seems to disprove the familiar charge that Saigon jails all its opponents.

A study group composed of five Vietnam critics who were also briefed on the Embassy's "political prisoners" survey, recently returned from Saigon, claiming on TV and in press conferences that "the jails of South Vietnam are full of political prisoners."

#### Reasonable and objective persons

As U.S. Ambassador Graham Martin concedes: "(Our) report will not convince those who believe only what they wish to believe. It will, I think, be convincing to those reasonable and objective persons who are still concerned with the truth—and fortunately, the majority of the citizens of the United States come within this category."

#### IV—"TIGER CAGES": A MYTH DEMOLISHED

Charges of widespread torture and mistreatment of "political prisoners" by the South Vietnamese government lack substantiation and appear to be false or grossly exaggerated.

While it would be virtually impossible for any one private investigative group to personally inspect all the prison facilities in South Vietnam, U.S. Public Safety Advisers, who did work closely with the South Vietnamese over the past several years, report no proof of any systematic ill-treatment of inmates. Obviously, given the enmity aroused by a quarter of a century and more of conflict and strife, there undoubtedly have been isolated instances of cruelty and ill-treatment. But nowhere is there any evidence of the obvious and systematic brutality practiced against Americans and South Vietnamese prisoners of war by their North Vietnamese and Vietcong captors.

#### Visit to Con Son Island

One of the highlights of the fact-finding mission was a day-long visit to Con Son Island where the group was allowed to visit the entire prison facility and to talk freely with both officials and with Vietcong prisoners. More than an hour was spent inspecting the so-called "tiger cages," no longer in use but still employed by propagandists to belabor the South Vietnamese as cruel and oppressive.

Actually, as the fact-finding group determined, these prisons cells, built by the French in 1941 as punishment cells for unruly prisoners, were a good deal larger and airier than had been depicted in the famous July 17, 1970 *Life Magazine* "expose."

The *Life* story was based on a report by photographer Tom Harkin, a Congressional staff aide, and Don Luce, then an executive secretary for the World Council of Churches and a leading peace activist. Luce was brought along to Con Son Island by Harkin who was accompanying two Congressmen—William R. Anderson of Tennessee and Augustus F. Hawkins of California.

The story claimed that the so-called "tiger cages" were hidden away in a secret area of the island. The ASC fact-finders found them clearly out in the open behind high white walls. The story also implied that the cells were underground. They were, in fact, above

ground with open grates at the top and with a roof some 15 feet above the cells to protect them from sun and rain, and individual doors leading to an open courtyard. The Harkin-Luce story also told of prisoners "crouched" in the cells. The cells were, in fact, 10 feet from the floor to the top grate and 6' 3" wide and 10' 6" deep—far larger than comparable isolation "punishment cells" in most standard U.S. prisons.

Contrary to the *Life* story, which has been endlessly repeated and enlarged upon by anti-Vietnam critics in the nearly four years since publication, the ASC group found no hard evidence of systematic mistreatment of prisoners on Con Son Island. And there was no indication that any of the prisoners in the cells (the *Life* photos show from two to four inmates in each cell) had been shackled. Indeed, it would have been physically impossible to "suspend" any of the inmates from the top grate, as has been charged.

Of the 5,739 prisoners now on Con Son Island, a majority have accepted the standing offer by the authorities to work daily on one of the vegetable farms, or in the pig farm, brick factory, machine shop or wood-working shop. These "trustees," numbering some 3,000, were under minimal guard and showed no evidence of strain or hardship. Of the 500 VC's who refused to cooperate and who remained in the large (50 inmates each) barred compounds, there was no visual indication of malnutrition, disease, or mistreatment, despite the complaints of some of the VC.

As just one example of prison treatment on Con Son Island, the hard-core "unco-operatives" receive 570 grams of rice a day—more than can be spared for war refugees in many resettlement camps on the mainland. And as an example of how U.S. prison training-and-aid has helped, the per capita death rate among inmates is now .36 per 1,000, compared to 1.56 per 1,000 before the aid program began.

#### *Other impressions*

There were, of course, many other impressions of South Vietnam and its people, gained through hours of observation, conversation and close study.

Militarily, the South Vietnamese were cautiously optimistic about their ability to withstand any new North Vietnamese offensive, despite the fact that the Paris Agreements did not require the 100,000 odd North Vietnamese forces in the South to go North and despite the continued infiltration of Hanoi's troops (130,000 by conservative estimate), tanks (some 600), long-range artillery and rockets, and anti-aircraft batteries plus the installation of twelve airfields, a new highway complex and a major oil pipeline—all within the South Vietnamese border.

The South Vietnamese thus far have been able to beat back fierce probing attacks, some supported by Soviet-made tanks, in vulnerable border areas in the Central Highlands and along the approaches to Saigon. And as yet the North Vietnamese and Vietcong have failed to conquer a single provincial capital or significant population center.

If anyone doubts still the courage and fighting ability of the South Vietnamese binh si, or GI, he should walk through what remains of Quang Tri, the northernmost provincial capital, as did members of the fact-finding mission. Not a structure remains. Yet, amid the jagged shards of concrete and twisted steel, soldiers of the ARVN 1st Division and crack Marine and Ranger units hold foxholes and gunposts and fly their red-and-yellow flag above what once was the Citadel, recaptured in 1972 as the North Vietnamese "Easter Offensive" was bloodily repulsed.

It does come as a jolt to helicopter over wide areas of northern "Eye Corps" and gaze down at now abandoned fire-bases—Camp

Nancy, Camp Carroll, "Bastogne," and others. Only piles of used shell casings and scattered bomb craters mark the barren, clay-yellow plains where U.S. Marines once fought and died to hold off human-wave attacks from the jungled mountains to the north and west.

The ARVN defenders, sparser in men, guns and ammunition, have devised new tactics. Batteries of 105's are wheeled into gullies and crevices ready to fire and move. Rather than expending men and materiel to defend fixed positions, the ARVN strategy is to bend and stretch but not break. So far, it seems to be working and such population centers as Hue and Da Nang appear relatively secure.

In recent weeks, South Vietnam's fledgling air force (more than half of its pilots are still in training, most in the U.S.) has carried out bomb-and-straft attacks against North Vietnamese infiltration routes and troop movements. As President Thieu explains: "We are trying to prevent the enemy from building up for a new all-out offensive and a new war that could last ten years."

Ironically, the river border at Quang Tri is the only place along the ceasefire line that is not being subjected to intermittent Communist artillery and mortar fire. The reason is clear. In a small clearing in the rubble of Quang Tri camps a unit of the otherwise impotent ICCS—International Commission of Control and Supervision.

#### *Economy is strained*

Economically, there is deep strain. The treasury is down to 120 million dollars in cash reserves, inflation is rampant (64 percent last year) and the cost of scarce imports such as oil and fertilizer are skyrocketing. Yet, there is solid hope for the future; exports have risen from \$13 million in 1971 to a projected \$85–100 million in 1974. In June, the first test drilling for oil will take place in an offshore area believed to contain large reserves of this precious commodity. There also is the possibility of oil being discovered in the Delta.

Land reform has advanced more rapidly than even the most optimistic observers had hoped. More than 1,300,000 hectares have been distributed to 800,000 formerly landless tillers of the soil. And at least 200,000 more are expected soon to receive titles to tracts ranging from 1 to 3 hectares.

Saigon and other large cities are still severely over-crowded, and thousands of refugees remain to be resettled. But there are few signs of hunger, as in such chronically over-populated places as India. And here and there in the capital, Saigon, handsome new skyscrapers have shot up—monuments to the confidence of at least some businessmen.

In the Delta, the rice harvest was full and the peasants and villagers appeared content and well-fed. Groups of young children played barefoot in the dusty roads. Among them here and there, were a few half-American youngsters, obviously accepted by the others.

Much of South Vietnam's natural resources remain to be developed. The country has vast stores of valuable timber and there are indications that tin and other minerals may abound. The fishing industry, second after lumber, easily could flourish. (South Vietnam's third largest export: scrap metal, left from the war.)

Even tourism could be developed. What GI doesn't recall the wide, golden beaches at Vung Tau and Nha Trang, or the cool, green highlands of Dalat, Vietnam's "Shangri-La"?

Yet, for reasons not clear, OPIC—Overseas Private Investment Corporation—does not insure private U.S. investment in South Vietnam, insurance it readily grants investors in the Philippines, Chile and dozens of other less developed nations. And this despite South Vietnam's newly-adopted tax and

profit concessions which are among the most generous in the world.

#### *Political profile*

Politically, South Vietnam is not yet a model of American-style democracy. Nor is it ever likely to be—given age-old Vietnamese family, village and ethnic social structures. In this, Vietnam does not differ from other countries of Southeast Asia, including the Philippines where the U.S. spent fifty years trying to instill the fundamentals of American-type democracy. But it is grossly incorrect to regard South Vietnam as an oppressive dictatorship.

Indeed, there can be little doubt that the 18 million people of South Vietnam, despite wartime conditions, today enjoy far more personal freedom and political participation than most developing nations in Southeast Asia and elsewhere around the world. Not only Father Chan Tin, but such rivals for power as Marshal Ky and "Big Minh" live freely and well while continuing to criticize Thieu.

While President Thieu is reviled by enemies of his government as a corrupt dictator, he moves almost daily among the people with only a minimum of personal protection. The son of a humble fisherman from the central coast, he talks the language of the people and is accepted by them. Thieu scoffs at the notion he covets power, saying: "If the people or the army would want me to go I would go." So far, there is no other leader in South Vietnam who comes anywhere close to Thieu in popularity—and that popularity appears to be solid, despite the severe economic hardships brought on by the U.S. withdrawal.

Thieu is determined to continue the struggle to preserve his country's takeover "until," as he says, "the last bullet." It is this staunch anti-Communist attitude that has rendered Thieu anathema to the Communists and their backers, in Hanoi and elsewhere.

#### *V—CONCLUSIONS*

"The American people and Congress must realize that the Vietnamization task has been successful," says the President. "You may report back to the United States that we have done everything we can here to continue to survive on our own and to defend our freedom. The most important thing we need is guaranteed peace."

Supporters of Thieu have succeeded in amending the Constitution to enable him to run in 1975 for a third term. Aside from some angry and anti-Thieu speeches in parliament, and a few critical editorials in some of Saigon's 16 daily newspapers, the fact-finding group witnessed no popular protests. And if Thieu decides to run for re-election next year, he is almost certain to win big, even if the Vietcong should end its boycott of elections and vote.

The corruption is still a problem, as it is in most Asian and many other countries. But Thieu has replaced several of his military leaders and provincial chiefs who were caught grafting or stealing, and he is cracking down hard on others.

The ACS's fact-finding was particularly impressed by the youth, intelligence and apparent dedication of government cabinet ministers and department experts. The average age of Thieu's cabinet is under 50; in Hanoi, the average age of the Politburo members is 66.

Impressive also was the concern shown by military leaders in the provinces for the welfare of the communities under their protection, especially for war victims living in resettlement centers. Strenuous efforts are continuing to return peasants to the land and to give them security against terrorist attack.

When conditions permit, plans call for soldiers to spend one-third of their time working the land, helping with the crops.

Ambassador Allison, who once served as U.S. Ambassador in Communist Czechoslo-



vakia, observed: "People in the cities and in the countryside give no evidence of serious repression or of living in a police state, particularly in comparison to the people of Eastern Europe."

One fact alone provides clear proof that President Thieu and his government have the support of an overwhelming majority of the South Vietnamese people. In addition to the regular national military forces, numbering more than 500,000, the government has armed the Regional and Popular forces—assigned to defend their own regions and numbering more than 549,000—with M-16 rifles and M-79 grenade launchers and other weapons.

What is perhaps even more significant is that President Thieu has distributed World War II type weapons to the local part-time militia. (Peoples Self-Defense Forces) to defend their villages and families against communist attacks. In other words, the number of weapons now in the hands of the ordinary South Vietnamese people, apart from the national regular forces, is well over 1 million. Dictators don't do this. Thus, if the people preferred the Vietcong to the present government, all they would have to do would be to turn their weapons "the wrong way" for a few hours. This, of course, has not happened, nor is it likely to happen. It is also significant that despite the war weariness of the South Vietnamese, thousands of young men are drafted into the armed forces each year and continue to fight and die to prevent a communist takeover. This, too, should refute the "police state" allegations of anti-Vietnam critics.

And whenever there is fighting, the refugees still flee South, never North.

South Vietnam has proven itself to be a reliable ally and a sound investment in the cause of freedom in Southeast Asia. Given peace and continued stability, it could in time become a model of Asian-style democracy, vigorous, prosperous, and above all, free.

It would be a mistake of historic proportions should Congress accept now the argument of critics who contend that the U.S. participation in the defense of South Vietnam was all wrong and that the U.S. should cut its losses and abandon the South Vietnamese as a hopeless cause.

Congress should give close scrutiny to the latest outpouring of propaganda, charging the Saigon government was jailing "political prisoners" by the hundreds of thousands. It should look closely also at the familiar purveyors of such bias to determine (1) their ulterior motives, if any, and (2) their financial support and whether, as some members of Congress believe, they should register as agents of foreign governments.

Not only members of Congress, but all thoughtful Americans, should examine the facts—all the facts—before making up their minds. Americans have a natural aversion to being "sold a bill of goods." Yet, today, it is clear that many of our citizens are being deceived by organized propagandists who seek elimination of all U.S. support for South Vietnam, thus enabling the North Vietnamese and their Vietcong allies to do what they cannot do on the fighting front—take over.

The critics complain that the U.S. is now spending over 2 billion dollars a year to support South Vietnam. Actually, funds appropriated for U.S. aid for the fiscal year 1974 amount to \$813 million for the military and \$525 million for economic purposes including AID and PL 480.

The achievements of a multitude of American assistance programs, though largely unnoticed by the news media, have brought about truly revolutionary changes in Vietnam.

In education, for example, U.S. aid has helped the South Vietnamese government develop necessary facilities and staff so that college enrollment has increased by fifty per-

cent, secondary school enrollment by nearly 100 percent in the past five years. And more than 90 percent of the approximately three million children age six to twelve are now in school.

Thanks largely to the U.S. sponsored introduction of advanced "miracle rice" varieties, rice production has increased forty percent since 1968.

Important and enduring institutions, such as the National Center of Plastics and Reconstructive Surgery and the National Institute of Administration, have been launched with U.S. help and are making significant contributions to healing the wounds of war and building foundations for further progress.

Such development has taken place despite the disruption of war and such immediate problems as the caring for and resettlement of some one million refugees created by the Communists' 1972 Easter Offensive.

#### *Aid should continue*

Members of the American Security Council-South Vietnamese Council on Foreign Relations fact-finding group strongly believe that U.S. aid should be continued in the amount necessary to provide South Vietnam needed for survival, and that private U.S. investments should be encouraged. Our mission also supports efforts being made to grant Overseas Private Investment Corporation insurance to private U.S. investors in South Vietnam. We endorse Ambassador Graham Martin's carefully considered request for supplemental aid to provide additional economic help and military replacements needed to counter Hanoi's infiltration of long-range artillery and other sophisticated new weaponry. The mission applauds President Nixon's advice to Congress in his "State of the Union" message which urges that funds be provided "to maintain strong, self-reliant defense forces" in South Vietnam.

To do less would be to dishonor the 50,000 Americans who died in the Vietnam War and to discredit the United States in the eyes of the world. To abandon our commitments to that embattled nation—after having supplied it with the means and encouragement to fight for its freedom—would be to desert America's principles of liberty and human rights.

Rather than complaining only about the alleged wrongdoing of the South Vietnamese, would it not be more appropriate for the critics to call attention to the many open violations of the Paris peace accords by Hanoi and the Vietcong, to their continued aggression against the civilian population and to their systematic murder of innocent men, women and children?

Why, we ask, were there no expressions of outrage when Communist gunners recently ambushed an unarmed U.S.-South Vietnamese helicopter crew, on a clearly authorized mission to search for the remains of Americans killed in a wartime crash? An American officer, hands raised, was cold-bloodedly shot and killed by the Communist ambushers.

And why do not the critics complain at still another Communist violation of the Paris peace agreement: refusal to allow international search teams to determine the fate of more than 1,300 Americans still listed as MIA—Missing in Action—so that the long and torturous doubts and anxieties of their loved ones could at last be put to rest?

Nor do we hear the critics protest the ruthless terror shelling of Phnom Penh, the capital of neighboring Cambodia, by Hanoi-backed communist insurgent forces.

There is reason for concern that the Congress, preoccupied with problems closer to home, might succumb to the pressures of the anti-Vietnam propagandists. Recently, the U.S. Senate, in a shocking retreat from responsibility, voted 60 to 33 to cut off military shipments of oil to South Vietnam—this, despite the fact none of South Vietnam's

oil came from domestic U.S. stocks, and would in any case represent only two-tenths of 1 percent of U.S. domestic requirements.

Had the action later not been modified, it possibly could have meant the end of freedom in South Vietnam within a matter of a few weeks.

Other actions taken or pending would cut deeply into other U.S. aid programs for South Vietnam and seriously affect its ability to withstand continued pressure from Hanoi, amply supplied with arms and economic muscle by an ever-generous Moscow and Peking.

#### *The conviction of the group*

It is, in summation, the conviction of the fact-finding group that the struggle for South Vietnam ultimately may be decided not on the battlefield but by the false facts and wrong impressions given to Congress and the American public by anti-Vietnam propagandists.

As Ambassador Allison stated on conclusion of the mission: "The South Vietnamese, both civilian and military, are confident they can stand up to the Communists—provided the U.S. continues to give them the economic aid and military equipment they need."

Congressman Crane put it this way: "There is this concern that the United States, at this eleventh hour, might be guilty of turning its back on a commitment that we made quite a number of years ago that came to represent literally billions and billions of dollars, not to mention the blood that we sacrificed, on behalf of trying to help a people who want to remain free from Communist domination."

"It would be a great tragedy—a personal tragedy to the United States and also perhaps to the entire Free World—if we did not go that last five yards and give them (the South Vietnamese) the economic and military assistance they need now to absolutely assure their independence."

Some non-Americans are asking why they are given such a totally negative picture of the situation in South Vietnam. Excerpts from an article dated September 8, 1973, sent by a Danish correspondent to his paper in Copenhagen, is included in this report's appendix. It quotes the observations of a Polish member of the International Commission for Control and Supervision (ICCS) and it differs sharply from the views of anti-Vietnam critics in the U.S.

Similar observations are found in the final report of Canada's delegation, issued after it withdrew from the ICCS in disillusionment and frustration. (A summary of the Canadian report is included in the appendix.)

Perhaps the most eloquent appeal to reason came from a deeply concerned American observer with 27 years of service abroad, the past two in Vietnam. Speaking from experience and knowledge, he told the visiting Americans:

"After a quarter of a century of terrible suffering and sacrifice and by the extraordinary courage and resilience of the Vietnamese people, we have finally come to the point where this is a united nation built on concepts of individual and national freedom and having the ability to defend itself against an aggressor who has been truly barbaric."

"We have come to the time when this country can build a happy and prosperous future for itself and make a significant contribution to peace and well-being in the area."

"Now we find some leaders of opinion and some in influential positions in our Government prepared to walk away."

"They cower before the Don Luces and Jane Fondas of this world and let stand unchallenged the gross lies spread by Hanoi to discredit South Vietnam and to undermine the support of responsible friends which Vietnam deserves and which we ought to give in our interests."

It is to challenge these untruths that the foregoing report is issued.

Our report seeks to promote no special interest other than of our nation and the cause of freedom in Vietnam.

It tries not to bedazzle with impressive-sounding statistics or to persuade with unsupported allegations from questionable sources.

It depends, rather, on the reasoned advice of trained government specialists with long "in-country" experience, and on honest judgments honestly arrived at from personal observation on the scene.

In the end, we have faith that the truth will prevail.

## GEORGIA FERTILIZER SITUATION

Mr. TALMADGE. Mr. President, yesterday, in a statement I presented to this body, I reported that the Agricultural Stabilization and Conservation Service of USDA has conducted an intensive survey, at my request, to determine the extent of corn acreage in my State of Georgia that has not as yet had proper nitrogen fertilizer treatment. The results of that survey were made available to me late yesterday. ASCS reports that 34 percent of all the corn acreage in Georgia has not had proper nitrogen treatment to date. This translates into a deficit of approximately 1,000 tons of nitrogen fertilizer. This could mean as much as 700,000 acres of corn could be lost this year in Georgia, if additional supplies of nitrogen are not made available.

But, all the news yesterday was not bad. I also was informed last night that Columbia Nitrogen Corp., located in Augusta, Ga., is diverting some nitrogen material from industrial-use markets to agriculture use, an amount sufficient to fertilize an additional 40,000 acres of corn. This action combined with similar action taken last week by Gold Kist will, indeed, be good news to many of the corn farmers in my State.

Mr. President, I would like to request unanimous consent that my statement to the press yesterday on these developments be printed in the RECORD.

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

### SOME GOOD NEWS AND SOME BAD NEWS IN GEORGIA FERTILIZER SITUATION

WASHINGTON.—Senator Herman E. Talmadge, Chairman of the Senate Committee on Agriculture and Forestry cited today what he termed both good news and bad news concerning the shortages of fertilizer in Georgia.

On the positive side, the Senator said he had received a wire from William P. Copenhagen, President of the Columbia Nitrogen Corporation, announcing that company had diverted some nitrogen chemicals from industrial use markets and had arranged for some exchanges which would release sufficient nitrogen to fertilize an additional 40,000 acres of corn in Georgia.

In his wire to Senator Talmadge, Mr. Copenhagen said, "We will continue to exert our utmost ability to provide additional nitrogen fertilizer products. Columbia Nitrogen's ability to operate at capacity in recent months is in large measure due to assistance from you and Atlanta Gas Light Company in providing firm (reliable supplies of) gas."

The Senator praised the company for its

excellent efforts to produce or find enough fertilizer for Georgia's corn farmers.

However, the Georgia Senator had quite a bit of negative news to report. Senator Talmadge had asked the Agriculture Stabilization and Conservation Service of USDA to do a statewide survey of the fertilizer situation in Georgia so that everyone would have a better understanding of the seriousness of the situation. The survey was conducted by Mr. Paul Holmes, Director of the state ASCS, and the results were gloomy, if not disastrous, according to Talmadge.

Following are the results of the survey: Fertilizer dealers reported that they had 11,287 tons of nitrogen fertilizer on hand, and that during the critical months of May and June for corn farmers, another 37,577 tons were expected.

This is contrasted with expected needs of nitrogen of 109,937 tons. This would mean a deficit of approximately 61,000 tons of nitrogen for the state this year.

Thus far, ASCS reports, 34 percent of all the corn in the state has not had proper nitrogen treatment. In terms of acreage, the state could lose up to 701,904 acres of corn this year, if fertilizer is not found somewhere.

Following are 28 counties in Georgia with severe nitrogen shortages in terms of percentages and acres of corn which have not received adequate fertilizer:

County	Percent short	Acres untreated
Appling.....	25	15,000
Bacon.....	20	7,500
Baker.....	25	7,500
Berrien.....	40	20,000
Bulloch.....	20	15,000
Coffee.....	50	35,000
Cook.....	40	11,000
Emanuel.....	50	20,000
Irwin.....	30	12,450
Jeff Davis.....	20	6,000
Jenkins.....	40	16,200
Johnson.....	37	10,000
Laurens.....	40	24,000
Miller.....	25	10,000
Mitchell.....	28	12,000
Montgomery.....	35	7,700
Pierce.....	40	8,000
Sumter.....	45	12,000
Tattall.....	40	16,000
Thomas.....	23	15,000
Tift.....	50	14,000
Toombs.....	40	16,000
Truettlen.....	40	6,000
Turner.....	25	6,000
Washington.....	50	14,450
Wilcox.....	30	15,000
Wheeler.....	55	4,800
Worth.....	20	15,000
Total.....	34	371,600

Senator Talmadge reasserted his determination to get more fertilizer for the state, and he added, "I am going to take special note of those companies which are trying to help farmers out during this trying time, such as Columbia Nitrogen and Goldkist, and those companies which are adding to the crisis by reneging on their commitments to deliver nitrogen products during this crop year. I am now finding out who are the friends and the enemies of Georgia's corn farmers, and I am going to act accordingly."

## NOAA COMPUTER PROCUREMENT

Mr. HOLLINGS. Mr. President, I would like to take this opportunity to call attention to an article which appeared in the March 25, 1974, Electronic News outlining the outstanding record of the Department of Commerce's National Oceanic and Atmospheric Administration in its procurement of the sophisticated computers it requires for its far-flung operations.

I ask unanimous consent to have the article printed in the RECORD.

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

### FAIR WEATHER FOR NOAA COMPUTERS

WASHINGTON.—Another "good guy" in federal computer procurement has been singled out by many industry vendors—the National Oceanographic and Atmospheric Administration.

With so many government bids ending up in bitter protests and costly contract overruns, it's nice to find some agencies scoring high marks with hard-battling vendors.

Previously the Navy's Automated Data Processing Equipment Selection Office was lauded for fair and competent handling of fiercely competitive bids by industry.

Most company marketing executives also rank NOAA computer buying practices fairly high—with a few reservations.

Technical expertise of staffs who run the nation's weather forecasting and satellite monitoring service is ranked high. And the new agency—pieced together 4 years ago from a hodge-podge of federal activities in the air and ocean field—is considered too young to develop in-grained bureaucratic bad habits.

Merging the assorted programs together has proved a problem for the NOAA—particularly with the all-powerful weather arm of the agency over-powering the oceanographic programs acquired from Interior and the Navy.

But the computer procurements that have come out of the new agency have generally been as open as possible—without favoring any company or particular equipment. Some industry sources believe this was a benefit of amalgamating the prejudices of a half-dozen different federal operations into a new agency—resulting in a standoff on vendor bias.

A year ago, the NOAA replaced its bank of Control Data Corp. 6600 giant computers with IBM Corp. 370/195 systems in an open \$23 million competitive bid.

All too often federal agencies with a heavy investment in existing software programs try to upgrade sole-source within the current vendor's line. If they do go out for competitive bids, specifications are frequently written around the present equipment and software—virtually locking in the incumbent supplier.

Industry sources, however, said the NOAA uses a weighted evaluation system to try to assign values to the existing software as well as the cost of conversion to another computer system.

The NOAA evaluation scheme understandably finds a strong supporter in IBM, which won the big bid for weather forecasting computers. But it might be studied by other federal agencies that try to avoid or prejudice competitive bids to replace existing systems because of the existing software investment—frequently involving installed IBM systems.

The NOAA evaluation plan also gave extra bid credit for passing benchmark tests—at the rate of \$200,000 off the bidder's price for each bonus point. IBM was not the low-price bidder for the weather forecasting computers—but 14 bonus points awarded by the NOAA reduced its bid price by \$2.8 million for evaluation purposes.

Bonus credit used by an agency in its bid evaluations is always suspect—since some federal buyers have been accused of jiggering the bonus points to award the contract to the firm they wanted in the first place. However, the NOAA plan seems open only to the perennial question of Monday-morning quarterbacking an agency's subjective judgments.

NOAA procurements have not been perfect—as evidenced by the agency's continu-



ing problems getting delivery of the giant Texas Instruments Advanced Scientific Computer at its Geophysical Fluid Dynamics Lab in Princeton, N.J.

However, unlike other agencies that try to cover up their contracting problems by quietly bailing out the company, the NOAA has assessed stiff penalties against TI.

It was learned that the NOAA now is requiring TI to provide the services called for in its contract by paying for the costs of an IBM 370/195 computer at the firm's expense until its own computer is installed and accepted. Ironically, TI beat IBM's 370/195 for the Princeton lab contract as well as CDC's Star computer.

Industry sources here can't remember when an agency forced a lagging vendor to supply the contracted service on a competitor's computer.

Marketers also remember several NOAA bids for minicomputers and automated weather observation systems that they suspected were written around specific equipment. This often happens when a firm gets locked into an evolving agency program in the formative stages.

In these cases, however, the NOAA awarded contracts to firms that were not "wired into" the bid specifications—because NOAA evaluators judged their proposals to be superior.

NOAA is not perfect—but its track record appears far above many federal agencies. Its innovative computer buying approaches—both the strengths and weaknesses—should be studied by other government agencies.

Unfortunately the government has no effective way to push good computer buying methods discovered by one agency onto balking or inept agencies. Which is why industry vendors are so delighted to find offices such as the NOAA and the Navy's computer buying shop.

#### DISENGAGEMENT AGREEMENT IN MIDDLE EAST

Mr. MATHIAS. Mr. President, in the aftermath of the tragedy at Maalot, and all the other anguishing events that have marked the recent turbulent history of the Middle East, the disengagement agreement announced today is a significant achievement. The governments of Israel and Syria are to be congratulated for their willingness to compromise on issues of the utmost sensitivity to them. Secretary of State Kissinger has earned the gratitude of the world for his untiring efforts to bring the parties together. It should be noted that he serves as the chief foreign policy architect of an administration that has consistently worked to construct a system of improved international relations, and has achieved a remarkable degree of success in that endeavor. We can all hope that this latest big step in that direction will be followed by arrangements to secure a permanent peace in the Middle East so that the people of Israel, Syria, and their neighboring countries can live freely and as equals in the world community.

#### DEATH OF STEWART ALSOP

Mr. McGEE. Mr. President, the Nation was saddened by the death this last Sunday of Stewart Alsop, the noted journalist and author. I am sure all my colleagues would agree when I say all of us feel a great sense of loss by his death.

Stewart Alsop achieved the pinnacle in his profession that few others are able

to achieve. He represented the best and most talented in a very multitiered society. He came to be recognized as the epitome of professional excellence.

As Mel Eifin noted in a moving obituary appearing in this week's Newsweek:

For more than five years, Stew Alsop filled this page with reportage and commentary that was insightful, influential, often brilliant and most always the envy of those of us in Washington journalism who lacked both his contacts and his clarity of thought.

All of us express our condolences to the family of Stewart Alsop and share in their bereavement.

I ask unanimous consent that Mel Eifin's obituary be printed in the RECORD.

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

STEWART ALSOP, 1914-1974

(By Mel Eifin)

"A dying man needs to die, as a sleepy man needs to sleep, and there comes a time when it is wrong, as well as useless to resist."—Stewart Alsop, "Stay of Execution"

There seemed, for so long, no limit to Stew Alsop's will to resist. All through a debilitating, wasting illness, Stew lived so gracefully, so courageously and so productively that sometimes it was hard to believe him a man under sentence of early death. This week, however, 34 months after that summer day when he climbed to the top of a small trash pile at his country home and found himself "gasping like a fish on a beach," Alsop's stay of execution was abrogated. At 60, in a hospital bed at the National Institutes of Health in Washington, he finally succumbed to a by-product of a mysterious leukemia that his doctors could neither adequately diagnose nor treat.

For more than five years, Stew Alsop filled this page with reportage and commentary that was insightful, influential, often brilliant and almost always the envy of those of us in Washington journalism who lacked both his contacts and his clarity of thought. To Stew, the tight little world of political Washington was "The Center" (a title he used for a 1968 best seller on the Capital) and after a quarter century in this city as editor, reporter and columnist, he knew, was respected by and had access to almost every major figure of our era.

Henry Kissinger, on a diplomatic mission to Moscow in 1972, took along Stew's medical records so that they could be analyzed by Soviet doctors. And during his first stay at NIH, Richard Nixon himself called to ask the question that has echoed around "The Center" for more than two years: "How's Stew?"

The answer, until a final erosive siege at the hospital, was that Stew was doing very well, indeed. Whatever toll it may have taken physically, Stew's illness seemed to enhance his already great professional talents. His final columns, notably those on Watergate and the Presidency, pecked out in an office that had almost the entire city of Washington for an appropriate backdrop, were among the most remarkable of his career. Out of a pair of columns on his puzzling illness (which Stew was initially reluctant to run because "nobody would be interested") grew his last book, "Stay of Execution," a memoir, clinical report and poetic essay on approaching death.

Even when ruffled in thought over his typewriter, laughing in a basso-profundo voice at the latest political joke or padding about the Newsweek bureau in an ancient pair of bedroom slippers, Stew projected an aristocratic mien. His erect bearing combined with a wonderfully ruddy complexion

to make him look as if he had always just come in from grouse-shooting on the moors.

With Roosevelts (including two Presidents) as kin on his mother's side and a distinguished lineage stretching back seven generations almost to the Mayflower on his father's, Stew was the very model of the Connecticut Yankee gentleman. Raised in a sprawling white-clapboard farmhouse in Avon, a beautiful New England village near Hartford, Stew received the very model of a Connecticut gentleman's education—first Groton, where his head was stuffed with English literature, English history and English manners, then Yale, class of '36.

Stew rarely raised his voice or lowered his guard in public. He was respectful of his elders, gracious with his colleagues, considerate of children, loyal to friends, and at all times manifested a pre-liberation attitude of courtesy toward women. Even when his body was corroded with pain, Stew would struggle to his feet when a woman entered the room.

Like other members of the WASP elite (whose decline he viewed with the same clinical detachment as he did his own approaching death), Stew took a semischolarly interest in his forebears. Yet far from being afflicted with a "Mayflower complex," Stew was amused that, along with the poets and politicians, his ancestors included a murderer and an indentured servant and that the family name probably was derived from "ale shop."

In his own generation, Stew remained steadfastly loyal to the family and family name (he was privately annoyed when anyone persisted in mispronouncing it "Al-sop" instead of "All-sop"). He deeply loved his sister and two brothers and although he could argue politics long into the night with Joseph, four years his senior, Stew would vigorously defend him outside the family circle. So satisfying did he find the "sense of being part of a continuum" that he had six children of his own and often said he would have liked to have had more.

It was the family connections that drew Stew into journalism in the first place. After four years of war service with the British Army in Africa and later with the OSS (in 1944 he parachuted behind German lines in France), during which he won several medals and a beautiful British bride, Patricia Hankey, Stew accepted what he felt was brother Joe's "eccentric invitation" to join him in producing his syndicated column. In 1958, Stew left Joe to become national-affairs editor and later Washington editor of The Saturday Evening Post. Then, in July 1963, he joined NEWSWEEK as a Washington columnist.

As a stylist, Stew favored the simple declarative sentences he learned at Groton. But he gave to the political lexicon such memorable phrases as "hawks and doves," "egghead," "Irish Mafia," "eyeball to eyeball" and "Masada complex," a description of Israeli foreign policy that drew the personal, albeit grandmotherly, wrath of Golda Meir upon him at a Blair House luncheon last year.

As did many journalists of his generation, Stew started out with vaguely New Deal sympathies but moved progressively back toward the political middle as he grew older. Personally, he was closely attuned to sophisticated politicians like Nelson Rockefeller and John Kennedy; still, he long harbored a grudging admiration for Richard Nixon as one of the shrewdest operators of his time—until Watergate.

To the end, Stew considered himself a reporter first and a pundit second. He abhorred writing columns on the basis of cerebration alone, and nothing frustrated him more about his illness than the long, enforced absences from "The Center" of which he was such a vital part.

As he had vowed he would, Stew Alsop

did not go gentle into the night. The way he died kept faith with the way he had lived—proudly, fully, wisely, lovingly. He did us honor by having been our friend.

### CONGRESSIONAL VIEW OF NATIONAL HEALTH CARE

Mr. MANSFIELD. Mr. President, on Wednesday, May 22, 1974, the distinguished senior Senator from Massachusetts (Mr. KENNEDY), at the request of the Democratic leadership of the Senate and of the House of Representatives, delivered an address on national radio presenting a congressional view on the question of national health care. The address was statesmanlike in tone, thorough in its scope, and evidenced the deep and thoughtful concern and understanding of Senator KENNEDY for this national issue.

I commend this address to the entire Senate and ask unanimous consent that the address be printed at this point in the RECORD.

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

TO PRESIDENT NIXON'S HEALTH CARE MESSAGE  
(By Senator EDWARD M. KENNEDY)

This is Senator Edward M. Kennedy. I'm speaking to you from Washington as Chairman of the Subcommittee on Health of the United States Senate, on the subject of "National Health Insurance."

If you can't get a doctor when you need one, if you think your medical bills have gotten out of hand, if you think your health insurance isn't adequate, especially for a really big health bill—I want to tell you what we're trying to do in Congress.

Last Monday, President Nixon gave us his views on what the nation should do to solve the nation's health care crisis. Now, the leadership in Congress has asked me to tell you about a better way to get good health care at a price you can afford to pay.

First of all, let me say that President Nixon's address demonstrates there are broad areas of agreement on the scope of the problem and its solution. A new spirit of compromise and process is in the air. The President says he is now ready to work with Congress on getting National Health Insurance into the statute books this year, and we in Congress are prepared to join him in the effort.

Congress agrees with much of what the President proposes to do to solve the health care crisis. But, above all, Congress agrees with the President that there has never been a better time to do the job. The Senate and House of Representatives are already hard at work on writing the legislation.

Amid so much that is negative today—inflation and unemployment, the energy crisis, the pending impeachment investigation—amid all these areas, the enactment of national health insurance stands out as one of the most positive achievements of which America is capable in 1974.

Congress is serious about enacting national health insurance this year. If the Administration is also serious, if the spirit of cooperation announced by the President in his address last Monday is borne out, then I believe a far-reaching bill can be sent to the President for his signature before Congress adjourns this fall.

As the President indicated, the Administration has introduced its own version of health insurance legislation. His bill is one of the major proposals now pending in Congress. But there is also another bill, a bill that Chairman Wilbur Mills of the Ways and Means Committee in the House and I have

joined in introducing, a bill which we believe is better than the President's bill in several important ways.

In the first place, the benefits covered by the bill I favor are significantly more extensive than those proposed by the President.

Both bills cover many things—health care in the hospital, visits to the doctor's office, children's dental and eye care, in fact, almost all of the health services that you and your family will ever need. But our proposal is broader in two basic respects. First, it goes beyond the President's bill, by lowering the amount you will have to pay out of your own pocket to enjoy the benefits of the program.

Second, our proposal starts earlier than the Administration bill, by providing coverage from the very first doctor's visit, for pregnant women and their babies, and for eye, ear, and dental care for the children. That's an important difference. The health of our children deserves that high priority. Healthy children today mean healthy adults tomorrow and a healthy nation in the future. We want to give all of America's children the best possible start toward a healthy life and future in this country. We cannot afford a health care system that encourages parents to save their dollars by neglecting their children's health.

In addition, the Kennedy-Mills bill offers new guarantees to families facing medical disaster or catastrophic illness. Our program puts a fixed upper limit on how much you will ever have to pay out of your own pocket—no matter how high your family health bill runs when a serious illness strikes. As a result, no one ever again will be bankrupted by the cost of medical care. Every expense over and above your ceiling would be completely paid for by the program.

The next major advantage of our bill is that it would be run by the Social Security System and paid for through the Social Security System. Instead of paying premiums to health insurance companies, as you do today, you'll be paying into Social Security. The benefits will be much greater, and the cost will be much less, because of the billions of dollars we can save.

Under Social Security, every family with income would pay into the program, but it would pay only its fair share—1% of income. A family with an income of \$20,000 would pay \$200; a family with an income of \$10,000 would pay \$100; and a family with \$5,000, only \$50. By contrast, under the President's program, 70% of the families in the country would be paying more.

Under Social Security, your contribution will depend only on how much you make—not how healthy you are, or who you work for, or anything else.

We believe this is a better way to pay for health care than the proposal by the Administration, where everyone would pay the same flat premium for his private health insurance, regardless of his income.

That's a major defect of the President's program. It's a windfall for the wealthy and a burden for those at the bottom of the income ladder. Why should low and middle income groups be required to subsidize the health insurance premiums of the wealthy? Almost every other Federal social program is financed on a progressive basis, keyed to a person's income level and his ability to pay, and health care should be no different.

Another good reason for using the Social Security System is that your health insurance goes with you always. You're covered from job to job. You're covered between jobs. You're even covered in retirement. You earn the coverage while you work, and it's always there protecting you—there are no waiting periods, no exclusions or exemptions, no gaps in coverage, no sudden loss of coverage when you can least afford it, none of the other defects that are so familiar in private insurance policies today, and that make the

present system such a nightmare for the people. Another important reason for using the Social Security System is that we're already using Social Security for Medicare. And if you don't think Medicare is loved and widely accepted by our twenty million senior citizens, ask your parents or your grandparents. For them, Medicare has removed the cost of serious illness as a fear of their old age.

Medicare and Social Security are two of the greatest social programs America ever had. Now, they can become the cornerstone on which we build our new program of national health insurance.

The President wants to turn back the clock on Medicare. He wants to turn his insurance program over to the private insurance industry. In the coming debate, we'll hear a great deal from the Administration about the virtues of that industry. But they simply cannot do the job.

In perhaps no other sector of the economy today is there such cut-throat competition over such shabby products as in the health insurance packages being given the hard sell in every section of the country today. Shake your Sunday newspaper, and the chances are that an application form for a health insurance policy will drop into your lap. Fortunes are being made by companies today that seldom have to pay a claim because of the fine print in their policies. And the reason is not far to seek. The system breeds that sort of operation. There are now 1200 separate and competing health insurance companies in the nation, and their practices are a major part of our health care crisis.

The Kennedy-Mills bill meets this problem by using private health insurance organizations in an improved and constructive way. Instead of contributing to the problem, as they do today, they will become an important part of its solution.

Every time you file a health claim, you're a threat to an insurance company's profit. How can they provide decent service, when they have one eye on their corporate balance sheet and the other on the people's need for health? That's the system we have today, and it simply isn't working the way it should. But Social Security is different. It works for people. It cares about their needs. It's not in business to make a profit out of sickness in your family—it's there to pay the bill in time of need, and to guarantee that, when illness strikes, the cost is not a burden.

It's hardly a novel principle for the Government to pay the bill for social services vital to the people. It's been more than a hundred years since government in America decided that the education of the young was too important to be left to private enterprise. Today, our great system of public schools is a monument to the foresight of our ancestors.

The same is true for other areas. For forty years, Government has been paying Social Security to the elderly. For the past ten years, through Medicare, it's been paying their bills for health. I say, it's time we applied that basic principle to every sector of the population.

As everyone now recognizes, the cost of the program is no longer an issue between Congress and the Administration. After more than three years of useless controversy over cost, the Administration has finally admitted that the cost of their program is the same as the one that Wilbur Mills and I both favor. The costs are essentially identical. The only question is whether you want to pay that cost through premiums to insurance companies, or through payments to Social Security.

True, the payments into Social Security will be in the form of a small addition to the payroll tax you pay today. But the payments under the President's proposal are also a tax. The insurance premiums you would have to pay are nothing but a disguised and hidden tax. But because the President's tax is dis-



guised and hidden, people are misled about the real nature of his program.

It is time to end the confusion and obfuscation. Let us call a tax a tax, and get on with the debate over the really important aspects of the program.

In closing, let me emphasize that the Kennedy-Mills bill contains far-reaching guarantees for all doctors and their patients. From the very start of the debate, several years ago, I have insisted that any health insurance program must contain four basic freedoms:

Freedom for every physician to choose where and how he will give health care.

Freedom for every patient to choose where and how he will receive health care.

Freedom from Government ownership of the facilities of the health care system.

Freedom from Government interference in community policy on health.

These four freedoms are the bedrock of a sound and progressive health care system, and they are totally respected in our proposal for national health insurance. President Nixon agrees with these four freedoms of health. Wilbur Mills and I agree. The Senate and the House of Representatives agree. Together, we can build a program that protects these freedoms and that will function in the highest interests of all the people of America, physicians and patients alike. We have a magnificent new opportunity today. The initiative of the President has given new momentum to the effort under way in Congress to build the program needed by the American people. I am pleased that so many are responding so well to the challenge. Let all who care about the quality of health care in America come forward. There is time, this year, to enact national health insurance, capable of fulfilling the promise of this rich land to bring decent care to all its people.

#### U.S. POSITION IN OIL AS IT LOOKS TODAY

Mr. BARTLETT. Mr. President, I ask unanimous consent that a reprint of the late Harvey W. Brown's, "The U.S. Position in Oil as It Looks Today," be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. Brown's article was written early in 1971. Even though several of Mr. Brown's specific political prophecies have proved to be false, he did accurately assess the volatile and explosive nature of the Middle East. A close reading of the article shows that Mr. Brown had insight that many of us should have shared—he could see petroleum shortages, higher prices, and imminent embargoes.

If we had heeded Mr. Brown's suggestion in 1971 and increased our domestic petroleum exploration and development activity, doubtlessly we would be in much better shape today.

#### EXHIBIT 1

#### THE U.S. POSITION IN OIL AS IT LOOKS TODAY

Let's explain what higher prices mean, and a larger share of the profits. If oil is designated \$3.00 a barrel, and 60% of the take, the Arabs would get 60% of the \$3.00 price for every barrel of oil shipped out—\$1.80 per barrel. Call it a tax, or part of the profits, anything you want to call it, but it still would be \$1.80 a barrel for every barrel sold and exported out of the Arab countries.

With oil prices at \$1.80, as they had been, and profits of 50%, they only got 90 cents a barrel. If they get the price raise up to \$3.00, it would give them twice to double the money, and increase their take by billions of dollars.

#### BILLIONS FOR OIL

It is said that these Arab and North African countries collected \$6.4 billion dollars in 1969 from oil. When they get \$3.00, it would exactly double the money and give them, at this rate, nearly 13 Billion Dollars a year.

These last two paragraphs bring out plainly what this Opec organization is striving for, when the proof is becoming overwhelming that the United States is going to be caught short of oil. This Opec, as it stands now, is getting in the position where they can absolutely name the price of oil that will have to be paid.

And what happens if this Opec raises the price to \$5.00 per barrel, gradually, almost month by month, yearly at least? What will the Opec do when the United States needs many millions of barrels of oil each day that can only be bought from the Opec countries?

Is the United States going to be caught short of oil? It uses some 4½ million barrels it does not produce every day. Many agree it will be impossible to raise its oil production beyond 11 to 12 million barrels, except that Alaska may turn out as expected and add a million or two more barrels.

The Alaska situation does not look bright for any quick development. Geological work sizes it up as a major field. A pipe line needs to be built South across Alaska to carry oil to market. Court suits have tied up its building. It may be a year or two before it even starts. Drilling has practically stopped. It may take years to develop even a million barrels a day—if that kind of oil is proven in Alaska.

#### FIND THE NEW OIL

Canada is a good prospect. Reports say that only about 10% of the oil fields have been discovered. A report credited to the Canadian Petroleum Association says that Canada could deliver 1.6 million barrels to the United States by 1980. And 4 million by 1990. But that the cost would be \$25 Billion Dollars for development.

Venezuela, and other Latin countries could step up production and could furnish more than 3 million barrels. But remember, Venezuela has been fast in joining with Arabs in the new Opec organization, and will get higher and higher prices. All the others will demand the same price. The tanker costs will be less from Venezuela, so this would come cheaper than Arab oil.

Indonesia is named as an Opec member. Don't count on any of this oil. Japan, much nearer would take every barrel from Indonesia and other countries in this section of the world.

There is some 11½ million barrels of oil being produced in the United States today—each day. It uses nearly 16 million barrels each day, named as around a 4% increase over what was used at the same time last year.

Around a million barrels a day comes in from Venezuela, less than 800,000 from Canada, and reports say nearly all the rest—some 2 million—comes from the Arab countries. One report says 18% to the U.S.

The Oil and Gas Journal said that the U.S. is producing about its limit now. Apparently proration don't mean a thing—that Texas wells are producing near capacity. Other articles in "Time", "U.S. News", and "Newsweek" say the same thing.

All agree that crude oil prices are going sky-high. Why? Because the Arabs, joined in by Venezuela, realize that the United States, and others, are in a "hole" and are banding together to run a "squeeze-play" on all, especially the U.S. producing companies—and on the United States.

The Arabs have organized the "Organization of Petroleum Exporting Companies". It is called Opec. They met in Teheran, Iran, and demanded higher prices for crude oil, a larger percent of the take, more to them for each barrel of oil.

The Arabs are Iran, Saudi Arabia, Kuwait, Libya, Iraq, Algeria, Abu Dahabia, and Qatar. Venezuela and Indonesia joined them—10 in all said to produce 57% of all the oil in the world.

#### OIL RESERVES

They are also quoted as having 70.4% of the earth's proven reserves, amounting to 371 billion barrels. Europe now buys 58% of its oil from these countries, and has only a 60 day supply on hand at any one time. Japan buys 90% from them. The U.S. is depending more and more on this oil.

Reports say Iran produces most in yearly statistics, with 1.23 billion barrels in a year, and reserves of 55 billion; Saudi Arabia with 1.17 billion, reserves 137 billion; Libya 1.13 billion, reserves of 30 billion; Kuwait with 940 million barrels, reserves 71 billion, and Iraq with 552 million, reserves 28.5 billion.

U.S. Companies produce 100% of Saudi Arabia oil, 75% of Libya's, 50% of Kuwait's, and 40% of Iran's. Oil Companies from the west have produced most of Iraq's oil in the past, but Russia has moved into the new North Rumaila field to make them producers in the Middle East.

What started the Arabs to demand larger cuts, more money? The new revolutionary Libya Government, who went into power in 1969, were hungry for money. They clamped down on the oil producers, and shut down the wells, and said, "No more oil unless you pay more." It raised the oil prices higher. The new price was reported as \$2.20 a barrel, and a 55% cut in the profits—55% of the \$2.20 a barrel. It had been about \$1.90 before, with a 50-50 cut.

This enthused others to ask for more money. But the South America Venezuela Government did more—the Legislature passed a law saying the government could set the price of oil themselves. And their cut was boosted from 52% to 60%—40% to the Oil Producers and 60% to Venezuela.

Then they combined as one at Teheran. They threatened closing down the wells. They forcefully suggested a price of \$3.00 a barrel. News reports say it was around \$1.80 a barrel in the Persian Gulf area before, and on a 50% basis.

#### A GLOOMY OUTLOOK

Now do your own figuring. The United States uses close to 16 million barrels of oil per day. Every year, it uses more. From the Chase Manhattan Bank in New York comes the estimate of 25 million barrels by 1980. Gauging from this, the U.S. will need 13 million barrels from the outside then, less what Alaska might produce.

It's a gloomy looking picture for those who have to drive into the station for gasoline. Crude oil prices seem doomed to jump to \$5.00 a barrel or more, eventually, forced up by the Arabs. And there is freight—the transportation charges—of \$3.75 a barrel. Look for 50 cents or 60 cent gasoline.

The Western oil producing companies—those who drill the wells and produce the oil from the Opec countries—lost no time in joining together and meeting the Opec. They asked for a solid agreement on the price of crude, and they wanted an agreement to last five years.

There were 22 of the oil companies represented. Some of the largest companies from the U.S.—Standard of New Jersey, Gulf, Mobil, Standard of California, Texaco, Continental, Marathon, Occidental, Amerasia, Atlantic Richfield, and others. British Petroleum and Dutch Shell were present.

This meeting was so important that the Nixon Administration sent an Under-Secretary of State to sit in on the gatherings and lend its importance behind the American producing companies.

#### TAKE IT OR LEAVE IT

Even so, Opec gave the Oil producing companies no chance for further argument. They

are quoted with a flat statement: "You can take it or leave it. We want around \$2.25 a barrel quoted for oil around the Persian Gulf area, and a higher price for the rest and then more for us later on. Or we will pass laws giving us the right to name the prices we want."

What could the Oil Producers say? Nothing. They could only look at each other in dismay. For all these past many years, they had been operating under a "century-made rule" that the Arabs would never work together, that they could continue to play one Arab land against another—and always have "cheap Arab-oil."

This idea spread out among the oil industry and into oil channels of the Government. It became a fixed notion that there would be "cheap Arab-Oil" forever. And the smart thing to do was save the coming Alaska oil for future reserves, and that we need not waste our time drilling more wells to discover more oil at this time. Some predicted that "cheap Arab-oil" would even become cheaper.

The rest of the Opec meeting was a formality. The Gulf of Persia countries got about a \$2.25 price named, an increase in prices every year—and they gave a supposed five year agreement. Then another meeting was set for Tripoli in Libya so that the others could settle on the oil prices for the oil exported from Mediterranean ports.

Then, this suddenly took place—Algeria jumped in and took over 51 percent control of all French oil wells and pipe lines in Algeria. This put Algeria in the position where it could name its own price. Seemingly, France accepted this take-over humbly. No show of force was made. Perhaps that was because of the Russian fleet standing in the Mediterranean. There was up toward 1 million barrels of oil a day involved here, and France used all of it.

Think a little of having to buy 13 million barrels of oil per day at even \$3.00 a barrel—most of it from the Arabs. It's easy to figure the cost. It is so tremendous for a year's supply, it should send shivers down the backs of the government in Washington. The "balance of payments" threat comes into view again. This oil would mean billions and billions of dollars each year going out of the U.S. Where would all our gold go?

#### WHO HELPS WHO?

What has Russia to do with all this? She is looked upon as the Arabs' best friend. She has saved Egypt from disaster, and Egypt is now looked upon as a Russian armed barracks. Her ships use the ports of North Africa freely. Her Mediterranean fleet equals that of the U.S. Syria and Iraq are considered deep-dyed reds. She moved into South Yemen, on the Indian Ocean, when the British moved out. She is fortifying the Indian Ocean Island of Socotra as a naval and air base.

Iran joins Russia on the south. The report now comes that she is furnishing money and guns to help equip Iran's 170,000 man army. She is to build them a \$360 million dollar steel mill, and a \$216 million machine-tool plant. She has promised, or is building, an oil pipe line into Iran.

And so Russia wants to build a pipe line into Iran? Why not acquire Iran oil cheaply by trading guns? And why not sell it cheaply to European countries to make them good friends?

And why not, at a ripe time, extend this pipe line into Iraq and Kuwait? They are next to Iran. Remember that Russia is already in the North Rumalla Oil Field of Iraq.

Russia and Kuwait are "bosom" friends. Kuwait buys most of its steel and lumber from Russia. Her stores are filled with Russian goods. She has five freighters ordered from Russia. The Russian "Moshvick" auto is the fastest selling in Kuwait.

The British have been keeping peace in the

Persian Gulf territories for nearly a century, hindering the larger Arabs from taking over the smaller. They move out in 1971. Iran is, then, expected to move south and become protectors of these small Shiekhdoms, already rich with oil.

When the British left South Yemen, on the Indian Ocean, Russia stepped in as protectors. Above Aden is a narrow Strait that leads into the Red Sea, and on up to the Suez Canal. Ships going into the Red Sea, according to reports, must stop and get a permit from South Yemen, giving it this control to the South entrance. Further up on the Red Sea, in Sudan, nearly to Egypt, Russia is establishing a navy base and a missile site. Egypt seems eager to make peace with Israel, in order to open up the Suez Canal—and let Israel use it.

And Russia, soon after landing in South Yemen, so goes the tale, backed guerrilla forces in Oman, an oil kingdom to the east. Oman extends east to the Strait of Hormuz, a narrow opening from the Gulf of Persia to the Indian Ocean. Through it go all the tankers that carry oil to Japan, Europe, England and the United States.

To the North of this Strait of Hormuz, close in, are three islands claimed now by Iran, expected to be fortified by Iran, the minute the British pull out of the Persian Gulf area. Guns aimed across the Strait of Hormuz, and from the Iran Islands, could control all the flow of oil from the Persian Gulf.

The question is then, why don't Russia hurry and take over the oil? That would be a calamity to the west. The answer is simple—she would find it impossible to handle and market all that oil as it is handled today. The Western oil producers control the western markets. So Russia would be unable to keep the billions of dollars flooding in to the Arab countries. If the Russians stopped this money, the Arabs would be deadly enemies that very day.

Maybe Russia has plenty of oil? Who knows exactly? But a pipe line into Iran and Iraq and Kuwait would give them a future protection for whatever oil they might ever need. But in the meantime, let the billions pour into the Middle East from the West—after they take care of their own people, most of the rest will wind up in Russia for arms. The Arabs, each and all of them, insist they must have guns for protection.

It is apparent Russia is staging a "creeping-in" game. You can call the Arabs true satellites as time goes on, because past knowledge has shown that what Russia moves into, she keeps. A glowing example is the east Europe countries and East Germany.

So, more questions are in order. Will Russia soon have control, behind the scenes, of all Middle East oil? Will the United States, in a round-about way, soon be asking permission from Russia to buy Arab oil?

A good query: Why did the Arabs suddenly join together in Opec, when past history has shown they would never trust each other—never co-operate in anything—in times past. It's like moving the "Rock of Gibraltar" to the shifting Arab sands.

#### A NATION-WIDE DRILLING CAMPAIGN IS NEEDED

The United States will need outside oil in huge quantities soon unless a "miracle" happens. The future looks bleak. Imagine every car, every plane, everything else that needs gasoline—fuel to make it go—standing idle. Imagine this country being shut off from the oil it needs. Let's realize that we can't move without oil.

Many experts agree the U.S. has great oil fields to be uncovered. The time has come to find them as quick as possible. Every part of this Country, every State, should be drilled—and then drilled some more—where there is the slightest chance to find oil. A total of 25 million barrels of oil a day is the object. It

would probably take as much drilling in the next 10 years as ever has been done before in this country.

The Oil & Gas Journal reports 886 oil rigs drilling in all the U.S. in February, the lowest since 1943; and at this time, this country is surely heading into an oil predicament. This has been brought forcibly to world attention since the Opec—the Arabs and others—have told us to pay higher prices for the oil—or get none.

This country should have at least 2500 rigs drilling, 24 hours every day. The Government should stand behind this drilling as something vital to America. It should use its every influence to get the Alaska pipe line started without a minutes delay. Then the nearly idle drilling rigs in Alaska could start whirling down, day and night, hundreds of them.

The Independents, the small money drillers, have been "cut-off" from drilling by the continued cry from above, "We don't need more oil: we have 'cheap Arab oil' from the Middle East that will flood into this country any time we let it."

#### SMELL THE OIL

It's time to turn the Independents loose, the old time "buckaroos", the sturdy ones. They took the chances in the past and opened many of the biggest and most sensational fields ever opened. Think a little about these "old timers", the ones who always claimed they could "smell" the oil when they started looking for a place to drill. And go back to the days of "Dad" Joiner when he tapped the East Texas Oil field, the greatest ever brought in, in this country, while great experts laughed at him while he drilled.

Get the Independents started. The Big Major Oil Companies should help in every way possible. They should buy leases around every new "wildcat" being punched down, to help pay for its drilling. The Government should help in every way possible to help in drilling new wells. Let everybody help drill the wells and get the oil—the new oil.

The U.S. lately completed selling "off-shore" oil leases in Louisiana for fabulous prices from the major Oil Companies. The Government should turn over every other "off-shore" lease to the Majors so they can get more drilling started.

All U.S. Government land should be thrown open for oil exploration. The "Depletion Allowance" was reduced from 27½% to 22%. Count this an emergency time—this "Depletion Allowance" should go back up to 50% deduction for the next five years at least. This gives the oil producers this extra money needed to drill more wells looking for this new oil.

#### DRILL AND DRILL

Canada lies next to the United States. It has barely started developing its oil. They say they need billions to drill and develop new fields. The Major Oil Companies paid over \$800 Million to the U.S. for the "off-shore" Louisiana leases. The U.S. Government should lend this kind of money to Canada—all to be spent on "wildcat" wells to find new oil fields.

Mexico joins the United States directly to the south. It has a long history of oil, of big producers, almost record-breaking "gushers". The oil is controlled by the Mexican Government. Why not make appropriate deals to use much of this oil and get them started on a drive to open new fields?

And don't forget the immense oil-shale beds of Western Colorado. Experts agree there are billions of barrels there, a future "bonanza". If the present price of oil is not enough to pay for separating this oil from the shale, at a profit, then the Government should subsidize it.

Many more things could be planned to start the greatest drilling campaign this country has ever seen. But one of the first



things is to make truthful explanations through the country-wide press that a "squeeze" is on in oil, that prices are sure to rise more; and to tell who is doing it—the Arabs with Russia possibly pointing the way.

This Country of ours must have plenty of oil now and in the future. It is a necessity. We are being challenged by outsiders who are fairly "drowning" in their oil. They have said, "No oil unless you pay 'death' prices." It's time to start fighting back.

#### INTERNATIONAL DEVELOPMENT ASSOCIATION BILL, S. 2665

Mr. KENNEDY. Mr. President, 4 months ago the House rejected, by a large majority, a vote to continue U.S. participation in the International Development Association. At that time I expressed my concern at this action. It failed to accept the realities of our involvement with the outside world, the growing interdependence of nations, and our need to help provide leadership in creating a climate that will permit co-operation rather than conflict in international relations.

Now this legislation is before us in the Senate. S. 2665 would appropriate \$1.5 billion over a 4-year period, as the U.S. contribution to the \$4.5 billion fourth replenishment of IDA funds. We are not being asked here to give unilateral support to this institution, for it is an international cooperative effort, in the truest sense. Twenty-five other developed nations have pledged a total of \$3 billion—exactly twice our commitment. To be sure, the United States is still the largest single donor; but it is both significant and encouraging that our share of total IDA funding has been reduced from 40 to 33 percent. Japan, meanwhile, will nearly double its contribution, from 5.9 to 11 percent; similarly, West Germany will increase its share from 9.6 to 11.4 percent of the total. We in the United States should welcome this reapportionment, since it reflects changes in the international economy, and the assumption by other countries of a greater share of the common burden.

The formula for sharing IDA contributions was worked out in a complex series of international negotiations, with pledges being made by each of the donor countries. Some have already advanced their contribution. Last week, however, a meeting on the IDA replenishment, involving senior officials of all the major donor countries, took place in Bonn. Several countries, including Israel and Kuwait, confirmed their pledges to IDA at this meeting. But many others—including the major donors—are waiting for the outcome of our actions. There are strong indications that, if the United States does not honor its commitment, then many of the donor countries will follow suit, and renege on their pledges.

What the Senate does today will therefore have an important impact on the decisions to be made by other donors, especially since they are being asked to commit funds beginning July 1, perhaps before action is completed in the U.S. Congress. So, in deciding on IDA funds we in the Senate will in a very real way determine the future of IDA itself.

Mr. President, it is useful for us today to recall the philosophy and purpose of IDA. Largely on our initiative it was established within the World Bank Group 14 years ago. We all had a greater sense of optimism then. Riding on the crest of the postwar economic boom, we increasingly focused our attention and our energies toward trying to solve some of the problems that plagued the developing countries. And so IDA was created—a multilateral agency to provide the poorest countries with funds for development financing on concessionary terms, within the world market system.

Today we are less sanguine about the possibilities for rapid economic development in many of the developing countries. Even more so, we are less optimistic about our ability—or our right—to direct and influence the course of this development. Our long and futile involvement in the Indochina war has made us increasingly reluctant to become involved in the problems of the rest of the world. At the same time we have become more absorbed, and rightly so, with the serious problems of our own society.

Many debates have taken place in this Chamber on the issue of foreign aid. Objections have been raised that some U.S. bilateral foreign aid funds have been used to interfere improperly in the internal affairs of some developing countries. Other critics have noted that some bilateral U.S. aid funds, in the early days of our experience with aid, were devoted to large and conspicuously "showy" capital projects. IDA by contrast, has been guilty of neither practice. In fact, it has tended to fulfill the prime goal of aid—to help the "poorest of the poor."

In recent days, another issue has been added to the debate. In exploding a nuclear device, the government of India has drawn sharp criticism from around the world. Its action has raised serious questions in the minds of many people regarding the future of aid to India and to other developing countries.

But this issue should not be used in the discussion of this legislation. The World Bank and IDA have not given any assistance to India or to any other developing country for the development of nuclear energy, nor do they have any intention of doing so in the future. Their funds have gone to projects concerned with the development of agriculture, transport, conventional power, education, and population control. The Indian decision to "go nuclear" does nothing to change in any way the essential need for these projects.

More importantly, IDA represents an international commitment, and we should not punish this agency, and all the recipients of its desperately needed funds, because we disagree with India's action.

If aid is to be effective at all, and I believe that it can be, it should be channeled primarily through multilateral institutions. IDA has proved that this method works. It has been a successful and effective experiment in creating a multilateral—but nonpolitical—approach to development funding.

We have learned a great amount in the last 15 years about what aid can

and cannot do, and about the basic differences that exist in the way these funds are distributed. It is our responsibility in this body to review all aid programs, and—if need be—to eliminate those which are misguided or do not work. Nevertheless, we should also support and encourage those efforts which have proved their effectiveness. I believe that most of the fundamental assumptions we made 15 years ago about the impact of aid on development are sound today. The compelling need we saw when we voted to create IDA is just as compelling today.

Mr. President, during the past year the world economy has gone through a difficult time. The rate of worldwide inflation rose to unprecedented new heights. The price of food soared in country after country. The price of oil suddenly quadrupled on the world market, sharply jolting the international economy. And the process of readjustment is still going on.

This is a time of uncertainty for the industrialized countries. Some have enough foreign exchange reserves to pay for their increased oil bills, and all have access to large-scale credit because of the size and strength of their economies.

But the story is far different for almost all the developing countries, outside the oil-rich countries themselves. In raw economic terms, it has been estimated that developing countries last year paid an additional \$15 billion for oil and food and fertilizer imports. And in direct human terms, this figure means more starvation, more suffering, and more disappointment of fragile hopes for development and an end to misery.

Mr. President, I am mindful of the mood in the House when the IDA legislation came up for a vote there. We were still reeling from the shock of the energy crisis. But now, 4 months later, we are in a much better position to reassess calmly the changes and readjustments this development implies for the world economy. It is already clear that in this case, as so many others, the rich countries will suffer the least, and the poor will come last. A large part of the billions of dollars in additional revenues that flowed to the OPEC countries this year will find their way back to the United States and other major developed countries in investment capital. Also a good part of the additional \$8 billion the developing countries paid this year for their oil imports will be used to finance OPEC investments in the industrialized countries.

In the process of incurring enormous balance-of-payments deficits to finance their essential imports of energy, food and capital goods, the very countries which have been hit hardest in the international economic crunch may be forced to reduce vastly the amount they import of these essential goods. For many of these countries, particularly the poorest ones, the level of imports is closely related to maintaining subsistence living standards. It is clear that these countries need help. IDA credit on concessionary terms, for the poorest of the poor nations, will be particularly needed.

IDA has responded actively to these

developments—not to finance the added costs of oil purchases, but to finance development. A significant percentage of its funds are being redirected away from those countries whose economic performance has shown they are ready to graduate from IDA loans. These funds are being directed toward the 40 very poorest countries, encompassing more than a billion people, in what has been called the Fourth World.

Mr. President, I would like to mention another specific example of what IDA is doing in cases of extreme need. By the middle of last year, the plight of the people of the Sahel became the focus of international attention and concern. For several years, these six countries, with a population of over 24 million people, have suffered widespread drought, which has become much worse in the last 2 years. While completely accurate statistics cannot be compiled, it is certain that thousands of people have died and additional tens of thousands have been incapacitated by malnutrition and disease. Grain production in 1972 for the region is estimated to have been 25 percent short of normal supply. Between 20-30 percent of the region's entire livestock has been lost. The drought has not ended; conditions have not significantly improved; in fact in many areas the problems are intensifying.

While IDA is not a relief agency, it has responded to this disaster. A special drought relief fund of some \$14 million was established last November. The project aims to help the people of the drought-ridden area to reestablish their self-sufficiency through the redevelopment and improvement of their farms and herds. By March of this year, \$12 million of this fund had already been committed to specific projects, including the development of rural water supplies, the construction of wells and dams, livestock disease control programs and the establishment of grain storage facilities.

These longer-term development efforts have provided a valuable complement to relief projects undertaken by the United States and many other developed countries in response to the drought. While this response to the request for immediate international relief saved untold thousands from imminent starvation, IDA's actions have pursued the equally important task of trying to end the ecological imbalance of the whole zone, an imbalance caused in part by unwise agricultural practices.

In addition to the special fund, two regular IDA loans have been made this year to countries in the affected area: a \$3.8 million credit to Mauritania for an education program; and a \$7.5 million loan—on March 28—to Chad for irrigation projects. Further IDA loans, totaling \$20.5 million, are scheduled to be committed in the next several months. Since 1970 IDA credits to the six-country area have reached \$134.2 million, or slightly more than \$1 per capita annually. One dollar a year may seem an insignificant amount, but for these countries, some with per capita incomes of \$70 or less annually, the impact may be substantial.

Recently, reports began to appear of a similar and equally tragic story of devastation, starvation, and human misery for over 1½ million people in the drought-affected regions of Ethiopia. The magnitude of the tragedy was frightening. Perhaps 100,000 to 150,000 people died of starvation; another million and a half were left destitute; crops in the most seriously affected provinces of Tigre and Wolo were almost totally lost; and livestock losses were estimated in some areas at 85 percent.

Since 1972, \$108.7 million in IDA credits have been committed to Ethiopia. This is nearly \$2 per capita annually in this country, with an annual per capita income of only \$80.

In the next few months, IDA expects to commit an additional \$30 million to Ethiopia for three specific projects.

First, there is \$10 million for a drought rehabilitation program to assist in the stabilization of the agricultural economy in the most severely affected provinces of Tigre and Wolo. This project will also help to create the basis of long-term economic development of the area by providing for such fundamental programs as the construction of rural roads, water supplies, and medical facilities.

Second, another \$12 million is scheduled for the continuation of an IDA project in the Wolamo district in the southern part of the country. This will include such essential development components as livestock services, soil conservation, roads, and artisan training.

Finally, some \$9½ million is committed for the first 5-year phase of a comprehensive agricultural settlement and development program, designed to provide the basic services, infrastructure and institutions needed to settle permanently about 24,000 farm families in the Tigre Province.

Mr. President, IDA makes possible programs such as these—directed toward solving long-term problems of providing irrigation and water supplies, and establishing adequate storage facilities in order to save valuable crops otherwise lost each year. Funds committed to this kind of essential development project could go a long way towards preventing catastrophes of such magnitude from occurring again.

It is our responsibility as a "have nation" to support and encourage every serious effort to assist those people whose lives otherwise hold no future, no chance, no hope. These are the "people of IDA." These are the people whose lives in a very tangible way will be enriched or not by our actions here today. It is unthinkable that we will deny them this chance.

Mr. President, I urge the Senate to give these "people of IDA" a pledge of our continued commitment to action. Let us try to recapture some of the optimism and spirit of commitment we once had that the encircling grip of poverty can be broken. We may not always succeed, but to give up this effort would be unconscionable. We may at times become frustrated when progress seems slow; but the need—and the opportunity—remain. I urge the Senate to give its approval to this legislation.

#### STATE EDUCATION CHIEFS DISAGREE WITH PRESIDENT'S EDUCATION STATEMENT

Mr. WILLIAMS. Mr. President, all of the Members of this body are well aware of the substantial time and effort put in by the Labor and Public Welfare Committee and the full Senate in fashioning the Education Amendments of 1974. All of my colleagues devoted a great deal of energy and attention to this measure with the goal of developing the best possible Federal education programs.

Yet, just 2 days after the Senate passed this bill, President Nixon issued an unwarranted attack of its provisions claiming that they create rather than solve problems of improving the quality of public education in America.

Mr. President, fortunately, there are many individuals in this country who have greater expertise and experience in the process of providing quality education than the President. Among these persons are the top school officials in the 50 States and territories who have, through their Council of Chief State School Officers, forthrightly replied to the numerous criticisms found in the President's statement. I think that all of my colleagues should read this excellent response and I ask unanimous consent that it be printed in the RECORD.

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

#### STATE EDUCATION CHIEFS DISAGREE WITH PRESIDENT'S EDUCATION STATEMENT

The Council of Chief State School Officers, representing all state superintendents and commissioners of education, took issue today with the education statement by President Nixon of May 22. The President's statement that the Senate version of the Education Amendments of 1974, S. 1539, creates rather than solves problems of improving the quality of public education in America is simply not accurate. The Senate bill is a significant step forward in federal assistance to education, and contains numerous creative initiatives.

While the President is critical of the consolidation of certain federal programs in the Senate bill, we find the Senate provision of consolidated applications, and the consolidation of the U.S. Commissioner's discretionary funds advantageous for both state and federal education leadership. We can understand the President's objections to the mandated funding levels under the Senate consolidation, because the Nixon Administration has consistently advocated reduced federal funding for elementary and secondary programs, budgeting for example \$200 million less for elementary and secondary education in FY 1975 than was appropriated in FY 1974.

The President objects to the Senate's addition of certain new categorical assistance programs. We feel that this objection is shortsighted since new Senate programs for reading education, bilingual education, and handicapped children meet obvious needs in every state and locality, needs which the Administration acknowledges but refuses to meet with additional federal resources.

We find the President's objection to new bureaucratic structures in the Senate bill specious. In the same paragraph of the President's message, he objects to the Senate prohibition of decentralization of federal programs to HEW regional offices. In a time when this Administration is proposing reduced funding for elementary and secondary programs, it is the Administration which has advocated this new bureaucratic struc-



ture of regional administration. The experience of state education agencies across the nation has been that the HEW regional offices impose "cumbersome, time consuming, and restrictive administrative procedures" far more objectionable than the minor administrative provisions in the Senate-passed bill. Chief State School Officers have found, in fact that the regionalization effort in HEW is in fact a means of under-cutting the federal commitment to assist elementary and secondary schools or giving states more administrative flexibility.

By once again focusing on the busing issue in his statement on education, the President persists in appealing to fears and prejudices rather than lending leadership on behalf of equal opportunity. The President reiterates the scare terms of "forced busing" and "racial balance", rather than discussing the relevant provisions of the House and Senate bills. The House version of the bill, H.R. 69, contains, for example, a provision which would allow the reopening of effective court orders in school desegregation cases, a totally illogical provision which would lead to repeated unnecessary civil strife and administrative chaos for school officials. Chief State School Officers support the more moderate Senate provisions which mandate constitutional guarantees in this controversial area.

The President concludes his list of objections to the Senate bill by reiterating the need for advance funding for federal programs in education. State school officials heartily endorse the concept of advance funding as a means of eliminating present uncertainties in federal programs. However, the President fails to note that the consolidation provisions in the Senate bill mandate advance funding as a prerequisite for any consolidation. Chief State School Officers will support any Administration proposal for advance funding, such as a supplemental appropriations request.

It is our hope that the President will put aside some of the political considerations in his May 22 message and work cooperatively with the Senate and House conferees on the elementary and secondary legislation, in order that the authorizations and appropriations necessary for FY 1975 may be completed.

#### CARDINAL MINDSZENTY'S VISIT TO DETROIT

Mr. GRIFFIN. Mr. President, last week during his tour of the United States, Jozsef Cardinal Mindszenty honored the State of Michigan by visiting the great city of Detroit and offering mass in one of its churches.

His arrival in Detroit inspired an outpouring of affection and respect for what he has undergone, and what he has stood for, not only from members of the Hungarian community, but from thousands of others as well.

Mr. President, I ask unanimous consent that an article in the Detroit News recounting Cardinal Mindszenty's visit be printed in the RECORD.

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

RED TORTURE RECALLED BY MINDSZENTY  
(By Nancy Manser)

Jozsef Cardinal Mindszenty, a symbol of anti-communism during 15 years of self-imposed exile in a U.S. legation in Hungary, says Communists "tortured" him to obtain a confession on treason charges.

"One should know what it means to be imprisoned day and night in the hands of these torturing Communist police," said Cardinal Mindszenty, through an interpreter yesterday during a visit to Detroit.

"Every day three physicians examined me as to how long and how much more I was able to endure."

The cardinal's visit to Detroit yesterday was his first trip here since 1947.

The 82-year-old Mindszenty, his face deeply lined with age but otherwise appearing healthy, met Detroit Hungarians on the lawn of Holy Cross Church on Detroit's southwest side and took part in the evening mass. Following the mass, he was a guest at a dinner for 50 persons.

The purpose of his visit was to announce publication of his memoirs, which will contain, he said, an account of his imprisonment and coerced confession by Hungarian Communist leaders.

He is making a tour of the United States. Besides Detroit, he will visit Cleveland, Toledo, Buffalo, Washington and Los Angeles. The imprisonment, following the 1956 Hungarian uprising, ended with Mindszenty seeking refuge in the U.S. legation in Budapest. He stayed there 15 years in self-imposed exile to symbolize his country's take-over by the Communists.

He left Hungary in 1971 on orders from the Pope.

The departure from his native land, Cardinal Mindszenty said yesterday, was "the gravest cross of my life to bear."

The cardinal reflected on the young, the state of morals, his native land and his imprisonment.

Young people of the world, he said, will have to "return to God and the truth."

In the cardinal's view, the world's most critical problem is moral decay, since respect for parents and older people, he said, is "getting weaker and weaker." As a result, crimes committed by children are increasing, he said.

Cardinal Mindszenty, now living in Vienna, was removed from Hungary by order of the Pope in an apparent attempt to improve church-state relations in Hungary.

But the cardinal asserted: "After my leaving Hungary the situation did not improve in the country or anywhere else in the world."

He said Hungarian-Americans can help relatives in Hungary by keeping in touch, consoling, visiting, sending money and gifts.

Auxiliary Bishop Arthur Krawczak of the Detroit Archdiocese accompanied him to the church from the airport.

There, he was greeted by Detroit City Council President Carl Levin, acting for the mayor, and former Councilman Mary Beck.

Cardinal Mindszenty also had a half-hour meeting at the church with John Cardinal Dearden, archbishop of Detroit.

#### BASICS OF NATIONAL HEALTH INSURANCE—PART III

Mr. HANSEN. Mr. President, this is the third in a series of statements that I am making on national health insurance. It is particularly significant that both the House Ways and Means Committee and the Senate Finance Committee presently are holding hearings on this subject.

In the last two statements I have attempted to identify the problems of health care in America today; I have attempted to perceive the public feeling on what needs to be done; I have offered some basic principles on which to build; and I have proposed a solution in the form of the Health Care Insurance Act, or medicredit bill, sponsored principally by Senator VANCE HARTKE and myself, along with 180 other Members of Congress.

Today, I would like to take a look at the broad picture of national health insurance by specifying a goal to work toward, discussing some specific issues

and dangers, and drawing some conclusions.

#### TOWARD A NATIONAL HEALTH POLICY

Let us define in specific terms, our goal. It has been expressed in varying ways, but most will agree that Americans want quality health care that is available to everyone at a cost he can afford. The key words here are quality, availability, and cost. Such a goal is a worthy one.

The principal forces underlying the present desire for a national health insurance plan center in the concepts of rights and equality. Our purpose is to offer all Americans the right to procure good health care. We are endeavoring to offer equal health care benefits to all our citizens.

A national health policy must be based, then, first of all, upon a declaration of the rights of each American to equal health care.

#### RIGHT TO HEALTH CARE

In the discussion of national health insurance some have termed health care as a right of each citizen. May I qualify that statement by asserting that a right to good health care cannot be extended to the proposition of giving each citizen free health care. We do not give every American property merely because he has a right to own it. He must work for it, and pay the price for it. The same is true with health benefits. It appears to me that health care is a right in the sense that every person should have the right to procure good health care if he wants it, and if he will take the steps, according to his ability, to obtain it.

Such a right also necessarily entails a responsibility. To bestow health care as a right upon each American without also requiring a concurrent responsibility, is, in a very literal way, irresponsible.

#### EQUALITY OF HEALTH CARE

"Everyone should have equal health benefits," is a common assertion. May I suggest that a more realistic statement would go like this: "Everyone should have equal access to equal health care." The actual bestowal of and access to are different entities. The first requires no responsibility; the second requires concurrent responsibility.

The idea of equality and democracy was of primary concern to Alexis de Toqueville, who, in his classic work "Democracy in America," identified the unlimited passion for equality to be a chief danger to democracy:

There is, in fact, a manly and lawful passion for equality that incites men to wish all to be powerful and honored. This passion tends to elevate the humble to the rank of the great; but there exists also in the human heart a depraved taste for equality, which impels the weak to attempt to lower the powerful to their own level and reduces men to prefer equality in slavery to inequality with freedom . . .

I think that democratic communities have a natural taste for freedom; left to themselves, they will seek it, cherish it, and view any privation of it with regret. But for equality their passion is ardent, insatiable, incessant, invincible; they call for equality in freedom; and if they cannot obtain that, they still call for equality in slavery. They will endure poverty, servitude, barbarism, but they will not endure aristocracy.

National health insurance is one area where the excesses of equality seem to be manifest most dangerously. This idea deserves serious thought. We must beware of rhetoric promising total equality in health care, because not only is it often politically motivated, but because it feeds the insatiable appetite for the equality of which Mr. de Tocqueville speaks, that may ultimately lead to equality not in freedom or in quality health care, but equality in subjection and mediocre health care. In a mania to bestow gratuitously equal health benefits upon each person regardless of other considerations, we may well end up with a situation comparable to that of Great Britain and Russia, where quality health care has been sacrificed for equal health care.

The bases, then, for a national health policy may be thus stated:

First. Every American has a right to obtain good health care. This right arises from his responsibility to procure good health care by personal diligence and initiative.

Second. Every American deserves an equal opportunity to obtain equal health care comparable to that of every or any other American.

Various plans have been offered—all with a similar goal—but with different means. I have shown how the medicredit bill, S. 444, is most consistent with fundamental social and economic principles of health care, and why it offers the most realistic path toward the goal. I add that it is not a perfect plan, but the structure is sound, and can be added to. We have therein a solid base to work upon.

The principal differences between the bills before the Congress lie in three general areas, and to these issues I now wish to speak:

First, compulsion versus voluntarism; second, payroll tax versus tax credit; and third, bureaucratic administration and planning versus the free market and private enterprise.

#### COMPULSION VERSUS VOLUNTARISM

Medicredit is the only plan that is completely voluntary. I consider this to be essential and of the first priority. To do otherwise would be to negate the very ethic of freedom in America.

I fail to perceive by what standard or reasoning people should be forced to participate in a national health insurance plan against their will.

Some will say, "Health insurance must be universal. Therefore it must be compulsory."

Why must we force health insurance upon unwilling citizens? If they do not want it, why should that jeopardize the rest of society?

Health is too much a matter of individual concern and initiative to hand that responsibility to society. If one person elects not to purchase health insurance, he does not harm me. If he gets seriously ill or suffers catastrophic medical bills, what is that to me, if he refused to provide against such emergency? Does it then become my responsibility? Shall I repair the hole in my neighbor's roof against his own will, and regardless of his own negligence?

I realize that well-meaning persons feel that all should participate for their own good. But I reiterate most solemnly

the warning given by John Stuart Mill in his classic work, "Representative Government":

It is not much to be wondered at if impatient or disappointed reformers, groaning under the impediments opposed to the most salutary public improvements by the ignorance, the indifference, the intractableness, the perverse obstinacy of a people, and the corrupt combinations of selfish private interests armed with the powerful weapons afforded by free institutions, should at times sigh for a strong hand to bear down all these obstacles, and compel a recalcitrant people to be better governed. But those who look in any such direction for the realization of their hopes leave out of the idea of good government its principal element, the improvement of the people themselves. One of the benefits of freedom is that under it the ruler cannot pass by the people's minds, and amend their affairs for them without amending them.

I do not think that any reason is sufficient to merit force interfering with liberty of action except self-protection. The only purpose to which social force ought to be executed over the liberties of an individual can only be to protect the community or society against his harmful actions. His own good is not sufficient warrant.

The responsibility of the many to contribute to the poor can be handled by financing a plan from general income tax revenues, and then only upon the consent of the people themselves.

Furthermore, the recent experience with medicare, wherein 95 percent of the eligible participants signed up for the benefits, indicates that universal participation is hardly a major problem.

#### PAYROLL TAX VERSUS TAX CREDIT

The problems of adding to the payroll tax are well known. Such a tax is regressive, is easily and inevitably increased and, ironically, is most oppressive to the middle-income family whom we are trying to help meet its medical bills. The employer-employee compulsory financing embodied in the administration's CHIP is merely a variation of a payroll tax—to be deducted ultimately from the worker's take-home pay.

A viable alternative to the payroll tax is the tax credit. This approach is widely recognized by the best experts to be a more equitable way of financing health insurance and distributing its benefits. A new study published by the University of Iowa graduate program in hospital and health administration, as part of its "Health Care Research Series" points out that the medicredit tax credit approach "is indeed significant and certainly warrants consideration." The study points out that the tax credit idea is "predicated upon the assumption that the greater the tax liability, the greater the individual's ability to purchase health care services or health insurance." The study recommends the tax credit as the best financing mechanism yet proposed.

The tax credit approach will use the existing Internal Revenue Service machinery to expedite the tax credits, thus sidestepping the herculean task of keeping a running account of personal medical expenses and eligibility limits at a new Federal level, as would be required by the other plans.

It can confidently be asserted that the

savings in administrative costs by not creating a huge bureaucracy in the Social Security Administration and a minimum of overutilization abuse will offset the loss of revenues to the Federal Government and be realized in a net savings. Such savings will be considerable in comparison to the increased spending that would be incurred through other plans.

#### PLANNING VERSUS COMPETITION

It is popular these days to speak of Government planning and monitoring of the affairs of interest to society at large. This is natural, for in the wide arena of conflicting individual, and selfish interests, no one seems capable to fairly and equitably arrange interests except an all-powerful and disinterested third party—the Government. Such is a natural tendency of democracy, but a fatal one.

Experience has shown that in other countries an army of Government bureaucrats are neither smart enough, nor personally interested enough, to provide economy and fairness in the complex task assigned to them. For them to take into account the innumerable situations, subjective judgments, and intricacies of modern society in implementing a plan is an insuperable task.

Comprehensive health and social planning is inherent in the Griffiths-Corman health security plan, the Kennedy-Mills bill, and to a lesser extent in the administration's CHIP and the Long-Ribicoff bill. Each envisions using the Social Security Administration or other governmental agency to plan comprehensive health resources, health facilities, quality of services, and health prices. Such planning, the proponents urge, will correlate diverging interests, conflicting plans, and selfish ambitions into one united effort, all for the public welfare.

I submit that such planning, wholly innocent and praiseworthy in concept and intent, is actually a first step toward centralized, or socialized, medicine in America. It is an honorable undertaking into idealism that results in more problems created than solved.

It is, therefore, essential that health planning be left to local organization and entities and not to be taken up on a Federal level—except in broad, general terms of principle and guidelines.

There is no substitute for the innumerable and complex checks and balances embodied in the free market and private enterprise system to regulate affairs of health care and insurance. Such restraints are much more sure, durable, and effective than artificial ones imposed by a Government bureaucracy, which cause shortages, inequities, general dissatisfaction and alienation of the people. Private competition monitors society at the level of the people; Government planning monitors it at the level of a central bureaucracy.

Our past experience with Government programs should lead us to be doubtful that we could possibly administer a program like health security on a national scale, without losing considerable freedom to the authority of a governmental agency or administrator far removed from the scene of action.

The inefficiency of such administra-



tion is well demonstrated by the experience of State-supported "prepaid health plans" in California. Such plans spent more on administrative costs such as salaries than on actual health care services, according to California's auditor general:

Of the \$56.5 million payments made by the Department of Health to 15 prepaid health-plan contractors, only an estimated \$27.1 million, or 48 percent, was expended for health care services.

The balance of \$29.4 million, or 52 percent, the report said, was expended "for administrative costs or resulted in net profits."

#### CONCLUSIONS

A national health insurance plan must:

First. Be completely voluntary;

Second. Employ a tax credit as the financing mechanism; and

Third. Build on the existing system and leave administrative and planning functions to local bodies and private enterprise within the free market in accordance with general guidelines from a national level.

Of the various plans now before the Congress, only the medicredit plan embodies each of these essentials, in addition to being consistent with fundamental social and economical principles of health care. Each of the other plans, while having some good point, is inadequate or faulty in at least one of these respects.

#### FEDERAL ADMINISTRATION

Several of the bills would funnel the administration of an NHI program into a single governmental agency, such as the Social Security Administration or a Health Security Board. In the process, they would create huge bureaucracies and endow them with inordinate power which could be used to control the entire health industry. A health superagency could determine the methods through which health care would be provided by physicians and other providers, and use the vast sums of money under its control to dominate subsidiary agencies or boards. Any Federal agency empowered to pay for 90 percent or more of the Nation's health care costs would call the shots: Favoring cost control rather than quality, inflexibility rather than flexibility of method, and status quo rather than innovation. On the other hand, the use of general revenues, where necessary to supplement the private purchase of health insurance in a competitive market regulated by the separate States, would have exactly the opposite effect.

#### KENNEDY-MILLS BILL—FINANCING THROUGH A PAYROLL TAX

Payroll taxes are regressive. They weigh heaviest on low- and middle-income taxpayers, who are already overburdened. Several NHI bills now under consideration turn to this method of financing, although it establishes a mandatory tax for a mandatory program rather than providing Federal help according to the degree of individual need, as medicredit would do. A payroll tax locks the individual into a single, set rate method of payment. Under medicredit, the individual could shop for the

sort of health coverage he wanted at the lowest price available.

#### ADMINISTRATION BILL

Although the administration bill does not call for Federal control of the health insurance program, it would set up stringent regulatory authorities within the States, including the authority to fix rates for health services. No other services in our economy are subject to price fixing. This is discriminatory and unfair, besides setting a dangerous precedent. Again, it would lead to rigid control; the cost-quality conflict resolved in favor of cost; the stifling of innovation; and the reestablishment of a mechanism that has already been discredited.

#### LONG-RIBICOFF PROPOSAL

This bill structures a catastrophic program without first providing a solid base of general health insurance for the entire population. Although it would extend badly needed protection to some, their numbers would be small when measured in terms of the entire population. Further, what is financially a health catastrophe to one person may not necessarily be a catastrophe to another. Contrast this \$2,000 corridor with 10-percent sliding-scale corridor provided under medicredit. The deductibles provided before coverage would come into effect could in themselves prove financially catastrophic to some of those in need of help; and in the process of rectifying this inequity, Congress might later reduce the deductibles to the point where a bill written to cover catastrophic illness only would provide the ill-considered blueprint for expanding the program into across-the-board national health insurance. A catastrophic program designed to stand on its own is analogous to a two-story house designed without a first floor.

I am not unalterably attached to the name of medicredit or the particular legal language that it represents, but I am committed to the basic structure and principles that it defines. I feel that this structure is the best basis for a national health insurance plan. And I urge the Congress to make appropriate use of it for whatever legislation reaches the floor.

#### SUPPORT FOR NATIONALIST CHINA UNDIMINISHED

Mr. HANSEN, Mr. President, because of Senate action last week it would seem to me not inappropriate for some comment to be made in the Senate relative to the status of our friends and allies of Nationalist China on Taiwan—the seat of government of the Republic of China.

Unfortunately, it was not until Wednesday of last week that I learned that S. 3473, a bill to authorize appropriations for the Department of State and the U.S. Information Agency, and for other purposes, has a section 4 that deals with "Repeal of the Formosa Resolution." And it was not until Thursday that I learned S. 3473 had passed the Senate on Monday of last week without a roll-call vote.

Although we do not know what fate action by the House of Representatives holds for S. 3473, and I hope it will re-

ceive a thorough review by our colleagues in the House, I believe it is important that we let the people of Taiwan know that U.S. support for their freedom is undiminished despite the Senate passage of the "Repeal of the Formosa Resolution."

The Formosa resolution when enacted in 1955 was widely known throughout the Nation because it related to the battle for the Taiwan Straits, in which the United States participated to insure that those straits remained free. The islands of Matsu and Quemoy near the coast of China, in the straits, remain today controlled and fortified by the Republic of China. Because the Formosa resolution was so meaningful at the time to both the Nationalist Chinese people and the people of the United States who backed them to the hilt, it seems to me we should not repeal the resolution without strong assurances from the Senate that U.S. support is undiminished—or if it is diminished, we should clarify that also. The resolution's adoption represented major policy, and if its repeal does not indicate a change of policy, we should make that known.

I am hopeful that a member of the Committee on Foreign Relations will outline the committee's thoughts on the matter. A member of my staff contacted the committee staff and was told that S. 3473 included a number of housekeeping measures and the repeal of the Formosa resolution was one of them. The following is the committee report comment on the repeal of the Formosa resolution:

*Section 4. Repeal of the Formosa Resolution.* This section repeals the Formosa Resolution of 1955, a joint resolution enacted as a demonstration of support for the President and for Taiwan during a period of tension which occurred in that year. The Resolution, which remains in effect even today, authorizes the President to employ the armed forces of the United States as he deems necessary to protect Formosa and the Pescadores, an island group just off the southeast corner of mainland China.

In October of 1971 the Foreign Relations Committee voted in favor of repealing the Resolution and the repealer was reported from the Committee as an amendment to the Foreign Assistance Act of 1971. The Committee viewed the repeal as a kind of legislative housekeeping, removing from the law a special grant of authority and support for the President made under circumstances which no longer existed. Prior to taking its action, the Committee had solicited the Administration's position, and the Department of State had expressed the Administration's view of the Formosa Resolution as follows:

"We would not look upon the resolution as legal or constitutional authority for either contingency planning or the actual conduct of our foreign relations."

Even more clearly, Secretary of State William Rogers had declared explicitly that the Department had no objection to the repeal of the Resolution. Coincidentally, however, while the bill containing the repealer was on the floor of the Senate, the UN voted to seat the People's Republic of China and to expel the Republic of China; and many Senators felt that it would have an undesirable impact if the UN's action were to be followed so suddenly by a Senate action which could be construed as a wavering of U.S. support for Taiwan. Thus, a move to strike the repealer succeeded by a vote of 43-40.

In the Committee's view, recent Congress-

sional action in enacting War Powers legislation renders the case for repeal of the Formosa Resolution even more cogent, and the Committee believes that sufficient time has now elapsed to allow reconsideration of this measure in a less dramatic context. The resolution has long since become obsolete and ought to be repealed in the interest of orderly procedure.

Mr. President, other sections of this housekeeping bill, in addition to authorizations of appropriations, transfer of funds, publication of political contributions of certain nominees, travel expenses of student-dependents of Government employees, assignment of foreign service officers to public organizations, authority and responsibility of ambassadors, reorganization of foreign affairs legislation, and the Formosa Resolution repeal, are: Military Base Agreements, Diego Garcia Agreement, International Materials Bureau, Review of Policy Toward Cuba, Future of United States Assistance to South Vietnam, and several others. Some of the latter sections named have provocative titles, naming several areas of major policy, it would seem. Perhaps a committee spokesman would briefly outline what impact some of these sections might have.

In the meanwhile, I want to make it clear that the support of the junior Senator from Wyoming for the Republic of China is undiminished.

#### CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, the hour of 12 o'clock having arrived, morning business is concluded.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Helting, one of his secretaries.

#### EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. BIDEN) laid before the Senate messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

#### U.S. PARTICIPATION IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate S. 2665, which the clerk will please report.

The assistant legislative clerk read as follows:

S. 2665, to provide for increased participation by the United States in the International Development Association.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. Debate on the pending bill is limited to 4 hours to be equally divided between the majority leader and the minority leader or their designees. The majority leader has stated that he yields his time to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I have just yielded 3 minutes to the Senator from Utah (Mr. Moss) and I yield myself 12 minutes at this time, making a total of 15 minutes.

Mr. President, the pending legislation would authorize an additional increase of \$1½ billion for the World Bank, the soft loan window of the World Bank.

If there was ever a more inopportune time to go into a program like this, I do not recall when it might have been.

Here is what we will be doing with this legislation. The Federal Government will be borrowing money at 9 percent interest and giving that money to the World Bank, which in turn will loan it to other countries at 1 percent interest.

Now the record shows that the countries then in turn will take that money and loan it to its own people at 12- to 20-percent interest.

I rather suspect that in some of these countries that money is not getting down to help those people at all but is being skimmed off by various elements in those governments.

But, be that as it may, I am looking at it from the viewpoint of the American taxpayer.

This is a program to go out and borrow \$1.5 billion at 9-percent interest and turning that money over to other countries at 1-percent interest.

I do not believe that can be justified.

Now, Mr. President, one would think, in listening to the arguments in favor of the legislation, that this is the only foreign aid program the Government is involved in.

Of course that is not correct at all.

I have information concerning the current budget. The new requests for appropriations and authorizations and/or appropriations for foreign aid and assistance contained in the fiscal year 1974 budget document, are as follows—there are 28 different programs.

One is the Foreign Assistance Act, \$2.4 billion.

Overseas Private Investment Corporation, \$72.5 million.

Foreign Military Credit Sales, \$525 million.

Inter-American Development Bank, \$693 million.

International Development Association, \$320 million. That is the same one, the same bank, the same association that this proposal would then appropriate another one and a half billion dollars to.

No. 6, Asian Development Bank, \$100 million.

Next, the Asian Development Bank—proposed—\$106 million.

Next, Asian Development Bank, maintenance of value \$24 million.

Next, International Development Association, maintenance of value, \$161 million. That is the same bank, the same association, the International Development Association that we are now proposing to give the additional one and a half billion dollars to.

International Bank for Reconstruction and Development, maintenance of value, \$774,000,000.

International Monetary Fund, maintenance of value, \$756,000,000.

Maintenance of value adjustment—\$25,000,000.

Receipts and recoveries from previous programs, \$394,000,000.

Military assistance—defense budget—\$1,930,000,000.

International military headquarters, \$85,000,000.

MAAG's, missions and millgroups, \$168 million.

Permanent military construction—foreign nations, \$190 million.

Export-Import Bank, long-term credits, \$3,850 million.

Export-Import Bank, regular operations, \$2,200 million.

Export-Import Bank, short-term operations, \$1.6 billion.

Peace Corps, \$77 million.

Migrants and refugees, \$8 million.

Public Law 480, \$653 million.

Contributions to international organizations, over and above the ones just listed, \$200 million.

Education, foreign and other students, \$59 million.

Trust Territories of the Pacific, \$56 million.

Latin America Highway—Darlen Gap—\$30 million.

Now, Mr. President, that adds up to a total of \$18 billion, not including the one and a half billion dollars in the pending legislation. This information that I have just cited was developed by the Subcommittee on Appropriations for Foreign Operations of the Appropriations Committee of the House of Representatives.

I ask unanimous consent that this table be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HARRY F. BYRD, JR. Mr. President, it is also estimated by the same committee, the House Appropriations Committee, that in the pipeline for foreign aid is some \$26 billion, not including the figures I have already enumerated.

The pending legislation is just an additional program, over and above these others, of \$1.5 billion that the taxpayers are being called upon to pay for, by their Government borrowing money at 9 percent and lending it to foreign countries at 1 percent. I do not think that can be justified in this period of high inflation which is facing our Nation.

The economic report submitted yesterday by the President and his advisers indicates that fiscal year 1975, the one which will begin at the end of next month, will show even larger government deficits than had been anticipated and greater than the present year. So this is a very inopportune time to go into such a program as is being proposed. It is a global antipoverty program. It would be fine, if the American people had the money, I suppose, to go



into such a global antipoverty program. But the United States tried a poverty program of its own in the United States, under Lyndon Johnson; and after the expenditure of billions of dollars, it was ascertained that very little if anything was accomplished. When you get on a worldwide scale, even less will be accomplished.

In today's edition of the Washington Post, an editorial in behalf of the proposed legislation pointed out that the leadership in opposition to this \$1.5 billion appropriation to IDA is being led by the distinguished senior Senator from Missouri (Mr. SYMINGTON) and by the Senator from Virginia (Mr. HARRY F. BYRD, JR.). The editorial expresses the view that the Senator from Missouri and the Senator from Virginia would be in a small minority.

Mr. President, knowing the attitude of the Members of the Senate toward appropriating funds for every conceivable project throughout the world, I suspect that the Post will have its wish come true, that the Senator from Missouri and the Senator from Virginia will be in the minority. But somewhere along the line this throwing away of tax funds by Congress and by the administration must come to a halt. I do not know of any better place to start than with the bill before the Senate today. We have to start somewhere.

Inflation is eating heavily into every wage earner's paycheck and into every housewife's grocery dollar, and the major causes of this inflation are the smashing, continued, accelerated, and accumulated Government deficits. Yet, nowhere along the line is Congress or the administration willing to call a halt to this continued expenditure of tax funds.

#### EXHIBIT 1

New requests for authorization and/or appropriation for foreign aid and assistance contained in the fiscal year 1974 budget document

1. Foreign Assistance Act (includes military assistance) .....	\$2,428,850,000
2. Overseas Private Investment Corporation .....	72,500,000
3. Foreign Military Credit Sales .....	525,000,000
4. Inter-American Development Bank .....	693,380,000
5. International Development Association .....	320,000,000
6. Asian Development Bank .....	100,000,000
7. Asian Development Bank (proposed) .....	108,571,000
8. Asian Development Bank (maintenance of value) .....	24,000,000
9. International Development Association (maintenance of value) .....	161,000,000
10. Inter-American Development Bank (maintenance of value) .....	510,000,000
11. International Bank for Reconstruction & Development (maintenance of value) .....	\$774,000,000
12. International Monetary Fund (maintenance of value) .....	756,000,000
13. Maintenance of value adjustment .....	25,000,000
14. Receipts and recoveries from previous programs .....	394,464,000

15. Military assistance (in Defense budget) .....	1,930,800,000
16. International Military Headquarters .....	85,800,000
17. MAAG's, missions and milgroups .....	168,100,000
18. Permanent military construction—foreign nations .....	190,700,000
19. Export-Import Bank, Long-term credits .....	3,850,000,000
20. Export-Import Bank, regular operations .....	2,200,000,000
21. Export-Import Bank, short-term operations .....	1,600,000,000
22. Peace Corps .....	77,001,000
23. Migrants and refugees .....	8,800,000
24. Public Law 480 (agricultural commodities) .....	653,638,000
25. Contributions to international organizations .....	199,787,000
26. Education (foreign and other students) .....	59,800,000
27. Trust Territories of the Pacific .....	56,000,000
28. Latin America highway (Darlen Gap) .....	30,000,000
Grand total .....	18,003,191,000

NOTE.—Total appropriation requests for maintenance of value amount to \$2,250,000,000.

Mr. HARRY F. BYRD, JR. Mr. President, how much time do I have remaining from the time I have yielded myself?

The PRESIDING OFFICER. The Senator's 12 minutes have just expired.

Mr. HARRY F. BYRD, JR. I yield to the distinguished senior Senator from Missouri as much time as he may desire.

Mr. SYMINGTON. I thank the able Senator from Virginia. I am proud to be associated with him in this matter.

#### IDA—THE SOFT LOAN EUPHEMISM

Mr. President, I would say a few words about the pending legislation, S. 2665.

Unfortunately, the grandiose claims which have been asserted on behalf of IDA are in some cases euphemistic if not actually hypocritical. One finds it difficult to deal with specifics and with concrete concepts without going back to the beginning to discover the reality and purpose of the IDA creation.

To some of my colleagues, IDA—or, more formally, the International Development Association—is a comparatively young institution which has received only a little spending money. To others of us, however, any association which has managed to collect \$2 billion from the U.S. Treasury over a relatively short period of time scarcely qualifies as an unsophisticated beginner on a meager allowance.

At this point, I would present for the consideration of my colleagues the fact that, to the best of my knowledge, most if not all of the large cities in this country are bankrupt. It is also true that no State can spend more, to the best of my knowledge, than appropriated by its legislature.

The one way one can get paper money without real difficulty today so as to continue to put it out all over the world, is by using our overworked printing presses. Even though those presses themselves, must now be getting tired, because we have put out so many hundreds of billions of dollars we cannot get back.

Nevertheless, the dollars continue to roll out.

Let me express my admiration for one man in this Government who has had the courage to point out to the American people that pretty soon much of what we are doing will not mean much any way, because it is becoming increasingly clear, from any standard of fiscal or monetary consideration, the United States is going bankrupt. I refer to the Chairman of the Federal Reserve Board, Arthur Burns.

I mentioned "hypocrisy."

In the first place, we start with a peculiar premise: that the U.S. Senate has a special duty to support IDA because we supposedly invented it at the end of the 1950's. Even if that story were true in every detail, this is tantamount to saying that a parent should financially support his progeny as long as the latter lives.

We all know what a great contribution former Senator Mike Monroney made in a large number of fields.

In this instance, we are talking about the so-called Monroney resolution, often heralded as the precursor of IDA. That resolution had two main objectives: one was to aid the less developed countries of the world through loans on concessional terms; the other was to employ excess local currencies for this specific purpose.

I do not believe that anyone can dispute the statement that the main theme presented by Senator Monroney was the utilization of excess nonconvertible foreign currencies—which at that time were threatening to swamp the United States with their abundance.

I remember a dinner where I had the privilege of talking with an ambassador, and told him we had billions of his currency in dollars, and asked what he thought we should do. He said, "Do you want me to be frank?" I said, "That is why I asked you the question." He said, "If I were you I would write it all off and forget it."

Oddly enough, it was decided at the very time IDA was established that such excess local currencies basically could not be used. Instead, then and now the cry has gone up for more and more convertible foreign exchange. So let us dispense with this first piece of mythology about the role of the Senate in originating IDA.

My second objection on the grounds of hypocrisy is the constant repetition of the romantic idea that IDA credits will be repaid at the end of the half century which represents the period of a loan. In an effort to apply that discredited commodity—reason—let me suggest that IDA loans, of "credits," as they are technically described, are entirely unlikely ever to be repaid in amounts worthy of serious attention.

There is, of course, the possible rejoinder that, by the time the principal should be rolling in, the dollar will not be worth much anyway, so let us not be disturbed about this aspect of IDA.

Well, if we continue along the financial lines pursued to date, I can promise the dollar will be worth little or nothing.

My third objection on the grounds of hypocrisy is the concept that IDA has

been a vital institution, devoted exclusively to helping the poor and starving peoples of the so-called Third World.

At the same time that we are talking about this charitable characteristic, we are assured IDA credits are advanced only for the same types of projects supported by its parent institution, the World Bank; and only after the same type of tough scrutiny and lengthy investigation.

Here is a good example of trying to have things both ways. Despite claims about the past vital role played by IDA in helping overcome the disasters caused by the behavior of the Sahara desert in Africa, the record just does not sustain any such claim and the record should always count even for something, when it comes to appropriating government money instead of one's own.

Only after the damage was fully apparent to all countries did the so-called World Bank Group get into the act in any meaningful way.

In any event, IDA has never been represented to us as an eleemosynary institution or a gigantic soup kitchen. Actually I could find it easier to be charitable if it had been—though not to the tune of one and a half billion more U.S. dollars.

When speaking of hypocrisy and the less developed countries, I am most certainly not talking about those desperately poor people in nations such as Upper Volta or Bangladesh, rather I am referring to the oil-rich countries of the Middle East and north Africa—with the notable exception of Kuwait, which has been a donor—or part I—country since the beginning of the 1960's. Where are the Saudi Arabians, the Algerians, and other beneficiaries of the wildly inflated oil prices which have been imposed on all countries of the world?

The answer is that maybe one or more countries will do something in the future; "helping out" perhaps through purchasing World Bank bonds. How nice for them to be able to buy AAA-rated, gilt-edged bonds. Perhaps the United States should consider a new bond flotation instead of an IDA contribution.

Let us now move on to some old-fashioned legerdemain that stems from our exposure to the phrase "World Bank Group." This actually means the World Bank and IDA and some of their adjuncts scrambled together. We know that IDA has no separate staff, no separate officials, but theoretically separate accounts—even though IDA and Bank funds are commingled in many "special" projects.

In other words, IDA is neither fish nor fowl, rather, in at least some cases, fantasy. It exists but it does not exist. Yet it must exist, because there is much hand wringing lest it go out of existence.

I suggest it is time IDA be recognized for what it is.

I have often thought of the fact every officer in the World Bank is an officer in IDA, and vice versa. So what we are talking about is not really two different organizations, but different terms utilizing taxpayer money out of the same organization, and the time has come for IDA to be recognized for what it is.

This cannot be discovered, however, unless we stop U.S. Treasury witnesses

from giving us mixed statistics released by the World Bank group.

For example, we are told that the "group" is good business for the United States, and therefore, our contributions are aiding our purported free-enterprise businessmen and ringing up sums on the cash register.

As a matter of fact, the net balance of payments loss to the United States on IDA has been in the neighborhood of \$350 million, out of a past contribution of some \$2 billion.

The World Bank figures are far better in this sphere, but cumulatively they still represent a balance-of-payments loss. What matters is that, by stressing the Bank's role, the cost of IDA is obscured.

Let us take another instance where this scrambling of institutions is misleading. We ask about the amount of local costs financed by IDA hard currencies—since the name of the game is convertible foreign exchange—and we are given figures which again mask the extent to which available local currencies are not employed.

It is not that the Treasury does not answer the question; it is that the answer is blurred.

For the record, let it be emphasized that in fiscal year 1973, financing of local costs by IDA absorbed 15 percent of the total credits committed.

Take a further example of this peculiar melting-pot process: the issue of whether IDA credits go for project loans rather than program loans. We are all certainly familiar with the distinction from our discussions of past bilateral foreign aid bills. We are constantly assured that IDA credits are employed for the same kind of carefully considered and hard-headed banking projects supported by the World Bank itself. But we find that approximately 20 percent of total IDA credits—including undisbursed funds—had been devoted by mid-1963 to program lending.

It is hard to escape the conclusion that the World Bank group has drifted from its charter-directed concentration on projects, since it would be ridiculous to talk about IDA helping in the African Sahel if one had to go through the normal project-loan process.

There are other examples, but to go through them point by point only prolongs the agony. Instead, let me refer to the hearing held by the Committee on Foreign Relations on November 19, 1973, entitled "U.S. Participation in the ADB and IDA." If my colleagues will look at the questions and answers contained on pages 40-47 in that hearing record, one will find ample food for thought, and even more room for doubt, about the legitimacy of this proposed legislation.

As we all now know, India, without any apparent effort on our part, or success on our part to restrain her, has recently become the sixth country to join the nuclear club—India has received roughly 50 percent of all IDA credits since the association began. Therefore they should have the resources to engage in nuclear explosions.

As is often the case, the brilliant satirist Herblock has taken care of that paradox in the cartoon in the Washington Post of May 22. Nothing one could

say in explanation would match, much less improve, upon the image conveyed by that simple picture.

But I would add that India is the one country where there has been really substantial debt-rescheduling or "roll-overs" which obviate any formal default on loan repayments to the World Bank.

This is a clever scheme for preventing red ink on the books. Anybody who has studied accounting knows what I am talking about.

Surely, how many businessmen in this country would like a formula to obtain such treatment for their companies.

Finally, Mr. President, I protest the thesis that IDA will go out of business this summer if vast new resources are not made available and on an immediate basis.

We have already noted that there are no separate personnel working for IDA; let us now stress the point that roughly \$1.8 billion of credits had not been disbursed as of the end of last June 30.

It is true IDA could not go on making commitments at the ever-increasing rates of the past, but it stands to reason that it will take much time just to disburse the funds which have already been committed, but not employed.

Mr. President, there could be no one in this Chamber who does not know we have continuing severe problems in the fields of both trade and overall payments. In addition, we now know that this year we will be having another budget deficit running in excess of \$15 billion.

Under such circumstances, it is incredible that Members of the U.S. Senate, collectively, could act so unrealistically after the warnings of the Chairman of the Federal Reserve Board, and all these other warnings from housewives, from people who operate farms, from petroleum users as stock market problems become worse every day. How long can it all go on?

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

Mr. SYMINGTON. I am glad to yield to the distinguished senior Senator from Louisiana, chairman of the Senate Finance Committee.

Mr. LONG. Is not all this part of a pattern that, having reached the end of the taxpayers' patience by giving away this Nation's resources to 100 nations across the face of the globe, in order to continue the program they then use the device of calling it a "loan," when actually everyone knows the loan is not going to be repaid? They come back so as to call it a loan. When the time comes to repay the loan, they do not say it is in default; they say we rescheduled it.

What irritates me is that they come up with the good news trade figures where they take the soft currency loans, which everybody knows we are not going to get back. I might be technically wrong, and they might give us 5 cents back for every dollar, but realistically speaking, we are not going to get anything back. Then we see them add on the plus side that figure because we made a credit sale for \$500 million to India, when everybody who knows anything knows we are not going to get it back. Never-



theless, that is added to the plus side to make it look as if we made money.

Mr. SYMINGTON. That is right.

Mr. LONG. Then they further polish the figures up for us by leaving the freight costs off the imports—all this to deceive the people and make the figures look like they are \$5.5 billion a year better than they actually are.

We are talking about programs where departments put before us from time to time a cost figure on a budget at a plus, but that has to be paid off by the taxpayers. As the Senator knows, they take up these figures and they add them up as plus figures, but at the bottom we have a gigantic minus.

That is what we find when this program is held out to be as one that is costing us little or nothing, that it is a loan which theoretically we are going to get back, although those of us who are sophisticated know we are not.

Then we look at the trade figures, and they tell us we are making money, when, if one analyzes it, we are not; we are losing a fortune, about \$5.5 billion a year, even though they claim we are making money at it.

A great deal of that resolves itself into its being called by another name, call it a loan, or call it cooperation, or some such thing as that, but we are just taxing the taxpayers to pay for it.

Mr. SYMINGTON. Mr. President, if the Senator will yield, I became interested in this subject as a result of careful investigation on the part of two Senators who were not known as the most conservative members of this body. They both had a capacity for thoroughness. At one time when IDA was asking for money, that agency pointed out nearly all their money was going into Central and South America, hardly any of it to other parts of the world like, for example, Southeast Asia. But it came out in testimony that 60 percent of all such loans had been granted to India and 20 percent to Pakistan.

I suppose now we will give a big loan to Pakistan to adjust military equality—tilt is the new word—their nuclear position with respect to India.

Years ago we were lending money on the basis of 50 years, no repayment of principal for 10 years, no interest rate. Then we found it was being reloaned by the government in question at 15 percent profit.

The distinguished senior Senator from Virginia, who, along with the chairman of the Finance Committee, are two people really knowledgeable about the financial security of the United States—which for some years has impressed me as being about as important as physical security—pointed out I was in error. The figure being reloaned was not 15 percent, rather 20 percent.

Am I correct about that?

Mr. HARRY F. BYRD, JR. The record of the debate in the House shows it was between 12 and 20 percent.

Mr. SYMINGTON. So 20 percent was the top figure, not 15 percent.

I am not speaking of the famine in Africa, or anything of that character, but am plenty tired of giving out money to

other countries for reconstruction that is needed so badly here at home.

Mr. LONG. Mr. President, I must express my disappointment. I say that we are being hooked on another one of these gimmicks. They say that they have a gimmick so that they can export this money and that it will not harm this country.

Most of us know very well that we will never get anything out of this 1 percent loan. If we just get back the 1 percent on this 50-year, 1 percent interest loan—not the principal, but just the 1 percent—I would be very much pleased. I would be pleasantly surprised. However, generally speaking, we know that we are not going to get back anything of substance with respect to any of these loans. When the money is gone, we might as well cheerfully say goodbye to it because we are going to separate ourselves from those taxpayer dollars.

However, there is one political advantage to it. Fifty years from now, when the transaction has been completed and we find that they are in default, all of us will be out of politics, and most of us will be in our graves. So the public will not be able to express its displeasure over how we gave the money away, because it will be all over.

What really irritates me is the way that we have given away \$1 billion. They say that we have to give away more money because the \$100 billion will not buy as much for those people as it did at the time we gave it to them. We are being asked to give a second and a third installment to help them because the inflation is critically injuring those people. Therefore, we are being asked to do the same thing for all those people who want our dollars, although we are not doing the same thing for the American people. We now have to put up more money, because the money we have already given them will not buy as much as it did when we gave it to them.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator mentioned the officials of the World Bank. Those officials are now lobbying the Congress and the administration has been lobbying the Congress to get this legislation through. Is the Senator from Virginia correct in his belief that those officials of the World Bank pay no income tax?

Mr. SYMINGTON. Mr. President, I cannot say for sure.

It is my understanding some officials do not pay an American income tax against the salaries in question; but I have never checked it. However, that I do not know.

Mr. HARRY F. BYRD, JR. Mr. President, that is my understanding. Of course, the taxpayers are being called upon by the officials of the World Bank to put up this money. Yet the officials of the World Bank themselves are not paying income tax.

Mr. SYMINGTON. If the economy of this country was in a position where we could continue to pour out these billions

of dollars all over Europe, the Middle East, the Far East, et cetera, no one would be more pleased with this largesse than I.

But I have come to the conclusion after many years in the Senate that we had better start minding our own fiscal and monetary problems, worrying more about them instead of trying to handle comparable problems for so many other countries abroad.

Mr. President, I yield the floor.

Mr. HARRY F. BYRD, JR. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has approximately an hour and 15 minutes remaining.

Mr. HARRY F. BYRD, JR. I reserve the remainder of my time.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

Mr. President, I have heard with great interest the arguments advanced by the Senator from Missouri and the other Senators, the Senator from Virginia and the Senator from Louisiana and it is the classic argument which we have had for a very long time. It is the argument, Mr. President, that while we have not got the money and we are being asked to shell it out, why should we?

Now, Mr. President, the deficiency in that argument is that, first, nothing we do in the IDA is going to make or break us, or is going to contribute to inflation. Second, Mr. President, in terms of the basic consideration for other human beings which is called philanthropy, we are doing infinitely more right now in our own country than anybody proposes that we do here.

Third, Mr. President, and critically important in a moral sense, these questions are very relevant: The question is not whether we can afford it, but whether we can afford not to do it, considering our position in a world which is overwhelmingly extremely poor; in fact is in terrible shape right now, because of the exactions respecting the increased prices of oil. The oil producing countries really have no conscience as far as these poor, developing countries are concerned, but are exacting these prices nevertheless.

Mr. President, I am, in this regard, very apposite the remarks made by the President of the World Bank, Bob McNamara, a former Secretary of Defense, in a speech which he made to the Board of Governors of the World Bank group in Nairobi last fall in which he spoke of relative poverty and absolute poverty.

He said:

Relative poverty means simply that some countries are less affluent than other countries, or that some citizens of a given country have less personal abundance than their neighbors.

He continued:

Absolute poverty is a condition of life so degraded by disease, illiteracy, malnutrition, and squalor as to deny its victims basic human necessities.

Mr. President, it is my profound conviction that very few Americans, if they felt there was this condition, would seek to bail themselves out of it by pleading our own financial condition or our own

inflationary condition. Americans really are not built that way, knowing, as we do, that the overwhelming majority of us, notwithstanding these economic troubles, live very, very comfortably indeed, and in a manner which is far better than anything mankind has ever seen anywhere.

Listen to the description of the kinds of people who are to be helped by IDA:

One-third to one-half of the two billion human beings in those countries suffer from hunger or malnutrition.

Twenty percent to twenty-five percent of their children die before their fifth birthdays. And millions of those who do not die lead impeded lives because their brains have been damaged, their bodies stunted, and their vitality sapped by nutritional deficiencies.

The life expectancy of the average person is twenty years less than in the affluent world. They are denied 30 percent of the lives those of us from the developed nations enjoy. In effect, they are condemned at birth to an early death.

Eight hundred million of them are illiterate—

Eight hundred million of them—and the population of the developed countries is generally estimated to be about 2 billion—and despite the continuing expansion of education in the years ahead, even more of their children are likely to be so. This, says Mr. McNamara, "is absolute poverty."

Mr. President, I just wonder how many Americans would reflect as their moral belief the idea that we just cannot afford to help people like that so we will stay out of it, when they know, and everybody knows, that this help is not going to affect our standard of living or inflation one bit, for 1 minute.

Mr. President, that is why the Washington Post said that the overwhelming majority here would vote for this bill, and I believe they will, because we are just not built to beg off on an equation of that character, so dire, so serious, so inhumane, on the ground that, "Well, right now, we cannot afford it, come around tomorrow," after a couple of hundred million more are dead because of poverty and disease and short life span.

Mr. President, there are also additional very hardheaded reasons for this. The United States, with roughly one-half of the gross national product of the world, cannot stand by and let this kind of despair happen without trying to help.

The other hardheaded reasons are that the one-third that we are putting into the IDA, is encouraging other nations to put in two-thirds, and we have been advised very specifically, no question about it, that if we do not, they will not. So riding on us, as the most powerful nation on Earth economically, is the fate of this whole program, not just our contribution. We cannot very well turn our backs and walk away unless we are ready to see the whole thing collapse.

Mr. President, the argument is made against this, that this money hurts us in respect of our balance of payments, and I would like to give the Senate some very interesting figures on that score.

The committee report points out—this is at page 10—that cumulative IDA procurement in the United States totals \$450 million. The cumulative World Bank procurement in the United States, that

is in the aggregate of these World Bank loans, totals \$3.2 billion.

Mr. President, the figures which we have indicate that in the 28-year history of the World Bank group, the net favorable impact of this U.S. balance of payments of what has been taken out in the way of subscriptions and loans, and what has been put back in the way of exports, leaves us with a favorable balance of \$3.2 billion.

Again I repeat, Mr. President, a favorable balance of \$3.175 billion, and I ask unanimous consent that the table carrying those figures may be printed in the RECORD.

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

BANK/IDA PROCUREMENT IN THE UNITED STATES, BY CATEGORY OF GOODS AND SERVICES

[In thousands of U.S. dollars]

	IBRD	IDA
Fertilizers.....	475	4,461
Chemicals.....	5,361	26,936
Livestock.....	1,914	815
Construction materials.....	31,678	3,953
Construction equipment.....	62,102	23,495
Mechanical equipment.....	134,635	23,181
Textile machinery.....	15,505	608
Agriculture machinery.....	11,258	10,213
Electrical equipment.....	126,359	31,981
Automotive machinery and equipment.....	13,019	22,449
Vessels and floating equipment.....	2,394	2
Materials and equipment for railways.....	25,174	51,020
School equipment and supplies.....	4,099	1,747
Civil works.....	371,357	43,782
Consultant services.....	124,483	38,160
Freight and insurance.....	9,212	2,283
Loan charges.....	104,618	
Training.....	96	8
Miscellaneous.....	6,112	1,490
Prior to July 1, 1966.....	2,186,578	121,073
Turbines.....	1,038	
Total.....	3,237,467	407,621

Mr. JAVITS. Now, finally, Mr. President—and very important—a lot has been made of India. What is India, Mr. President? India is the largest aggregation of population in the world other than mainland China, and although we are trying to establish much better relations with mainland China, mainland China is no particular friend of ours even to this day, but India is. It is a democratic country and a member of the free world.

Whatever may have been her mistakes that people would charge her with, including this production of a nuclear explosion, the fact is that she is on our side in the sense of the fundamental fate and the freedom of this world, and she has 400 million people, Mr. President. That is twice the size of Africa, and a great deal has been made of the fact that we are seeking to help relieve famine in Africa.

By all means we should, and I have been very much interested in famine relief. But, Mr. President, how much more true is that of 400 million people, twice the number in Africa.

So, Mr. President, I must say I cannot but help feel that is an argument for the IDA, not against it, the fact that it has been effective in assisting 400 million people in our side of the world, on our side of the argument, over whether there should be totalitarianism or freedom.

And speaking about mistakes, Mr. President, what about our mistake in

being in Vietnam for 7 years and bedeviling all south and southeast Asia during that period of time?

If the sanctions are going to be exacted from states, Mr. President, we had better not be the first one to throw the first rock. It is all right for us to do our utmost to correct situations with which we thoroughly disagree, and I am enthusiastic for it. But let us not be quite so sanctimonious as to assume that that is the reason why we should give or withhold what is necessary to sustain life itself.

So, Mr. President, those are the reasons I have described for which we make our arguments here today.

One other point which deserves emphasis, because the purposes for which the lending will take place by IDA have been challenged, I wish to report to the Senate that the fundamental thrust now of the loan policy of IDA is heavily directed at food production.

President McNamara of the World Bank set a target of a 5-percent yearly increase in the output of small farmers—with funds to be spent in agricultural development, population planning, and rural education.

Now the world lacks right now—really, it is virtually without reserves and is waiting with the greatest concern for the good American crop which is coming in.

Therefore, we really have no margin of error on food supplies for the less developed countries, especially the 30 without resources—with an estimated population which runs about 1 billion people—I will put the exact figures into the RECORD and list the countries and ask unanimous consent that I may do so.

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

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

U.S. Government Interagency Working Group  
(Agreed List of Hardest Hit Countries)

[In millions]

	Population
Bangladesh.....	72.4
Botswana.....	0.6
Cameroon.....	5.8
Camodia.....	7.7
Chile.....	10.0
Costa Rica.....	1.8
El Salvador.....	3.7
Guyana.....	0.7
Honduras.....	2.6
India.....	551.1
Ivory Coast.....	5.2
Kenya.....	11.7
Lesotho.....	0.9
Sahel countries:	
Chad.....	3.7
Mali.....	5.1
Mauritania.....	1.2
Niger.....	4.1
Senegal.....	4.0
Upper Volta.....	5.5
Sri Lanka.....	12.9
Sudan.....	16.1
Swaziland.....	0.4
Uruguay.....	2.9
Vietnam.....	18.8
Ethiopia.....	25.3
Togo.....	2.0
Haiti.....	4.3
Dahomey.....	2.8
Yemen.....	1.5
Rwanda.....	3.2



Mr. JAVITS. That, Mr. President, represents essentially the vital thrust of IDA—indeed the survival of countries that do not have important raw material exports which can profit from generally higher prices for raw materials in this country depends on this assistance. We do not want them excessively to rely on American exports because of our own marginal condition, as I have just described it.

Therefore, the objective is to get them to produce more of their own food, and for this it is absolutely essential that they have capital investments which they cannot afford and cannot service and which will bankrupt them unless it is done through the soft loan terms of IDA.

Mr. AIKEN. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. AIKEN. I am interested in the remarks of the Senator from New York. I know that he recalls that when we passed Public Law 480, as it is known around the world today, the prediction was made that if we furnished food to the hungry people in other countries, it would cut our sales.

Just the opposite happened to be the case because as we began to feed more hungry people in other countries, our export sales of farm commodities increased and they have been increasing ever since, until it is anticipated this year that in spite of the contributions from other countries, we will export in the vicinity of \$21 billion worth of farm commodities while the cost of our food donations dropped from \$2 billion in 1957 to \$1 billion in 1973. In other words, in helping others to feed themselves we found that as we gave them food to keep them from going hungry—the more our sales increased.

That may sound paradoxical, but it is borne out by the facts.

Mr. JAVITS. I am so grateful to you, Senator AIKEN, because you have been such a towering figure in this particular field of food production in the world. I might say that I feel so badly that the Senator cannot continue in the Senate to give us this kind of guidance, experience, and counsel.

Mr. AIKEN. As a taxpayer I will give the Senator plenty of advice.

[Laughter.]

Mr. JAVITS. I would be delighted and the Senator will have an exponent here in the Senate, if I last here. But, Mr. President, Senator AIKEN has put his finger exactly on the right point. That was the thrust—I did not say it as well—of the figures I gave regarding the World Bank. The circumstances have created a condition of greater well-being, especially in the developing countries where consumption is at such a low rate. The ones who get the immediate benefit are, of course, the great exporting countries and the developed nations, particularly our own.

Right now, the food exports are the enormous resources around which we rally to maintain our own balance of payments. It is generally known that we are in a race against time with respect to food supplies. It is therefore critical literally to survive, to enable these developing countries, especially the

30 of the poorest countries, to have inputs for the development of water supplies, extension services, education, and research in agricultural and fertilizer production.

Mr. President, I have argued this issue for years, but I never saw a time when it was morally more right, precisely because of our financial troubles. The American people show that every day, in the billions of dollars they pour out for charitable purposes in our own country.

We cannot—indeed, we will not—we cannot—we will not—shut our eyes to this kind of suffering. We will not be that blind, notwithstanding the fact that we may not be able to see it or feel it because it is not on our own doorstep. We are more intelligent, we are more humane, we are more moral than that.

I intend to vote that conviction on behalf of the 78.5 million people of the State of New York whom I represent when the roll is called by voting "yea" on the bill.

Mr. HUMPHREY. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator from Minnesota is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my legislative assistant Mr. Spiegel be allowed the privilege of the floor.

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

Mr. JAVITS. Mr. President, I ask unanimous consent for the same privilege for Frank Ballance.

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

Mr. HUMPHREY. Mr. President, it was Wednesday last, I believe, that I held this floor for some time to respond to some of the inquiries and questions made by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

At that time, I placed in the RECORD a substantial amount of material supporting my convictions regarding the pending bill which would authorize an appropriation of \$1½ billion as the U.S. contribution to the fourth replenishment of the International Development Association.

This bill should be passed. I recognize that it is a substantial amount of money but it is spread over the next 4 years. It is not beyond the means of this country to supply. The provisions of this legislation provide for four annual installments of \$375 million each.

Mr. President, I have heard this morning, for example, that much of the money has gone to India. That is true. But I would like to remind my colleagues that between India and Pakistan there are approximately 650 million human beings who, regrettably, live in a part of the world afflicted with poverty, a part of the world which is struggling desperately to have representative government, and a part of the world that desperately needs economic assistance from the more fortunate countries in the Western world and particularly in Western Europe and the United States.

Simply because one country which represents 550 million people gets a substantial amount of help from the International Development Association should

in no way be looked upon as a justification for opposition to this proposal.

IDA was founded in 1960 as an American initiative to fund development projects in the poorest countries, in the developing countries, countries which are not credit worthy in the traditional sense and are not eligible to receive regular World Bank loans.

Eighty percent of them have a per capita income of \$200 or less. Not a single one of them has a per capita income in excess of \$375. Yet they represent about 1 billion people in this world. They are human beings. These are people who are desperately trying to have a better way of life. These countries also represent vast potentials of treasure in natural resources which the world will need, if the capital can be found to develop the resources. They represent 1 billion people that can make a great contribution in production, food and fiber, and in minerals — also in brainpower, talent, particularly in the fields of science and technology, but what is needed is the capital to release this great potential. About 28 percent of IDA's credits have gone for agriculture, 25 percent for transportation, 8 percent for electric power, 7 percent for education, 5 percent for industry, 3 percent for water projects.

Each one of these areas of development is vital to the well-being of a people or a country.

The American contribution to IDA has not been going up; it has been declining. Our share from the third to the fourth replenishment of the IDA funds has declined from 40 percent to 33½ percent. The shares of other nations have been increasing, particularly of Japan and Germany. IDA grants credits only for soundly conceived and productive development projects.

I noted that the distinguished Senator from Missouri today made comment to the effect that IDA did not even have a special board; it did not have special officers. That is right. It uses the World Bank officers. As I indicated last Thursday, the World Bank is one of the most successful banking institutions that the world has ever known.

The World Bank has been operating for 28 years, and it has lent without loss more than \$20 billion in some 90 developing countries. IDA has the same high standards, the same expertise, and the same reputation for integrity as does the World Bank. The only distinction between the World Bank and IDA lending is based on the needs and the credit worthiness of the borrowing countries. No distinction is made between the two institutions in the preparation and in the evaluation of projects.

IDA funds cannot be transferred or diverted to pay for oil or any other commodity. The funds are granted for specific, well developed, and well organized development projects, under very strict conditions, and every one of those projects is monitored by the World Bank. The funds cannot be diverted to oil-rich countries charging excessive prices for this critical export.

American business benefits from IDA and the World Bank activities. Since their founding, 22 percent of World

Bank and IDA procurement of supplies has been placed right here in the United States. As of June 30, 1973, procurement payments received by U.S. suppliers from loans and credits disbursed by IDA and the Bank amounted to \$3.6 billion. That amount of money produces jobs. It consumes the product of our factories and of our scientific laboratories.

There has been a very favorable impact on the balance of payments, insofar as our country is concerned, from World Bank activities. In its 28-year history, the World Bank group has had a net favorable impact on U.S. balance of payments of more than \$3.6 billion.

Mr. President, these are the facts, and this is why business people, labor people, and groups all over America support our involvement in and our contribution to the International Development Association.

The World Bank has approximately \$1 billion on deposit in U.S. banks as of March 1973. These banks are located all over the country, in 20 different cities.

Business, labor, banking groups, church groups, voluntary organizations, and humanitarian institutions throughout the land support IDA. The U.S. Chamber of Commerce, which actively supports this proposal, would not support IDA if it thought this institution was composed of reckless spenders.

What IDA represents is a global commitment to fight poverty and hunger with strong American backing, a positive role for the United States to take to alleviate human suffering. That is what this country ought to be doing.

I am amazed to see that we will vote billions and billions of dollars for weapons systems, many of which have dubious value, but we will argue here about helping people live, trying to get a little better chance in life.

I want the United States of America to take a moral position in this world, moral leadership; and, if we can do that through an organization such as IDA, it is all to our credit. This is what the American people want. The overwhelming majority of the American people, when asked the question in the most scientific sampling we have, indicate their basic and enthusiastic support for what we call the International Development Association, because it is in the best interests of the United States.

We cannot shirk our responsibility to help others so that they may help themselves. We cannot deny aid to the world's poor in more than 30 nations and then expect the same nations and peoples to allow us access to their raw materials, resources, and markets.

I want to emphasize once again that the United States of America, which consumes vast amounts of resources—in fact, so much that it is almost a matter of international shame—needs access to supplies. Those supplies and those raw materials, if properly developed, can be made available from the very countries that we today seek to help.

As a U.S. Senator, I want to look down the road. I heard one Senator say here today that many of these loans will not be repaid for 50 years. I ask this question: Where will the United States be 50

years from now, if we have closed off every contact we have with these so-called poor countries of today, many of which are potentially rich in undiscovered or undeveloped resources that this great industrial economy of ours is going to need?

There can be no peace in a hungry world. There can be little stability or order in a world in which the rich get richer and the poor sink deeper into abysmal poverty.

Does the American contribution to IDA mean that the poor in America will continue to be neglected? Does our participation in IDA mean that the overtaxed American citizen is not being treated fairly? No, indeed—at least, insofar as anything we do for IDA is concerned.

Let us destroy the myth that we must either alleviate poverty and suffering at home or abandon our traditional commitment to aid in the development of the world's poorest countries.

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Mr. HUMPHREY. I would like 5 additional minutes, to complete my statement.

Mr. AIKEN. I yield 5 additional minutes from the time of the Senator from New York.

Mr. HUMPHREY. Mr. President, as the manager of this bill on the floor, I am rather surprised that the manager of the bill does not have any time. I was not here at the time some arrangement was made to give away all the time. I was called back to manage the bill, and I arrived here to find that the time well is empty. So perhaps I am interested in supporting IDA to make sure that at least something is operating around here.

Mr. President, we have to do both. We have to fight poverty at home, in our great land, and we have to be willing to do our part in fighting poverty abroad. This does not mean that we carry the whole burden. The American contribution to IDA works out to about \$1.50 per person—the cost of one martini. That is what it is down here at the Metropolitan Club—\$1.50 per person. For 1 year, it is \$1.50 per person. We are being told in the Senate that this great America cannot afford that. That is four packages of cancer-producing cigarettes.

I happen to think that if we have a choice between forgoing one martini a year and helping some poor soul somewhere else in the world get enough to eat, we ought to be able to make that moral choice and make it quickly—and I mean the choice of helping the down-trodden and the poor.

There is a need in our own country, to be sure, for forms of financing of some of our public purposes. There is a need for an American domestic development bank similar to IDA, for an America which is privately rich and in too many areas publicly poor. I have introduced such legislation. I do not travel under false colors. I think we need a national domestic development bank that does for Americans what we do for others. But the fact that this Congress is unwilling to come to that kind of judgment insofar as an American national domestic de-

velopment bank is concerned does not mean that we should abandon our international efforts.

We have no right to refuse to contribute to the World Bank's IDA, because we have not had the foresight or the wisdom to establish a low-interest banking facility for the poor people of the United States.

IDA's role becomes more critical today, as some 40 nations with more than a billion people face financial ruin and famine as a result of the increased price of fuel, food, fertilizer, industrial commodities, and transportation.

IDA's funds cannot bail out these countries—they are too limited. But they provide some relief, encouragement, and hope. More will have to be done to assist the most severely affected nations. But other efforts take time. IDA is here now. It is an ongoing institution and deserves our support.

I heard today, for example, that IDA will make loans to a country at little or no interest and then the country, in turn, reloans the money to its own people, not at rates of 12 to 20 percent, but 12 to 15 percent. In some instances that is true, but the Record should be clear. If IDA did not make the loan to the country that makes the reloans there would be no money at all for the people that need it in that country and if there was any money the interest rates would be 50 to 100 percent. We have gone through this business before. I have been involved in almost every foreign assistance program that has been before Congress since 1949. We know that in countries in which IDA makes its loans, if there is any private money available for the poor farmer, for that poor person out on that dry parched land, it is at interest rates of 50 to 100 percent, if he can get it at all. IDA makes it available to develop the resources of that country so it can stand on its own feet. I believe in nation-building and not in nation-destroying; I believe in action and not in neglect. In the words of Franklin D. Roosevelt, I do not want this country frozen in the ice of its own indifference to human need at home and abroad.

Mr. President, I believe my time has expired.

I ask unanimous consent to have printed in the Record a paper with respect to whether IDA funds are reloaned, a table showing IDA pledged advance contributions to be made available during fiscal year 1975, and an explanation of IDA and India's nuclear test.

There being no objection, the material was ordered to be printed in the Record, as follows:

#### IDA FUNDS

Question. Are IDA funds reloaned?

Answer. On occasion. In the last five years, less than half of the funds provided to governments by IDA credits have been reloaned to other agencies at a fixed interest rate.

It was not intended that the concessionary terms of IDA financing should result in the extension of financial subsidies to the actual projects on which IDA funds are employed, or that IDA funds should be used to finance a project which could not satisfy normal criteria of economic and financial viability. Hence, a project submitted for IDA financing is expected to meet the same technical, economic, financial and administrative standards as the World Bank itself would look for



if the Bank were making a loan for that project on conventional terms. Furthermore, in the case of revenue-producing projects, IDA requires that the proceeds of the IDA credit be invested in the project on a normal business-like basis and that the price of the goods or services produced by the project be fixed at levels which will make the investment remunerative.

If the proceeds of an IDA credit were passed on to the agency executing a revenue-producing project at the concessionary terms obtained by the borrowing government itself, the effect would be to give the project a substantial financial subsidy. This was no part of IDA's purposes, and would encourage the waste and misdirection of scarce investment funds. IDA therefore requires that the borrowing government, if it relends the proceeds of an IDA credit for investment in a revenue-producing project, will do so on terms which will impose on the agency executing the project the normal financial discipline with regard to the fixing of rates and charges to consumers.

The interest rate charged frequently ranges from 12-15 percent, substantially lower than rates charged on funds from private sources.

At a May 22 meeting in Bonn, Germany, 15 donor member countries of the International Development Association pledged advance contributions totalling \$714.7 to be made available during fiscal year 1975, as follows:

[In millions]		U.S.
		dollars
Confirmed:		
Kuwait	27.1	
Ireland	2.5	
Israel	.2	
Yugoslavia	1.6	
Total	31.4	
Pending final notification:		
Canada	143.4	
Denmark	17.4	
Germany	155.1	
Iceland	.5	
Japan	158.0	
Luxembourg	.7	
Netherlands	43.1	
New Zealand	5.8	
Norway	17.1	
Sweden	58.8	
United Kingdom	83.4	
Total	683.3	
Total	714.7	

In September 1973 twenty-four member countries and Switzerland agreed to a Fourth Replenishment of IDA of \$4.5 billion.

Mr. HUMPHREY. Mr. President, the IDA bill before us is of critical importance to poor countries around the world—from those as large as India to those as small as Gambia. It would be a tragic mistake for the Senate to treat this bill as if it were a referendum on India's nuclear test explosion. We would be losing our perspective and our sense of priorities if we did so.

It is perfectly clear that the great bulk of India's nuclear development to date has been for peaceful purposes. In fact, the main thrust of that program has been construction of nuclear powerplants essential to India's expanding energy needs.

The testing of India's nuclear device amounts to a small part of her nuclear energy program, which in turn is a fractional item in the country's complex overall development plan.

Although development of conventional energy resources is essential in India, the country suffers from a concentration of

coalfields in Bihar and West Bengal in the Northeast. Bottlenecks experienced in transporting the coal great distances along congested railways to the Northwest and South have seriously impeded production in several industries. The coalfields themselves are an expensive source of power, because of the poor quality of coal found in a large number of small mines. An Indian nuclear power program therefore makes sense.

Since India's first nuclear reactor went into operation in 1956, she has gained experience in the peaceful uses of nuclear energy far in advance of other developing countries. This will prepare India for expansion of nuclear power in the 1980's, which is expected to be a critical decade for her energy requirements.

Although the World Bank and IDA have given no assistance to developing countries for nuclear energy, nor do they have plans to, a recent World Bank study pointed to the growing potential of the constructive uses of nuclear energy in the developing world.

Even before the crippling, fourfold increases in the cost of oil, it would have been economically attractive for 15 developing countries to start to acquire nuclear plants of suitable size for operation from 1980. Three developing countries—India, Pakistan, and Spain—already have operational nuclear powerplants.

The new oil prices are now likely to make poorer non-oil-producing countries reconsider their options urgently—especially if, like India, they have electric power systems large enough to operate commercially available nuclear powerplants. Even developed countries not nearly as drastically affected by the "energy shock" are being forced to reappraise their energy sources.

In India's case, 70 percent of her oil requirements are imported; and this factor, coupled with drought and the rising cost of food and fertilizer, is responsible for her present perilous economic situation.

The main achievement of India's Department of Atomic Energy has been in the field of nuclear power. The department has two nuclear powerplants in operation, one under construction, and a third being designed, which could develop industry and power fertilizer plants.

The first nuclear plant at Tarapur, 60 miles north of Bombay, is a General Electric Co. system built with assistance from USAID in the 1960's. It has two boiling water-type reactors which generate a total of 400 MW of electricity which is sold to the States of Maharashtra and Gujarat.

The second powerplant at Rana Pratap Sagar in the State of Rajasthan was built with Canadian assistance, and has two natural uranium-fueled and heavy-water moderator CANDU-type reactors with total net output of 400 MW of electricity.

The third powerplant, 50 miles south of Madras, will be similar to the Rajasthan station. Almost 80 percent of the construction and equipment will be from indigenous sources, and there has been no foreign investment in design and construction.

In the field of nuclear technology, India has developed radioisotopes in med-

icine, biology, agriculture, and electronics, in hopes of developing minerals and power and water resources of much less expense than she would otherwise have to bear. India also wants to utilize her nuclear knowledge to obtain gas and oil, and to study "crater mechanisms" and rock dynamics.

India has declared that she is willing to share with her neighbors the fruits of her research on nuclear energy for economic development.

The Government's Department of Atomic Energy has taken in account the favorable cost structure of nuclear powerplants in a world of rising production and import costs and chronic inflation. Although nuclear powerplants are more expensive to build than conventional ones, their operating costs are lower. They also have greater economies of scale, and remain fully productive throughout their lifetimes.

Indian atomic energy expenditure during 1969-74 has been 1 percent of total Government expenditure. As part of the fourth plan during the same period, India spent \$3.4 billion—or 15.9 percent of total expenditure—on agriculture; \$3.98 billion—or 18.5 percent—on transport and communications; and \$4.15 billion—or 19.3 percent—on industry and minerals.

Notwithstanding this overwhelming concentration on clearly developmental expenditures, India's nuclear explosion does raise legitimate questions regarding her economic priorities for the future. I am sure that all the givers of external aid to India will be weighing carefully the implications of the explosion for long-range Indian development. I am equally sure the administration will be following carefully the evolution of India's nuclear policy, in the light of India's assurances that the nuclear device it exploded was with peaceful purposes in view.

This would be the wrong time, and the Indian nuclear test would be the wrong reason, to reject an international understanding that means life or death financing for the poorest of the poor in the developing world.

Mr. GRIFFIN. Mr. President, I yield myself 8 minutes.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 8 minutes.

#### IDA AND THE U.S. ROLE IN THE WORLD

Mr. GRIFFIN. Mr. President, almost exactly a quarter of a century ago a great Senator from my State of Michigan, Arthur H. Vandenberg, spoke on the floor of the Senate about our Nation's responsibilities as leader of the free world. This is what he said on July 6, 1949:

Much as we might crave the easier way of lesser responsibility, we are denied this privilege. We cannot turn back the clock. We cannot sail by the old and easier charts. That has been determined for us by the march of events. We have no choice as to whether we shall play a great part in the world. We have to play that part. We have to play it in sheer defense of our own self-interest. All that we can decide is whether we shall play it well or ill.

Senator Vandenberg's words have special meaning, I suggest, for all of us, who are his successors in the Senate, as we

prepare to vote on the bill before us today.

In my judgment, this measure presents one of the most important issues bearing on our Nation's foreign policy that this 93d Congress will have to decide. There is no exaggeration in that statement because IDA—the multilateral, international lending organization—is a cornerstone of our foreign policy as it relates to the developing nations of the world.

Make no mistake about it, the vote on this bill surely will be noted, at home and abroad, as an indication of whether, despite the domestic turmoil, this Nation still has the will to play the responsible, constructive and dynamic role that is absolutely essential in this complex, interdependent world of today.

It is heartening that in recent weeks these broader implications of the bill have attracted the strong attention and support of a large segment of the American press, following the defeat of a comparable bill several months ago in the other body of the Congress.

I have also been heartened by the broadly based bipartisan sponsorship and support this measure has received in this Chamber.

In particular, I wish to pay tribute to the leadership and effectiveness of the Senator from Minnesota (Mr. HUMPHREY), who is serving as floor manager of the bill. During this debate, he is, and has been, demonstrating once again the qualities of statesmanship which he so often displays when the nation's vital interests are at stake.

Since 1960, IDA, as a branch of the World Bank group, has been the key source of financial assistance for the poorest countries of the world. As of June 1973, IDA had authorized loans totalling \$5.8 billion to countries in which the average per capita income is below \$375 a year.

These loans have not been for frills or luxuries; they have been for the basic of human existence. Thus, 28 percent of the IDA loans have gone for agricultural projects, 25 percent for transportation, 8 percent for power projects, 5 percent for development of industry, and 6 percent each for water and public health programs.

While it is true that the terms of IDA loans are reasonable, the countries eligible for IDA credits are those which could not meet their development needs from private market borrowings. In fact, 80 percent of the IDA credits have gone to countries with per capita incomes of \$200 or less—that is about 55 cents per day.

It should be borne in mind that IDA, as part of the World Bank group, is a financial institution; it is not a charitable organization. The loans made by IDA are being repaid; indeed there have been no defaults on repayments, and the projects financed have been approved only after applying the rigorously high standards of the World Bank.

The extent of participation by the United States in the fourth replenishment, as authorized by this bill, has been set by negotiation at \$1.5 billion, to be paid over a period of 4 years at \$375 million annually. Twenty-four other countries will put up an additional \$3

billion, for a total of \$4.5 billion available for lending during fiscal year 1975–77.

It is important, I suggest, that the arrangement negotiated actually reduced U.S. participation in IDA from the previous level of 40 percent to the 33½ level contemplated in this bill.

Mr. President, if there were no IDA, I am sure many people would be calling out for establishment of some kind of an international program under which loans, instead of outright grant assistance, could be provided to the underdeveloped countries to help the hungry and the poor around the world. If there were no IDA, I am sure there would be a clamor to get other strong free world countries to shoulder a fair share of the burden of helping such underdeveloped countries. But such a program—such an international organization—is already in existence, and the only question before the Senate is: Are we going to give it a chance to survive and succeed?

If IDA were to collapse because Congress failed to do its part, it would be a tragedy on humanitarian grounds. But it would be a serious blow to the economic self-interest of the United States.

I say that because it should not be overlooked that there are some direct economic returns from our participation in IDA. Procurement in the U.S. for IDA programs has equalled about half the U.S. contribution.

But far more important are the unliquidated and intangible returns which also flow from our participation in IDA. The events of the past year—particularly the energy crisis—have underlined the growing economic interdependence of nations. We should recall these facts about our own economic relations with the developing countries:

In 1973, our economy depended on exports to take care of about 18 percent of our production. That represents a lot of jobs here at home.

The developing countries alone now provide the market for 30 percent of all U.S. exports.

Over \$25 billion of U.S. capital has been invested in developing nations.

On the other hand, the U.S. now imports between 50 percent and 100 percent of eight different metals which are essential for our industries; we import between 25 and 50 percent of our four other metals including iron ore.

No nation can look any longer at the developing nations simply as places to get raw materials cheap. That was the case in colonial times.

The developing nations will increasingly press to develop and diversify their economies. It is essential to their growth that they be able to attract capital and develop markets abroad. Without some multilateral and bilateral assistance from other nations, their efforts will be frustrated.

Mr. President, of major concern must be this consideration: failure on our part at this juncture to support IDA would be interpreted by the rest of the world as a signal of withdrawal by the United States. It would endanger our political and economic relations with developing and developed countries alike. It would greatly hamper our efforts to

maintain constructive relations and to obtain cooperation in major international efforts, in which the United States has much at stake—including trade, energy, narcotics control, environmental problems, terrorism, to say nothing of important raw materials.

But I am confident as we proceed toward a vote that this country—this Congress—will not send such a signal to the rest of the world.

Surely, we will not be so foolish as to renounce before the world our humanitarian concern as well as our own economic self-interest and our world leadership responsibilities.

Rather, I am confident that we will carry forward in the spirit of Arthur Vandenberg—not merely to play our role in the world—but to play it well.

Mr. President, I yield 5 minutes to the Senator from Colorado (Mr. DOMINICK).

Mr. DOMINICK. Mr. President, I was going to call up my amendment, if I might.

I call up my amendment No. 1358, and ask that it be stated.

The PRESIDING OFFICER. The Chair will state that the Senator's amendment is not in order until the committee amendments are agreed to.

Mr. DOMINICK. I beg the Chair's pardon. I did not hear the ruling.

The PRESIDING OFFICER. The Chair will state that the Senator's amendment is not in order until the committee amendments have been adopted.

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

Mr. DOMINICK. I yield.

Mr. HUMPHREY. Just to accommodate Senators who may have amendments, I would like to ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. And that the bill as thus amended be considered as original text subject to further amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, I just walked in. What was the request?

Mr. HUMPHREY. I was looking for the Senator. I made a unanimous-consent request that the committee amendments, which represent the bill before us, be considered en bloc and be accepted, and that the bill, as the Senator from Michigan suggested, be considered as original text and then be subject to amendment that any Senator might want to offer.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, will the Senator withhold that request for just a moment?

Mr. HUMPHREY. Surely. The Senator from Colorado had an amendment he wanted to offer, and we ran into that parliamentary difficulty, but I am sure the Senator from Colorado is willing to withhold it.

Mr. HARRY F. BYRD, JR. Would the Senator withhold it temporarily?

Mr. DOMINICK. Surely.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum—



Mr. WILLIAM L. SCOTT. Mr. President, will the Senator withhold that and yield to me 1 minute?

Mr. GRIFFIN. Mr. President, I withhold it, and I yield 2 minutes to the Senator.

Mr. WILLIAM L. SCOTT. Mr. President, I merely want to comment briefly on this matter. I listened to the statements of the Senator from Minnesota and the Senator from Michigan about our need to help other countries of the world. Of course, we would like to be humanitarian in our outlook, and yet I cannot help but think about the budget the President submitted in excess of \$304 billion, and his estimate of the income of this country of \$295 billion, with an anticipated deficit for the coming fiscal year of more than \$9 billion.

Mr. President, I am told that the carrying charge on the national debt of this country is in excess of \$59,000 a minute.

It would seem that our first responsibility is for the economic well-being of the people of our own country and the American taxpayers, and I cannot see myself voting in favor of this bill.

Mr. HUMPHREY. Mr. President, if the Senator from Michigan will just yield for the purpose of clarifying the parliamentary situation—

Mr. GRIFFIN. I yield.

Mr. HUMPHREY. Mr. President, after consulting with the distinguished senior Senator from Virginia, I now renew my request that the committee amendments be considered en bloc and approved, and that the bill be considered as original text for the purpose of any amendment that may be offered.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TOWER. Mr. President, it is important that in considering a proposed American contribution to the fourth replenishment of the International Development Association, we fully understand what is at stake. The World Bank group is an institution founded in the United States at a time when America's international economic influence was at its height. From the beginning we have looked upon this economic financial institution as a channel for bridging the gap between the so-called "rich" world, of which the United States is still a leading member, and most of the rest of the world which remains unspeakably poor. The Bank group has helped to promote economic cooperation among nations by encouraging sound economic management and implementation of the projects which it helps to finance. In this way it has instilled a spirit of fiscal responsibility for the nations it serves.

IDA, as a soft loan arm, is an integral part of the Bank group; indeed, it now serves as its cutting edge to promote cooperation between the rich and the poor nations.

This service in itself is in the best interests of the United States, but before proceeding to explain the benefits of IDA to our country, it is important to understand just what the World Bank does and how little it costs the American people.

The Bank is a financial intermediary. It lends money at a concessional rate—7½ percent—for long-term development projects to nations which must supplement funds obtained from the private capital markets of the world. So the Bank borrows this private money—last year it floated almost \$1.8 billion in bonds, in 21 countries. The management of the Bank's portfolio has been remarkable. In 25 years of operation it has never had a default on any of its loans and has never failed to pay interest to its bondholders. This record was possible because in selecting the projects it chooses to finance, the Bank's expert staff of economists, engineers, and financial supervisors have made sure that the money goes for the purposes of genuine economic development. Examples include the massive Indus Basin irrigation project, South Korea's impressive railroad system, and Brazil's improved port facilities.

The Bank group conducts its affairs in a prudent, businesslike manner. In doing so it has not imposed a financial strain on the United States; in fact just the reverse is true. In its 28-year history, it has contributed over \$3½ billion to the United States balance of payments. Mr. President, at this point I should like to put into the RECORD a table showing the balance-of-payments impact of the World Bank and IDA. Most of this surplus has derived from project procurement in the United States but also includes interest to many thousands of World Bank bondholders in the United States.

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

#### U.S. BALANCE OF PAYMENTS IMPACT IBRD AND IDA

(In millions of U.S. dollars)

	IBRD <sup>1</sup>	IDA <sup>2</sup>
Received from United States (respectively, IDA contributions, sale of IBRD bonds, income from investments, etc.)	4,356	880
Project procurement in United States	3,965	426
Interest to U.S. bondholders	1,308	
Administrative expenses in United States	508	110
Total from IBRD and IDA to United States	5,781	536
Long-term investments in United States	2,094	
Net to or from United States	+3,519	-344

<sup>1</sup> IBRD—April 1947 to June 30, 1973.

<sup>2</sup> IDA—April 1961 to June 30, 1973.

Mr. TOWER. Mr. President, not only has the World Bank's operations favored the U.S. balance of payments; the Bank is also the largest depositor in the United States. In time deposits there are currently \$1,032 million as of March 31. These are located in 53 commercial banks located in 23 cities around the country. Mr. President, I ask unanimous consent at this point to place a second table in the RECORD showing World Bank time deposits and certificates in American banks.

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

#### COMMERCIAL BANK DEPOSITS

##### THE ISSUE

How much does the World Bank have on deposit with commercial banks in the United States?

#### THE ANSWER

As of March 31, 1973, the World Bank had time deposits with U.S. commercial banks aggregating \$1,032 million making it one of the largest depositors in the country. The deposits were held by 53 commercial banks located in 20 cities throughout the country. The average yield, as of above date, on these deposits was 7.85%, with the range being from a low of 5.9% to a high of 10¼%.

The funds involved in these deposits are derived either from borrowings by the Bank in the investment markets or from its net income from operations. No funds derived from the paid-in capital of member governments are invested by the Bank in time deposits or other forms of investment. Such funds, when not on loan, are deposited with the contributing government's central bank or with its Treasury on a non-interest bearing basis.

IBRD certificates of deposit and time deposits with U.S. commercial banks—as of March 31, 1974

(Expressed in millions of dollars)

Algemene Bank Nederland, New York	15.0
Banca Commerciale Italiana, New York	5.0
Bank of America, New York	10.0
Bank of America NTSA, San Francisco	140.5
Bank of California N.A., San Francisco	6.0
Bank of New York, New York	10.0
Bank of Tokyo Trust Company, New York	13.0
Bank Leumi Trust Co. of New York	3.5
Bankers Trust Co., New York	3.4
California Canadian Bank, San Francisco	2.0
Central National Bank of Cleveland	5.5
Chase Manhattan Bank N.A., New York	56.5
Chemical Bank, New York	24.4
City National Bank of Detroit	1.0
Commerzbank, A.G., New York	3.5
Connecticut Bank & Trust Co., Hartford	5.0
Continental Illinois National Bank, Chicago	75.5
Credit Lyonnais, New York	1.0
Crocker National Bank, San Francisco	50.0
Dresdner Bank, New York	3.0
European-American Bank & Trust Co., New York	10.0
Fidelity Bank, Philadelphia	5.0
The Fifth Third Bank, Cincinnati	2.0
First City National Bank of Houston	11.0
First National Bank of Arizona, Phoenix	7.0
First National Bank of Boston, Boston	61.0
First National Bank of Chicago	40.0
First National Bank of Dallas, Dallas	5.0
First National City Bank, New York	51.0
1st Pennsylvania Banking & Trust, Philadelphia	19.0
First Union National Bank	5.0
First Wisconsin National Bank of Milwaukee	10.0
French-American Banking Corp., New York	1.0
Harris Trust & Savings Bank, Chicago	10.0
The Hong Kong Bank of California	0.5
Industrial National Bank of Rhode Island	2.2
Lloyds & Bolsa International Bank, Ltd., New York	2.0
Manufacturers Hanover Trust Co., New York	52.0
Marine Midland Bank-New York, New York	50.0
Mellon National Bank & Trust Co., Pittsburgh	30.0
Morgan Guaranty Trust Co., New York	20.0
National Bank of Detroit	5.0

National City Bank of Cleveland	8.5
North Carolina National Bank, Charlotte	5.0
Pittsburgh National Bank, Pittsburgh	7.0
Seattle-First National Bank, Seattle	7.0
Security Pacific National Bank, Los Angeles	54.0
State Street Bank & Trust Co., Boston	10.0
Swiss Bank Corporation, New York	2.0
Texas Commerce Bank, N.A., Houston	5.0
Union Bank, Los Angeles	36.0
Wachovia Bank & Trust Co., Winston-Salem, N.C.	20.0
Wells Fargo Bank N.A., San Francisco	30.0
Whitney National Bank of New Orleans	2.0
<b>Total</b>	<b>1,032.0</b>

Mr. TOWER. Mr. President, I might add a third important point: The World Bank is located in the United States, since under its charter the headquarters is to be in the Capital of its largest shareholder. The United States owns 25.69 percent of the shares of the World Bank

and has 23 percent of voting power on its 20-man Board of Directors. I point this out because in the World Bank, in contrast to other international organizations, the United States has a strong voice commensurate with its financial contribution. This is not to say that America necessarily has control over the institution, since the Board operates largely by consensus. However, it should be clear to everyone that the voice of the United States cannot be ignored.

The same operating principles which earned the World Bank a highly regarded reputation in the International financial community apply to IDA. Thus the same meticulous preparation, execution and supervision apply to projects which are designed to deal with the highly complex problems of two-thirds of the world where incomes are commonly below 30 cents a day.

It is therefore not a give away program and a wasted effort on the part of the American taxpayer. Quite the reverse. IDA, which extends long-term credits at minimum interest, was created to

establish the disciplines of international financial responsibility in development process.

Its original justification was to insure a burden-sharing effort among the prospering nations of the world; to take off the shoulders of the American people the unilateral burden of financing reconstruction and development. Today, there are 25 nations making funds available to IDA and the U.S. share has dropped from 40 to 33 1/3 percent. Donors range from Kuwait on one hand to Israel on the other—from Iceland to Australia. Thus IDA has proved its ability to attract funds from other nations. In doing this it simultaneously relieves the pressure on the United States and assures that the funds allocated are spent for worthwhile economic and financial purposes without political entanglements. I ask unanimous consent at this time that a complete list of the donor countries be printed in the Record at this point.

The PRESIDING OFFICER. Without objection it is so ordered.

## EXHIBIT 3

## IDA DONORS

[Million U.S. dollars equivalent and percentage of total]						Official development assistance as percent GNP in 1972	Population (millions)	[Million U.S. dollars equivalent and percentage of total]						Official development assistance as percent GNP in 1972	Population (millions)				
4th replenishment contribution		3d replenishment contribution		Percent of combined GNP of contributing countries	4th replenishment contribution			3d replenishment contribution		Percent of combined GNP of contributing countries									
Donor nations	Amount	Percent	Amount		Percent			Donor nations	Amount		Percent	Amount	Percent						
Part I Countries																			
Australia	\$90.0	2.0	\$48.0	2.0	1.72	0.61	12.3	Netherlands	\$132.7	\$2.9	67.5	2.8	1.71	0.67	12.9				
Austria	30.6	.7	16.3	.7	.77			New Zealand	11.7	.26	3.3	1.25	.31			( <sup>1</sup> )	2.8		
Belgium	76.5	1.7	40.8	1.7	1.34			.55	9.6	Norway	49.5	1.1	24.0			1.0	.58	.41	3.9
Canada	274.5	6.1	150.0	6.1	3.93			.47	21.1	South Africa	9.0	.2	3.0			.1	.72	( <sup>1</sup> )	20.2
Denmark	54.0	1.2	26.4	1.1	.78			.45	4.9	Sweden	180.0	4.0	102.0			4.2	1.52	.48	8.0
Finland	25.2	.5	12.2	.5	.49			( <sup>1</sup> )	4.7	United Kingdom	499.5	11.1	311.0			12.7	5.75	.40	55.5
France	253.5	5.6	150.0	6.1	7.51			.67	50.3	United States	1,500.0	33.3	960.0			40.0	43.36	.29	203.2
Germany	514.5	11.4	234.0	9.6	9.77			.31	60.8	Part II Countries									
Iceland	1.3	.03			.03			( <sup>1</sup> )	( <sup>1</sup> )	Israel	1.0	.02					.26	( <sup>1</sup> )	2.9
Ireland	7.5	.2	3.9	.2	.20			( <sup>1</sup> )	2.7	Spain	13.3	.30	2.5			.1	1.73	( <sup>1</sup> )	22.5
Italy	181.3	4.0	96.7	4.0	4.37			.09	53.2	Yugoslavia	5.0	.11	4.0			.2	.58	( <sup>1</sup> )	20.5
Japan	495.0	11.0	144.0	5.9	11.27			.21	102.3	Switzerland (non-member)	66.1	1.50	30.0			1.2	1.14	.21	6.2
Kuwait	27.0	.6	10.8	.4	.13			( <sup>1</sup> )	.6	Total	4,500.0	100.00	2,442.0			100.0			
Luxembourg	2.2	.05	1.2	.05	.05			( <sup>1</sup> )	.3										

<sup>1</sup> Not members of the Development Assistance Committee (DAC).  
<sup>2</sup> Less than 1,000,000.

<sup>3</sup> Nonmember for 3d replenishment.

Mr. TOWER. Mr. President, the Senate has before it today the opportunity to keep IDA alive and keep this process going, or to kill this bill and, in fact, the continued life of this association. IDA runs out of commitment authority as of June 30 and will be able to make no further loans—no further activity at a time when developing nations have been brutally affected by the rising costs of oil, food, and necessities. Recently, in Bonn, Germany, all donors to IDA had to determine what to do about the future of the institution, and to decide whether to make advance contributions to keep the institution running after June 30 and until such time as the United States can complete its ratification. Our colleagues should recognize that it is not possible under the replenishment agreement as written for it to come into effect until the United States completes ratification. A strong Senate vote will mean a great deal. Germany, Japan, and Canada have indicated that they are ready to put money in IDA to insure its survival. Others surely will follow if this vote in

the Senate indicates strong support. Rarely have Members of the Senate by one single vote had an opportunity to raise money from treasuries other than that of the United States. I strongly urge that my colleagues give favorable consideration to this bill.

Mr. BROOKE. Mr. President, I join my colleagues in favor of the bill before us authorizing U.S. participation in the fourth replenishment of the International Development Association.

It is in our interest to continue our support of IDA. I shall concentrate briefly on two rationales for my view. First, IDA credits go to the poorest nations of the world, the ones most needing our support. This focus conforms to the American tradition of caring about people. Second, the fact that there is an important relationship between IDA assistance and the need to assure ourselves dependable sources of supply for critical raw materials commands our attention.

In connection with the first point, to be eligible to borrow from IDA a country must have a per capita income below

\$375. Moreover IDA credits are made available only to those countries which do not have the capacity to borrow abroad on conventional terms.

These conditions exist in several large countries in Asia, but particularly in some 35 countries in East and West Africa.

The handicaps faced in many of these countries are truly formidable. They suffer low productivity, irregular employment, debilitating diseases, short life expectancy, and illiteracy. With a few exceptions, per capita income in these African countries is well under \$200, and in many it is below \$100. They are indeed the poorest of the poor among the less developed countries of the world.

IDA loan assistance has shown that hopes and dreams for progress and a chance for a better life can be realized even in the poorest countries. It is against this background that we must view the need for IDA replenishment.

In this regard, the IDA record in Africa is informative. The main thrust of its lending in recent years has been in agriculture and education.



The focus on rural concerns is extremely important since the vast majority of Africa's population depends on agriculture—which is the mainstay of the region's economy.

I am impressed by the fact that it is not the so-called trickle down theory that is at work in IDA lending for agriculture in Africa. Small holders benefit directly and the stress is on integrated rural development, which involves social facilities such as health and education, as well as extension services, credits, marketing, road construction, water supply, and improvement in price incentives.

I would point out, also, that in West Africa, IDA's lending is helping in response to the special needs arising out of the emergency created by the severe and sustained drought in the sub-Saharan belt—which has driven tens of thousands of people from their homes in Chad, Mali, Mauritania, Niger, Senegal, and Upper Volta. To cope with this disaster, special aid is going forward from IDA for construction of wells, small scale irrigation works, and livestock disease control.

As we have seen in the growth of our own country, an educated people is, perhaps, a nation's most important resource. IDA has recognized this fact and has therefore stepped up its lending sharply in the education sector in Africa, as it has elsewhere in the developing world. It has lent wisely; the primary objective has been to shape education projects to the specific manpower needs of the African countries.

In this it has been innovative and practical. For example, IDA projects include paramedical training; in Ethiopia, it is helping to train teachers to make better use of the country's national network of learning centers at the village level; and in Zambia the emphasis is on food production, nutrition, and child care to improve family health in rural areas.

Let me turn now to my second point—the relationship of IDA to our growing dependence on raw materials from many of the world's poor countries. In eight categories of critical raw materials imported over the past few years more than half have come from less-developed countries. And this fact is going to become increasingly important to us. I am convinced that the more rapid the pace of economic growth in developing countries as a result of the kind of assistance that IDA provides, the greater the capacity for producing raw materials they will have and the more moderate the cost to us.

In conclusion, I have underscored today two rationales for an affirmative vote on this measure: the alleviation of poverty and the relationship of IDA assistance to our need for assurance of dependable raw material sources. As you have heard today, there are other excellent reasons to support S. 2665. I strongly urge a positive vote for increased participation by the United States in the International Development Association.

Mr. President, a recent article in the *Economist* outlines the plight of the poorest nations of the world in need of

organizations such as IDA to alleviate their suffering. I ask unanimous consent that the article entitled "First, Second, Third, and Fourth Worlds," be entered in the *Record* at this point.

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

FIRST, SECOND, THIRD AND FOURTH WORLDS  
(By Barbara Ward)

When the special session of the United Nations General Assembly, summoned on the initiative of President Boumedienne of Algeria to discuss "the problems of raw materials and development", closed on May 2nd, it left behind the feeling that possibly something new had taken place. Mr. Henry Kissinger called the session part of an "unprecedented agenda of global consultations in 1974" which implied "a collective decision to elevate our concern for man's elementary well-being to the highest level". Britain's chief representative at the United Nations, Mr. Ivor Richard, put it rather more simply. He said: "Things will never be the same again."

Yet the change could well have escaped the casual observer. If we count the marathon discussions held at the three Unctad conferences and add in the 1970 debates in the UN assembly on a "strategy for the second decade of development", it cannot be said that most of the points at issue during the special session had not been discussed before. At least half of President Boumedienne's speech at the opening of the session covered familiar ground: the bias against the poor nations in the world economy, their unfavourable terms of trade in the 1950s and 1960s, the pile-up of their debts—now standing at \$80,000m—the involuntary depreciation of their reserves, their sense of powerlessness at the highest level of international decision-making in investment and monetary affairs.

Nor did the two working documents prepared for the special session by the developing countries' Group of 77—a declaration of principles and a programme of action—prove to be strikingly different from earlier pleas and proposals for international action. The principles denounced exploitation, foreign occupation, colonialism and apartheid, declared the nations' right to control their own resources and to nationalise them if necessary, and asked for control over multinational corporations, for recognition of "producers' associations", for universal representation in international bodies and a speedier implementation of the policies agreed on for the second development decade.

These policies, set out in the programme of action, cover the customary rubrics of more aid, more investment in developing nations' industry, more preferential treatment in trade, higher raw material prices and monetary arrangements geared to the needs of the poor. If listeners to the lengthy speeches and readers of the flow of documents acquired a slight sensation of having heard much of the debate before, a rapid perusal of earlier documents would show their suspicions to be justified. "What I tell you three times is true" is, of course, very largely the case in relation to the developing world's problems. But it does not always make for easy listening.

Moreover, the end of the session had a melancholy resemblance to the close of earlier consultations. The principles and the plan of action, somewhat modified in three weeks of debate, were carried by a fairly exhausted assembly with enough reservations by the rich nations to make the value of the whole exercise look fairly dubious. And a last-minute resolution on emergency aid submitted by the one nation whose adherence to some plan of action is indispensable—the United States—was pushed aside on the grounds that

the debate was already over. Thus the scenario seemed sadly familiar—a paper victory for a co-operative world economic strategy with neither resources, instruments nor political will to carry it through.

Yet it was at the close of the session that Mr. Ivor Richard made his remark. If, indeed, "things will never be the same again", something reasonably decisive must have been going on under the interminable exchange of set speeches and familiar grievances. And if one looks a little below the surface, what appears is not the old ritual performances but a series of interlocking changes which affect virtually every aspect of the international economy.

IN A CLASS BY ITSELF

Perhaps the most fundamental change is the degree to which the session suggested a loosening and changing of all the supposed "blocks" or "worlds" into which the international economy has been divided and upon which so much of the past rhetoric has been based. The conventional image of recent years has been of a first world of developed market economies, a second world of "socialist" states, and the "third world" of the developing nations. Not one of these distinctions looked really sustainable as the debates went on. Take the developed market economies. The United States, the European Economic Community and Japan said some of the same things—that aid should be maintained and special efforts made for the most hard-hit states, that "orderly and co-operative" arrangements be considered to ensure stable raw material prices, and new efforts be undertaken to increase scarce supplies, particularly of food and fertilizers. But it does not take any very close examination of the various memoranda on prices, trade and the balance of payments prepared by the UN system for the special session to realise that the United States is, now more than ever, entirely in a class by itself.

It is far less dependent upon oil imports than other market economies. As a proportion of its use of energy, oil imports represent only 13.5 per cent of the total, imports from North Africa and the Middle East only 2 per cent. For western Europe the figures are 59 per cent and 47.4 per cent respectively, for Japan 72.6 per cent and 57.4 per cent. Even more striking are the vast gains the United States has made in the last two years in the world trade in grain. On April 25th, in the middle of the special session, the American Secretary of Agriculture, Mr. Earl Butz, pointed out in Washington that American petroleum imports in 1973-74 were comfortably covered by an increase of \$9 billion in food exports. Of this, \$7 billion represents the tripling of the price of grain and—as many developing nations were quick to notice—\$2 billion have been earned by food sales to the poorer lands.

Mr. Butz also warned the world that there would be "no more storage at the expense of the American taxpayer" and that those who wanted grain had better get into line to buy it and store it themselves. This clearly implies little or no future concessionary food sales and a determination on the part of some sections of the American Administration to see that at least one raw material, food, is not subject to international agreements or constraints.

The very different degrees of bargaining power enjoyed by the United States on the one hand and, on the other, the resource-hungry nations of the EEC and Japan, did not surface at the session. Nor was there any repetition of the open split between France, seeking to represent western Europe's different dilemmas over oil, and the United States trying to concert a move by the whole developed world to roll oil prices back. But neither was there any observable first world strategy designed to deal with the critical issues. As for its being a much feared and

much denounced "cartel" of the rich, the group did not seem to function at all.

#### GREAT DISORDER UNDER HEAVEN

Nor, it must be admitted, did the so-called second world. In fact, only here did the rhetoric of denouncing colonialism and imperialist domination really have the ferocious bite of passionate conviction:

"Under the name of so-called 'economic cooperation' and 'international diversion of labour', it uses high-handed measures to extort super profits in its 'family'... Its usual practice is to tag a high price on outmoded equipment and sub-standard weapons and exchange them for strategic raw material and farm produce of developing countries. Selling arms and ammunition in a big way, it has become an international merchant of death."

It might be illuminating to offer odds on which power is doing the denouncing and which is the government denounced. The denouncer is, of course, the People's Republic of China, with the Soviet Union on the whipping block. Possibly as a result of this internal contradiction, the Russians preserved a profile at the session low enough to recall the vaunted "low posture" of the Japanese. Meanwhile the Japanese concluded with them a large investment programme in Siberia in which Japanese investment and technology would open up, for Japanese use, Siberian minerals and timber resources.

As for the Chinese, they repeated their old Unctad stance. They applauded all efforts by developing peoples "to win or defend national independence, develop the national economy and oppose colonialism, imperialism and hegemonism." They backed the principles and the action programme. They initiated no proposals of their own, and allowed it to be understood that their labour-intensive, energy-conserving techniques represent a workable version of the future in developing lands, provided the peoples beyond the fringe are prepared to learn from the celestial model. Even the language of marxism seemed less potent for them than traditional Chinese expressions. They described the crisis as a time of "great disorder under heaven," and the passing of imperialism as an outcome dictated by the turning "wheel of world history"—an analysis which the facts do not necessarily contradict but which seems sufficiently far from the language of marxist orthodoxy.

If the first and second worlds did not function as groups, the third managed rather better. In momentum, language and intent its members more or less held together. One reason was undoubtedly the sense of vicarious strength many of them derived from the oil producers' ability to take an extra \$66 billion from the industrialized states in a single year—a figure which may be compared with the \$19.6 billion earned from all developed sources, public and private, by all the developing nations in 1972. Another reason was the degree to which the oil states, with Iran at their head, have increased their own offers of aid in the last year. The sum of firm and less firm offers is now in the neighborhood of \$4 billion to \$5 billion. Still a third reason could be in the belief of other raw material producers that they, too, may be able to profit by higher prices achieved through group action. Yet this hope also illustrates the underlying lack of cohesive interests in the so-called third world. Far from hoping to share in such a bonanza, the poorest and most populous states stand to lose by high prices in almost every way.

#### THE HAVES AND HAVE-NOTS

The raw materials lottery has, in fact, created at least four different types of developing state. Among the oil producers, the states of the Arabian peninsula—Saudi Arabia, Kuwait, Abu Dhabi and Qatar—with a total population of only 9m, have received additional revenue of the order of \$33 bil-

lion since 1973 (Abu Dhabi's per capita income from oil alone is now \$43,636). They have become rich absolutely, on a par with industrialized states and must, above all, worry about a rational use of so much wealth. The more populous oil producers, with over 270m inhabitants, have received added revenue of \$31 billion. They could use every dollar on internal development. Another group of developing states—China, Colombia, Mexico, Bolivia—are more or less self-sufficient in oil.

Others, Morocco with its phosphates, Malaysia with its rubber, Zambia and Zaïre with copper, are doing quite nicely on exports of commodities other than oil, some of which have doubled in price. A group of more developed states—from Brazil and Mexico to South Korea and Singapore—can hope to pass price increases for their manufactured exports on to their customers. Or they can secure access to the world's capital markets. But Mexico could lose heavily in the area of services—tourism or the export of workers—if recession sets in in the United States. So could the poorer Mediterranean countries if Europe stumbles.

Finally we come to the poorest developing states: the whole of the Indian subcontinent, tropical Africa, the Caribbean and parts of tropical Latin America. With this group, everything has gone wrong. They are importers of fuel, of food, of fertilisers. They have little access to capital markets. Some have no income either from tourism or from money sent home by migrant workers. And their products, notably tea and jute, have not gained in price. These are the states to feel the chief impact of the extra costs incurred by developing nations who do not export oil—a clear \$15 billion for oil, \$5½ billion for food and fertilizers, a doubling of prices for other materials and for many manufactured imports, and all this in a single year. So dire is the condition of the poorest countries, so distinct are they in deprivation from all the rest, that at this session the term "the fourth world" became common currency in describing their condition. This is the world's immediate disaster area, where famine is already present—in parts of west and east Africa—and could become inescapable in wider regions in 1975.

Clearly there are stark divisions of interest within the group of developing nations. The poorest countries, together with the less disadvantaged developing states who produce no oil, would seem to have the strongest inducement in securing lower petroleum prices. Theoretically, they could have been persuaded to join, say, in an American or joint first world initiative to put pressure on the oil producers. Equally they might have looked with dismay at a future in which producers of essential minerals set up price-boosting cartels from which they would be excluded simply by their lack of resources. Again, they might have broken ranks in order to seek particular agreements on aid and technical assistance with the developed states.

In the event, they held together and scored some pyrrhic victories in passing plans and principles at the end of the session. But the show of unity hardly papered over the total divergence of opportunity and policy between, say, a Saudi Arabia with 7.8m citizens and an oil revenue sextupled to \$19.4 billion in less than two years and an India with 600m people and total reserves before the oil crisis of only \$1,355m.

#### HANGING TOGETHER

Yet it can be argued that the very fluidity of all the groups—the sense of changing interests, of uncharted possibilities, of new risks and new hopes—explains the fact that, after all, the session did mark a clear break with past UN performance. Like confused thoughts searching for an organising idea or floating molecules in wait for a catalyst, the

underlying interests were too divergent to impose their own pattern.

And then a catalyst did appear—a growing realisation that, without emergency action, the poorest nations, the fourth world, would simply run out of reserves by midsummer and could with their bankruptcies set in motion the possible downward spiral of collapsing markets which, in 1929, finally engulfed the whole of the world economy. The prospect of hanging was present at Turtle Bay and wonderfully concentrated the delegates' minds. From this focus of apprehension there grew a programme of action precise enough, urgent enough and sufficiently representative of all interests to justify the belief that "things would never be the same again".

At the centre of the programme is the concept of immediate emergency aid for those hardest hit by the jump in prices. The Shah of Iran had proposed a fund of \$3 billion for the next year, the figure given by the World Bank as the minimum need for additional aid to the poorest states. Of this fund, \$1 billion would come from the oil states and the rest from the industrialized nations. During the session itself, no firm pledges were given. Indeed, the inability of the grain-rich Americans to come up with any precise offer in the wake of Mr. Kissinger's eloquent address explains why their last-minute proposal of a \$4 billion fund for 18 months, with the United States doing its "fair share", was not even considered. But the principle of the fund was accepted and procedures established to make it a reality.

These procedures are as important as the agreement on the need for emergency funding. Hitherto the international economy has lacked any effective centre of impetus and strategic thinking. The World Bank, the IMF and Gatt have been type-cast as the instruments of the rich market economies. Unctad, UNDP and some of the UN technical agencies are held to be more friendly to the poor. "Socialist" countries are represented here and there in the spectrum, but do not, in the main, patronise the "rich nations' organisations". The arrangements proposed after the special session could begin to change all this.

Once more, it is the model of the catalyst that comes to mind. The UN Secretary-General is empowered to make the appeal for emergency donations, to consult with a representative ad hoc group of governments in laying down conditions of eligibility, and to use the various agencies of the UN family—including the World Bank, the International Monetary Fund and the regional banks—to secure timely disbursement. He is asked to assess the quality and type of aid that is offered and monitor both its flow and the changing pattern of need. Mr. Waldheim is also asked to take the initiative in seeking to establish a more permanent special fund at the beginning of 1975 to ensure that extra financial resources are available for the rather longer run—the World Bank reckons the need for 1975 at about \$5 billion to \$6 billion.

Reports on these activities are to go to the Economic and Social Council, the single universal instrument of the world community in the economic field. It is reported that the secretary-general has already invited Dr. Raul Prebisch, the founder-father of Unctad, to lead the emergency operations—a move that will reassure the poor—and has secured the energetic adherence of the World Bank and the IMF—a condition that should mollify the rich.

The effectiveness of this operation depends, of course, on the speed with which the needed \$3 billion can be secured. But the Iranians and the Algerians are giving a lead among the oil states; indeed, the patient chairmanship of Mr. Hoveida of Iran during the session was a vital factor in allowing the catalysing impact of disaster to have its full effect. The EEC is expected to play its part and the hope is that, in spite of the



clumsy handling of the American resolution, the American "fair share" will be spelt out and will prove to be \$1 billion of aid in cash and in the food which the United States alone is in the position to supply. Mr Kissinger's interest in the UN conference on food next November—which he himself proposed—is felt to provide some assurance that the American offer will be validated.

#### FOLLOW UP

This coming conference on food is only one among many. The population conference is due in August, next year's UN assembly will debate strategies for development, a conference on human settlements follows in 1976 and the French have proposed a UN conference on energy. The link between the new unit in the secretary-general's office and all these consultations is that it could develop into a more formal centre of stimulus and prediction able to serve an ongoing dialogue of the world with itself about its collective predicament.

Again and again during the debates of the special session, delegates from a wide variety of backgrounds and interests called for more information, more advice, more strategy, more wisdom—if that were possible—from the UN system itself. The suggestions included advisory councils, a group of "wise men"—the French and West German proposal—and a high level unit for assessing and monitoring aid and need. Other plans were rather more concrete. A number of delegations, including the Japanese, asked for a strengthening of the UNDP's fund for natural resources to enable it to plan, prospect and initiate action in the field of needed raw materials. Mr Kissinger made a widely-supported proposal for a world fertiliser institute to encourage the output of fertiliser, make it technically more efficient in developing lands—where plants running at a third of capacity are too often the rule—and to undertake research into new fertilisers and alternative methods of making existing ones. There was discussion, too, of an international effort in energy research to ensure supplies as the world's reserves of fossil fuels continue to dwindle.

And here perhaps we encounter the deepest reason for believing that the special session could mark a new beginning in international affairs. It was the first assembly to see surface, in unmistakable fashion, the chill possibility that the old idea of a "trickle-down" of wealth from rich nations' constantly expanding resources on a scale sufficient to produce a succession of take-offs among the poor may not be a workable solution to the problems of development in the decades ahead. The expanding resources may simply not be there. So the issue is not simply the immediate one of rescuing the poorest nations from imminent bankruptcy. It could be the more alarming question of how developed and developing peoples are to survive in a planet where what Mr. Kissinger calls the "elementary wellbeing" of all peoples, or Dr. Walter Scheel "the humanisation of mankind", can be secured only by some restraint, some sacrifice of "gadgetry and over-consumption"—the phrase is President Boumediene's—on the part of the already rich.

In the short run, this confrontation is a fact. A restored world food reserve—which the session virtually unanimously proposed—can be set up this year only if American food consumption is somewhat reduced. (Since medical authorities in America recommend a cut of at least a third in meat consumption to check an epidemic of heart attacks, some grain going now to beef cattle could in principle be diverted.) Similarly, fertiliser is absolutely scarce and only if industrialised states cut their consumption a little can the extra 500,000 tons needed now for India's next harvests be made available—the amount is, incidentally, less than the affluent nations use on lawns and golf courses. The problem nagging at the back of many minds at the

assembly was whether this condition of absolute shortage is strictly temporary or the first premonition of a profounder change.

The truth is that no one felt they knew. As Dr. Scheel put it: "Unreliable data, accelerated changes, the impossibility of foreseeing developments—this is where governments and countries come up against their limitation". The temptation in these conditions is to save oneself and batten down the hatches. In the short run, the raw materials producers are tempted, regardless of the outcome, to seek much higher prices by Opec-type cartels and to use their pre-eminence in numbers to reverse the dominance of established wealth. Equally, the already rich could cut aid, protect their reserves and their industries, try for self-sufficiency and turn their backs on the troublesome poor. Yet in spite of the language, the surface behaviour and much of the rhetoric, this did not appear to be happening at the special session.

A majority of the delegations were ready for dialogue, searching for greater leadership, obscurely aware of interdependence and deeply afraid of some precipitate catastrophe. The opportunity thus offered to the leaders of the United Nations system is alarmingly great. The fact that they have been offered it suggests that even the most powerful communities are beginning to wonder whether they can go it alone.

Mr. KENNEDY. Mr. President, 4 months ago the House rejected, by a large majority, a vote to continue U.S. participation in the International Development Association. At that time I expressed my concern at this action. It failed to accept the realities of our involvement with the outside world, the growing interdependence of nations, and our need to help provide leadership in creating a climate that will permit cooperation, rather than conflict in international relations.

Now this legislation is before us in the Senate. S. 2665 would appropriate \$1.5 billion over a 4-year period, as the U.S. contribution to the \$4.5 billion fourth replenishment of IDA funds. We are not being asked here to give unilateral support to this institution, for it is an international cooperative effort in the truest sense. Twenty-five other developed nations have pledged a total of \$3 billion—exactly twice our commitment. To be sure, the United States is still the largest single donor; but it is both significant and encouraging that our share of total IDA funding has been reduced from 40 percent to 33 percent. Japan, meanwhile, will nearly double its contribution, from 5.9 percent to 11 percent; similarly, West Germany will increase its share from 9.6 percent to 11.4 percent of the total. We in the United States should welcome this reapportionment, since it reflects changes in the international economy, and the assumption by other countries of a greater share of the common burden.

The formula for sharing IDA contributions was worked out in a complex series of international negotiations, with pledges being made by each of the donor countries. Some have already advanced their contribution. Last week, however, a meeting on the IDA replenishment, involving senior officials of all the major donor countries, took place in Bonn. Several countries, including Israel and Kuwait, confirmed their pledges to IDA at this meeting. But many others—including the major donors—are waiting for the outcome of our actions. There are

strong indications that, if the United States does not honor its commitment, then many of the donor countries will follow suit, and renege on their pledges.

What the Senate does today will therefore have an important impact on the decisions to be made by other donors, especially since they are being asked to commit funds beginning July 1, perhaps before action is completed in the U.S. Congress. So, in deciding on IDA funds, we in the Senate will in a very real way determine the future of IDA itself.

Mr. President, it is useful for us today to recall the philosophy and purpose of IDA. Largely on our initiative, it was established within the World Bank group 14 years ago. We all had a greater sense of optimism then. Riding on the crest of the postwar economic boom, we increasingly focused our attention and our energies toward trying to solve some of the problems that plagued the developing countries. And so IDA was created—a multilateral agency to provide the poorest countries with funds for development financing on concessionary terms, within the world market system.

Today we are less sanguine about the possibilities for rapid economic development in many of the developing countries. Even more so, we are less optimistic about our ability—or our right—to direct and influence the course of this development. Our long and futile involvement in the Indochina war has made us increasingly reluctant to become involved in the problems of the rest of the world. At the same time we have become more absorbed, and rightly so, with the serious problems of our own society.

Many debates have taken place in this Chamber on the issue of foreign aid. Objections have been raised that some U.S. bilateral foreign aid funds have been used to interfere improperly in the internal affairs of some developing countries. Other critics have noted that some bilateral U.S. aid funds, in the early days of our experience with aid, were devoted to large and conspicuously showy capital projects. IDA, by contrast, has been guilty of neither practice. In fact, it has tended to fulfill the prime goal of aid—to help the "poorest of the poor."

In recent days, another issue has been added to the debate. In exploding a nuclear device, the Government of India has drawn sharp criticism from around the world. Its action has raised serious questions in the minds of many people regarding the future of aid to India and to other developing countries.

But this issue should not be used in the discussion of this legislation. The World Bank and IDA have not given any assistance to India or to any other developing country for the development of nuclear energy, nor do they have any intention of doing so in the future. Their funds have gone to projects concerned with the development of agriculture, transport, conventional power, education, and population control. The Indian decision to go nuclear does nothing to change in any way the essential need for these projects.

More importantly, IDA represents an international commitment, and we should not punish this agency, and all

the recipients of its desperately needed funds, because we disagree with India's action.

If aid is to be effective at all, and I believe that it can be, it should be channelled primarily through multilateral institutions. IDA has proved that this method works. It has been a successful and effective experiment in creating a multilateral—but nonpolitical—approach to development funding.

We have learned a great amount in the last 15 years about what aid can and cannot do, and about the basic differences that exist in the way these funds are distributed. It is our responsibility in this body to review all aid programs, and—if need be—to eliminate those which are misguided or do not work. Nevertheless, we should also support and encourage those efforts which have proved their effectiveness. I believe that most of the fundamental assumptions we made 15 years ago about the impact of aid on development are sound today. The compelling need we saw when we voted to create IDA is just as compelling today.

Mr. President, during the past year the world economy has gone through a difficult time. The rate of worldwide inflation rose to unprecedented new heights. The price of food soared in country after country. The price of oil suddenly quadrupled on the world market, sharply jolting the international economy. And the process of readjustment is still going on.

This is a time of uncertainty for the industrialized countries. Some have enough foreign exchange reserves to pay for their increased oil bills, and all have access to large-scale credit because of the size and strength of their economies.

But the story is far different for almost all the developing countries, outside the oil-rich countries themselves. In raw economic terms, it has been estimated that developing countries last year paid an additional \$15 billion for oil and food and fertilizer imports. And in direct human terms, this figure means more starvation, more suffering, and more disappointment of fragile hopes for development and an end to misery.

Mr. President, I am mindful of the mood in the House when the IDA legislation came up for a vote there. We were still reeling from the shock of the energy crisis. But now, 4 months later, we are in a much better position to reassess calmly the changes and readjustments this development implies for the world economy. It is already clear that in this case, as so many others, the rich countries will suffer the least, and the poor will come last. A large part of the billions of dollars in additional revenues that flowed to the OPEC countries this year will find their way back to the United States and other major developed countries in investment capital. Also a good part of the additional \$8 billion the developing countries paid this year for their oil imports will be used to finance OPEC investments in the industrialized countries.

In the process of incurring enormous balance of payments deficits to finance

their essential imports of energy, food and capital goods, the very countries which have been hit hardest in the international economic crunch may be forced to reduce vastly the amount they import of these essential goods. For many of these countries, particularly the poorest ones, the level of imports is closely related to maintaining subsistence living standards. It is clear that these countries need help. IDA credit on concessional terms, for the poorest of the poor nations, will be particularly needed.

IDA has responded actively to these developments—not to finance the added costs of oil purchases, but to finance development. A significant percentage of its funds are being redirected away from those countries whose economic performance has shown they are ready to graduate from IDA loans. These funds are being directed toward the 40 very poorest countries, encompassing more than a billion people, in what has been called the "fourth world."

Mr. President, I would like to mention another specific example of what IDA is doing in cases of extreme need. By the middle of last year, the plight of the people of the Sahel became the focus of international attention and concern. For several years, these 6 countries, with a population of over 24 million people, have suffered widespread drought, which has become much worse in the last 2 years. While completely accurate statistics cannot be compiled, it is certain that thousands of people have died and additional tens of thousands have been incapacitated by malnutrition and disease. Grain production in 1972 for the region is estimated to have been 25 percent short of normal supply. Between 20 to 30 percent of the region's entire livestock has been lost. The drought has not ended; conditions have not significantly improved; in fact in many areas the problems are intensifying.

While IDA is not a relief agency, it has responded to this disaster. A special drought relief fund of some \$14 million was established last November. The project aims to help the people of the drought-ridden area to reestablish their self-sufficiency through the redevelopment and improvement of their farms and herds. By March of this year, \$12 million of this fund had already been committed to specific projects, including the development of rural water supplies, the construction of wells and dams, livestock disease control program and the establishment of grain storage facilities.

These longer term development efforts have provided a valuable complement to relief projects undertaken by the United States and many other developed countries in response to the drought. While this response to the request for immediate international relief saved untold thousands from imminent starvation, IDA's actions have pursued the equally important task of trying to end the ecological imbalance of the whole zone, an imbalance caused in part by unwise agricultural practices.

In addition to the special fund, two regular IDA loans have been made this year to countries in the affected area: a

\$3.8 million credit to Mauritania for an education program; and a \$7.5 million loan, on March 28, to Chad for irrigation projects. Further IDA loans, totaling \$20.5 million, are scheduled to be committed in the next several months. Since 1970 IDA credits to the six country area have reached \$134.2 million, or slightly more than \$1 per capita annually; \$1 a year may seem an insignificant amount, but for these countries, some with per capita incomes of \$70 or less annually, the impact may be substantial.

Recently, reports began to appear of a similar and equally tragic story of devastation, starvation, and human misery for over 1½ million people in the drought-afflicted regions of Ethiopia. The magnitude of the tragedy was frightening. Perhaps 100 to 150 thousand people died of starvation; another million and a half were left destitute; crops in the most seriously affected provinces of Tigre and Wolo were almost totally lost; and livestock losses were estimated in some areas at 85 percent.

Since 1972, \$108.7 million in IDA credits have been committed to Ethiopia. This is nearly \$2 per capita annually in this country, with an annual per capita income of only \$80.

In the next few months, IDA expects to commit an additional \$30 million to Ethiopia for three specific projects.

First, there is \$10 million for a drought rehabilitation program to assist in the stabilization of the agricultural economy in the most severely affected provinces of Tigre and Wolo. This project will also help to create the basis of long-term economic development of the area by providing for such fundamental programs as the construction of rural roads, water supplies, and medical facilities.

Second, another \$12 million is scheduled for the continuation of an IDA project in the Wolamo district in the southern part of the country. This will include such essential development components as livestock services, soil conservation, roads, and artisan training.

Finally, some \$9½ million is committed for the first 5 year phase of a comprehensive agricultural settlement and development program, designed to provide the basic services, infrastructure and institutions needed to settle permanently about 24,000 farm families in the Tigre Province.

Mr. President, IDA makes possible programs such as these—directed toward solving long-term problems of providing irrigation and water supplies, and establishing adequate storage facilities in order to save valuable crops otherwise lost each year. Funds committed to this kind of essential development project could go a long way toward preventing catastrophes of such magnitude from occurring again.

It is our responsibility as a "have nation" to support and encourage every serious effort to assist those people whose lives otherwise hold no future, no chance, no hope. These are the people of IDA. These are the people whose lives in a very tangible way will be enriched or not by our actions here today. It is unthinkable that we will deny them this chance.



Mr. President, I urge the Senate to give these people of IDA a pledge of our continued commitment to action. Let us try to recapture some of the optimism and spirit of commitment we once had that the encircling grip of poverty can be broken. We may not always succeed, but to give up this effort would be unconscionable. We may at times become frustrated when progress seems slow; but the need—and the opportunity—remain. I urge the Senate to give its approval to this legislation.

Mr. TUNNEY. Mr. President, the bill we are debating this afternoon, S. 2665, deals with America's commitment to aid the development of the poor nations of the world. I recognize this commitment, and will vote for passage of the bill, in order to continue the U.S. contribution to the International Development Association.

But I am very concerned, today, about the future relations between the developed and underdeveloped world. The event which has heightened this concern is the recent nuclear test carried out by the Government of India. India now becomes the sixth member of the "nuclear club," and the first to "join" it in more than a decade. India's action has momentous implications for the stability of political relations in the most populous part of the world.

Nuclear weapons, for the first time, have been introduced into the Asian subcontinent, with a population of well over a half-billion people. India now becomes a nuclear power on the Indian Ocean, very close to the Middle East and the world's major oil supply. This comes at the same time that India and other Indian Ocean littoral states have strenuously protested a growing United States-Soviet naval race in the area.

India's action in "going nuclear" represents a great threat to destabilize politics in the area. Needless to say, Pakistan will now be under great pressure to develop a nuclear device of its own. The Indian action will have incalculable effects with respect to Iran and the oil-producing states, which are in a delicate position just to the west.

A new nuclear race among the nations of the Indian subcontinent and the Middle East would be disastrous. It is imperative for the major powers, the United States and Soviet Union in the forefront, to make rapid progress on arms limitation talks and nuclear test ban talks, in order to lessen the pressures on other states to proliferate the development of nuclear weapons.

Proliferation of nuclear weapons into the non-Western nations poses a particular threat, as far as I am concerned, in light of growing scarcities of raw materials in the world. Until the past few years, the underdeveloped world, in its economic and political disagreements with the Western nations, has been relatively powerless. The oil shortage, and future shortages of other raw materials, will fundamentally change these relationships. The addition of nuclear weapons to this equation, even in small degree, could have vastly complicated and unsettling implications.

I recognize that the question of nu-

clear proliferation is not a direct issue in this legislation. The loans which IDA makes are for development purposes, not nuclear power research, in India or elsewhere. Countries which are determined to go ahead with nuclear research will do so. But these recent events underscore the importance of having our Government, and our foreign policy, place much more attention on the nuclear proliferation problem. These initiatives should take the highest priority in our relations with India and other nations which may be tempted to follow suit. I think America's future attitude on development and other political issues should take in mind the receptiveness of other nations to this most critical question—the prevention of a new nuclear arms race.

I should note that the threat of a new nuclear race among foreign nations underscores recent studies made here in the United States which show the danger of theft of nuclear materials from our AEC or atomic plants. Such thefts could be engineered either by nations which do not have atomic plants capable of producing nuclear fuels for weapons, or by terrorist groups which have no industrial base at all. As the number of atomic plants increases rapidly in the next decade, and as new plants using weapons-grade nuclear fuels become more common, the dangers of theft will increase. Protection against theft, either in the United States or abroad, must also become a highest priority matter for the AEC and other interested agencies.

Mr. President, I would like to request unanimous consent to insert into the Record at this point in the debate two articles from Washington Post of last Sunday and Monday, May 26 and 27, concerning the dangers of nuclear theft. They should be studied by every Member of this body, because they reveal one of the truly dangerous problems our country faces today and in the next decade.

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

FEAR OF NUCLEAR THEFT STIRS EXPERTS, AEC  
(By Thomas O'Toole)

When an atomic weapon travels by train in the United States, it moves in a gray metal car whose two-ton steel top is locked into place by massive bolts. If the same weapon rides on the road, it travels in a truck whose wheels can be locked and whose armor-plated sides can only be pierced by bazooka shells.

The reasoning for such tight security is obvious, but not so obvious is the fact that the Atomic Energy Commission is thinking seriously of ordering the same precautions when shipping nuclear materials, not just the finished weapons.

Such deep concern is rooted in some deep fears that the worldwide growth of atomic energy might be accompanied by attempts at atomic theft, either by organized criminals, terrorists or even governments. The results of nuclear theft are not easy to contemplate, involving as they do the almost unspeakable threats of billion-dollar ransoms and downtown nuclear explosions in the world's cities.

"The human casualties and property damage that could be caused by nuclear explosions vary widely," is the way it's put by Theodore B. Taylor, a onetime designer of nuclear weapons and now a crusader for

tighter nuclear safeguards, "but even a nuclear explosion 100 times smaller than the one that destroyed Hiroshima could have a terrible impact on society."

Taylor calculates that impact. A nuclear blast so small that weapons experts might describe it as a "fizzle" might be enough to kill 100,000 people watching a football game. The fallout alone from a "fizzle" blast in the open could kill another 5,000, while the same explosion set off beneath Manhattan's World Trade Center could topple both buildings and kill as many as 200,000 people.

"Fizzle" blasts worry people like Taylor the most, because that's the kind of bomb atomic thieves are most likely to build. Nobody thinks thieves can build a hydrogen bomb. But a number of people (Taylor included) are convinced that sophisticated thieves could put together a bomb with the same destructive force as the 13-kiloton explosion that leveled Hiroshima.

A growing number of weapons experts think that "basement" nuclear bombs are real possibilities. Taylor says that everything the bomber needs to know is buried in the stacks of the nation's public libraries. He says the most concise explanation of the theory of making a bomb is in the Encyclopedia Americana, written by the onetime research director for the Pentagon.

"Every educated person already knows the single most essential fact about how to make nuclear explosives, namely that they work," Taylor said in a book he co-authored for the Ford Foundation's Energy Policy Project. "Also, every country including India has successfully tested a nuclear weapon on their first attempt. That's important."

The Atomic Energy Commission is not as concerned as Taylor is about basement bombers, but no longer does it consign them to the pages of science fiction. This is the way the threat is assessed by Edward B. Giller, assistant general manager for military applications:

"If you're a bomb designer like Ted (Taylor) who's worked in a big bomb factory for 10 years, then it's easy. It's not easy, but if I lost 20 kilograms (44 pounds) of plutonium last night to a big gang and they were in fact members of a gang identified by the FBI as terrorists, it's conceivable they could put something together without blowing themselves up . . . It would probably be a pretty clumsy thing, something you'd have to put in a truck but they'd have a credible threat."

The AEC ran a test on itself a few years ago just to find out how easy bomb making had become. It quietly hired two young physicists with no more experience than their Ph.D. degrees, gave them access to a small computer and an unclassified library, then told them to design a nuclear weapon and predict its yield.

The two physicists had a finished weapon in six months. Their predicted yield came within 10 percent of what their weapon would have produced had it been fired. They now work in the weapons program at Los Alamos Scientific Laboratory, where Taylor spent 10 years.

About four months ago, AEC Director of Licensing John O'Leary asked an AEC study group to investigate the possibility of nuclear theft. Don't study it to death, O'Leary told them, just take six or eight weeks and see if there's anything to it. Make sure it's not a crackpot scheme.

The study group included an MIT physics professor, a weapons designer at Sandia Laboratory and William Sullivan, onetime assistant to the FBI Director and former director of the Office of National Narcotics Intelligence. Here's what they concluded:

"There is widespread and increasing dissemination of precise and accurate instructions on how to make a nuclear weapon in your basement . . . There is also a slow but continuing movement of personnel into and

out of the areas of weapons design and manufacture . . . We believe these factors necessitate an immediate and far-reaching change in the way we conduct our safeguards programs."

What triggered the study group's deepest fears was the rapid rise in worldwide terrorism and the sudden spurt of political kidnappings, which it concluded "may lead to a rise of urban terrorist groups in this country of a sort without precedent in our history."

There are now 50 known terrorist groups operating around the world, most of them well-financed and well-armed. There are five active terrorist organizations in North America, five in Latin America, five in Europe and ten in the Middle East. Their names are household words. Black September, Al Fatah, Tupamaros, the Japanese Red Army, the Ulster Freedom Fighters, the IRA.

In the six years ending Dec. 31, 1973, there were 422 known terrorist incidents that ended in 226 deaths. Fifty-nine of the 422 incidents ended in at least one death.

More important, terrorism is on the rise. There were 50 incidents in 1969, 74 in 1972 and 120 last year. The size of the force and the size of the ransom has also increased. There were 4.6 terrorists per incident in 1970, 8.7 in 1972. Terrorists reaped \$11 million in ransom in 1972, \$13.3 million in 1973.

Despite their great leap upward, terrorists have yet to threaten nuclear theft. There have been some disquieting incidents, like the threat by a 14-year-old physics student to blow up Orlando, Fla., unless he was given \$1 million. He sent in a sketch of his nuclear weapon, precise in its detail.

Not long ago, a man hijacked an airplane and threatened to dive-bomb the Oak Ridge National Laboratory. The most serious threat took place in Austria, where terrorists poisoned a railroad car with radioactive iodine. The car was taken out of service and the Austrian Federal Railroad Administration offered a \$5,200 reward (highest in its history) for information about the radiation terrorists.

The attack with radioactive iodine points up two things about nuclear theft. First, the terrorists were thinking about the public's fear of radiation. Second, they had access to radioactive materials. It's true that radioactive iodine is no nuclear bomb, but it's not sold in the corner drugstore, either.

Outside of the James Bond movie "Thunderball," nobody has ever threatened the United States with the theft of a nuclear weapon, although it admits to two threats "of a similar kind" in the last month.

The United States goes to unusual lengths to prevent the loss of an atomic weapon, but nevertheless it has lost a few. Four fell out of a B-52 over Palomares in Spain, while another four dropped out of another B-52 over Greenland. All eight were recovered.

Not so with a bomb that dropped out of a plane over South Carolina some years ago. It's still missing, presumably buried in a South Carolina swamp. A Navy fighter-bomber reportedly missed the carrier deck once and sank to the bottom of the Pacific, its nuclear bomb aboard. It's still there.

Outside of weapons in stockpile, the United States has over 40,000 atomic weapons scattered around the world. Most are in the United States, but about 7,000 are in Europe and a smaller number are in the Far East.

The number of countries where American nuclear weapons are located is small, the number having shrunk when President Kennedy discovered that nuclear missiles were unlocked and relatively unguarded in Turkey and Italy about the time of the Cuban missile crisis.

Where and how weapons are stored is a secret, but they're all kept in underground vaults. The vaults are guarded in roughly the same way the gold is guarded at Fort Knox. Electronic locks and cryptographic codes are used to close and open doors leading to the vaults.

How many weapons are moved each year is a secret. They are believed to move one at a time, some by air, others by train, some by truck. The train is a full train, even though only one car contains a weapon. Each car on the train has armed guards.

The truck that carries atomic weapons travels in a convoy. There is an armed car ahead of it, an armed van just behind it and a third armed car five miles to the rear. The truck itself is secret. It can be made immobile if attacked and is built to resist penetration. It would take hours for a full squad of men armed with bazookas to get inside the truck, and by then electronic signals would have sounded the alarm that the truck was under attack.

Suppose an attack succeeds and a terrorist group steals a weapon. Can they arm it and fire it? Nobody really knows the answer to that, since there are so many electronic barriers built into the bomb. It might take them months to figure a way to trigger the bomb.

"They'd probably have to tear the whole thing apart and put it back together again," the AEC's Edward Giller said. "In effect, they would have to rewire the whole mechanism."

The Atomic Energy Commission worries less about a bomb being stolen than it does about the nuclear materials used in the making of a bomb. Three metals can be made into a bomb, plutonium and two isotopes of uranium. One is uranium-233, the other is uranium-235.

Just how much plutonium and uranium are needed to make a bomb is a secret, but it's a lot less than it used to be. The first atomic bomb that was detonated in the New Mexico desert contained about 60 pounds of plutonium. The bomb dropped on Hiroshima contained 132 pounds of uranium. Ted Taylor has described both bombs as "stupid," mostly meaning they were overweight.

Nobody can buy plutonium or uranium on the open market. Plutonium doesn't even occur in nature. It's made by man, as a by-product of fissioning uranium in nuclear power plants. Natural uranium cannot be used to make bombs either. A bomb maker needs uranium that is at least 90 per cent Uranium-235, which is only made in uranium enrichment plants.

There is a uranium enrichment plant in France, another in England, a third in China and several in the Soviet Union. A pilot enrichment plant is operating in the Netherlands, producing low-enriched uranium for atomic power plants.

Three enrichment plants are in the United States, one at Oak Ridge, a second at Paducah, Ky., and a third at Portsmouth, Ohio. The one at Portsmouth makes uranium fully enriched with U-235.

Time was when fully enriched uranium was used only to make bombs. No longer. It is the fuel for the Navy's 107 nuclear-powered ships and the fuel for a new type of power plant called the High Temperature Gas Cooled Reactor, which operates at twice the temperatures of ordinary nuclear power plants.

Only one of these plants is in existence today, being operated at Fort St. Vrain, Colo. Ten are on order in the United States alone. Japan is building one, and West Germany plans to build one. West German Energy Minister Horst Ehmke believes it is the power plant of the future.

Nobody would want to steal the uranium or the plutonium that is inside a submarine reactor or a nuclear power plant, for the same reason that nobody would want to steal it when it came out of the reactor or the power plant. It's too radioactive, lethally so. It would have to be stolen and then handled by remote control, then put through an exhaustive chemical reprocess to get the radiation out.

On the other hand, the metal that comes out of the enrichment plant, that goes into the fabrication plant where it's made into fuel elements and even the metal that's

shipped to the submarine or the power plant before it's installed is invaluable.

Not only to the terrorist, either. Uranium and plutonium in their pure form are worth more than their weight in gold. Uranium is worth about \$6,000 a pound. Back in the 1950s, a ring of thieves stole some uranium fuel elements from the Bradwell power plant in Britain and even employed a "fence" to sell them. They were caught before a sale could be made.

Just how much uranium and plutonium exist in their pure form in the United States today is a secret, but the numbers are large and growing. One estimate is that almost 2 million pounds of both metals are in storage at AEC plants around the country. That figure is expected to grow to at least 3 million pounds by 1980.

The uranium and plutonium that's stored at AEC plants is believed pretty safe. What worries the worriers and keeps security men awake at night are the shipments that must be made, almost all of them covering long distances.

"There's no question transportation is our weakest link," the AEC's Ed Giller says. "If a terrorist is going to make an attempt, that's where he'll make it."

The AEC ships uranium from its enrichment plants to its reactors at Hanford, Wash., and Savannah River in Georgia. Plutonium is shipped out of Hanford and Savannah River to the fabrication plant at Rocky Flats, Colo. Rocky Flats ships to the weapons plants in Pantex, Texas and Burlington, Iowa.

That's only for weapons shipments, whose size and number are secret. There are also shipments on the civilian side, though they're not as large and don't often contain the pure metal the way weapons shipments do.

In the year ending March 31, 1974, the AEC counted 455 shipments of what it calls "special nuclear materials" by its civilian licensees. Special nuclear materials are quantities of plutonium and fully enriched uranium that are in excess of what the AEC calls "trigger quantities."

The trigger quantity for plutonium is two kilograms, 4.4 pounds. The trigger quantity for fully enriched uranium is five kilograms, which is 11 pounds. The trigger quantity is not enough to make a bomb. At least four times the trigger quantity is understood to be enough for a bomb, though the exact quantity is secret.

There are 26 plants in the U.S. licensed by the AEC to handle and ship plutonium and fully enriched uranium. The largest number of shipments are made by five plants scattered across the country.

A plant owned by Kerr-McGee in Cimarron, Okla., makes plutonium fuel pins for a new test facility in Richland, Wash. A factory outside Pittsburgh also ships fuel pins to Richland. Together, the two plants handle and ship close to 2,000 pounds of plutonium in a year.

Fully enriched uranium is coming into the power plant at Fort St. Vrain, Colo. from a factory in San Diego. The largest uranium handlers in the country are the factories making fuel for the Navy's 102 atomic submarines. These are United Nuclear in New Haven and Babcock & Wilcox in Lynchburg, Va., which together handle thousands of pounds of weapons-grade uranium every year.

The plutonium and uranium that are shipped from these plants go out under armed guard, either in armored cars or in trucks escorted by armed guards in a second car. They follow preplanned routes, so if they're hijacked rescue squads know where to look.

While uranium and plutonium on the move is the big worry of the AEC, there is still a lot of concern about the same materials disappearing from the factory itself. An armed attack on a factory is unlikely, but a theft from the inside is not so unlikely.



Plutonium and uranium disappear in large enough quantities every year for the AEC to investigate each disappearance. The AEC calls the disappearances a "MUF," for material unaccounted for. The AEC loses as much as 100 pounds of uranium and 60 pounds of plutonium every year, enough to make more than 10 atomic bombs.

Most times, the MUF is due to poor inventory measures, bad weights, lost scrap—carelessness, in other words. But each time a MUF takes place, diversion is suspected. An investigation is begun. Plants are closed down. Sometimes fines are levied.

The most celebrated MUF took place back in the 1965 in the Apollo, Pa., plant of NUMEC. The factory had just taken a big order to process and fabricate 2,200 pounds of fully enriched uranium for Westinghouse Astro-Nuclear, which was for making the fuel for the nuclear-powered rocket.

In the fall of 1965, NUMEC was told to make an inventory of its uranium. It came up short by 20 pounds, worth at that time over \$1 million. It was also enough to make several large bombs. For a while, China and Israel were both under suspicion as the possible thieves.

The AEC closed down the plant and began to look for the missing uranium. It found some in the air filters, about 12 pounds in the 730 filters that kept uranium from blowing out the smokestacks. It found another 14 pounds in a burial pit on a mountaintop eight miles away. It cost the factory \$100,000 to dig up the burial pit looking for the missing metal.

At the end of the search 148 pounds of uranium was still missing. NUMEC was forced to pay the AEC \$834,000 for the missing metal. Diversion was still suspected, so the AEC interviewed every employee in the plant and every one of its past employees. The AEC concluded there was "no evidence" of diversion, but there are still a few people there who suspect China and Israel.

#### AEC SEEKING TO CUT PERIL OF ATOM THEFT By Thomas O'Toole

(NOTE.—"I think we have to bring this possibility of your being incinerated by a diverted or stolen nuclear bomb down to a level of risk comparable to . . . being struck by lightning"—John O'Leary.)

Nobody knows what the risk of incineration from nuclear theft is, but it isn't as small as being hit by lightning.

Whatever the risk, Jack O'Leary says, it's too high. Maybe it's something like 100,000 to 1, he says, but that's too high. The chance of being killed by an atomic bomb exploded by terrorists, extortionists or blackmailers, O'Leary says, should be in the realm of unthinkability.

O'Leary is the AEC official who commissioned a study of the threat of nuclear theft about four months ago. The study was done by five men—three physicists, a weapons designer and the onetime assistant (William Sullivan) to FBI Director J. Edgar Hoover. Their conclusions were that the United States is not spending enough money and effort to prevent nuclear theft.

"It is our strong feeling," the study team wrote, "that the point of view adopted, the amount of effort expended and the level of safety achieved in keeping special nuclear material out of the hands of unauthorized people is entirely out of proportion to the danger to the public. . . ."

Special nuclear material is plutonium, uranium-233 and uranium-235. The wrong hands could take the right amounts of any of these three metals and make an atomic bomb. The right amounts aren't all that much. Twenty pounds of plutonium or 50 pounds of uranium might be enough to make a bomb.

Few people worry about the outright theft of an atomic bomb. The United States has

more than 40,000 atomic bombs around the world, but they're in underground vaults at heavily guarded military bases. When they are moved they travel in special aircraft, trains and trucks, all of them under armed guard.

Even if a bomb were stolen, it would take an incredible effort to set it off. Intricate electronic locks are built into every atomic weapon, meaning that bomb thieves would have to take the weapon apart and put it back together again to set it off.

More and more people worry about the theft of plutonium and uranium that the thieves could use to make a bomb themselves. Where would they steal it? An atomic power plant burning low-enriched uranium (not good enough for bombs) makes enough by-product plutonium in a year for two bombs. There is enough pure and fully-enriched (93 per cent U-235) uranium being shipped around the United States for submarine and power-plant fuel for another 10 bombs a year.

The growth of nuclear power will multiply the threat. The 55 atomic power plants operating in the United States will grow to 150 by 1980 and as many as 1,000 by the end of the century. There are 90 nuclear power plants abroad, a number expected to grow to more than 200 by 1980 and to 1,400 by the year 2,000.

As many as 10 per cent of these plants are expected to be of a relatively new class of plants known as the High Temperature Gas Cooled Reactors. They operate at twice the temperatures of conventional nuclear plants, meaning they make twice as much heat and twice as much electricity as conventional plants from the same amount of uranium. How do they do this? By burning fully enriched uranium, the same metal used in nuclear bombs.

All nuclear power plants make plutonium as a byproduct, some more than others. The fast-breeder power plants built or being built in the Soviet Union, France, Britain and the United States make more plutonium than they burn uranium, which is the purpose of the breeder plant.

Whatever the type of plant, plutonium will gather in mounting quantities the world over. The United States will have accumulated almost 900 tons of plutonium by 1990, Europe and Japan more than 900 tons. At the end of the century, the United States, Europe and Japan will be generating plutonium at the rate of 1,200 tons a year. That's enough for 200,000 bombs.

There are two things that can be done with all this plutonium—store it or use it. If the world stores it, that means expensive garbage dumps that can be counted on to keep the plutonium safely for 24,000 years. An anticipated worldwide shortage of uranium at less than \$20 a pound is enough to act against storing it.

Most experts assume atomic power will be running on what they call a "plutonium recycle" economy, meaning that the plutonium will be recovered and used as fuel itself.

That means another 15 to 20 factories in the United States alone to process the plutonium into fuel elements, making theft from one that much easier. It also means several shipments of plutonium around the country every day, again raising the risk of plutonium theft. Thieves might choose to steal plutonium for money alone. They could get as much for plutonium as they get today for pure heroin.

The first line of defense against nuclear theft is the risk thieves run when they steal bomb material. The form thieves are likely to find it in is radioactive. The AEC ships fuel elements in heavy casks just to protect the handlers.

How secure are the casks? Trucks carrying nuclear fuel cores have rolled off hill-sides, killing the drivers but not cracking the cores. Cylinders of uranium hexafluoride have fallen off trains and under their wheels without breaking open.

Next, the thieves run a terrific risk when they attempt to build a bomb. Four men have died in the United States putting bomb components together in what weapons experts call the "criticality" experiment, a test the thieves must do if their weapon is to work.

"This is an experiment that's called 'twisting the lion's tail,'" said Edward B. Giller, AEC assistant general manager for military applications. "You can get bit."

Another risk comes from the high explosive that must be wrapped in a perfect sphere around the plutonium or uranium to squeeze it into a critical mass. The people handling the explosive as they build the trigger must be expert at their craft, not just knowledgeable.

"You can melt dynamite and you can machine it," Giller said, "but if you don't do it right you have a very good chance that your basement will blow up with your house."

The second line of defense against nuclear theft is the physical safeguards built to protect the plutonium and uranium at the factory and on the road. The AEC spends \$50 million a year safe-guarding its material, a figure that's bound to grow in the years just ahead.

"We need to spend money on this; this isn't some two-bit problem," said the AEC's Robert Minogue, one of the nation's leading experts on safeguards. "This is a serious problem and it needs a serious effort."

There are 26 factories in the United States licensed to handle plutonium and uranium. Some are modern and well-protected. Others are not. The United Nuclear plant that makes fully enriched submarine fuel (ideal for weapons) consists of several buildings in a rundown neighborhood of New Haven, one or two as rundown as the neighborhood. A chain-link and barbed-wire fence runs around the plant, except where the walls border the sidewalk.

"It's bad," states Ralph G. Page, chief of the AEC's Materials and Plant Protection Branch. "It is not good, not good."

Bad as it is, the AEC let United Nuclear get off this year without upgrading its protection. The reason is that United Nuclear is closing its New Haven plant in September to move to a new factory in Mottville, several miles from New Haven.

The "upgrading" was ordered by the AEC this year for all 24 plants. The cost of the new protective measures ranges from \$500,000 to \$2 million per plant, includes things like putting in outdoor searchlights, higher fences and more guards.

The biggest single expense ordered by the AEC for the factories is an intrusion alarm system. Estimates run as high as \$400,000 for each factory, as much as \$10 for each foot of fence. The alarms aren't tied to the fence and they're not the conventional "ringing" alarms that most people identify with burglar systems.

They include infrared devices to detect warm bodies at night. There are magnetic detectors to sound out weapons, seismic listening devices that can hear the fall of feet, pressure detectors that pick up any force being exerted on the fence.

The AEC is almost as concerned about the people on the inside of the factory. It has developed and begun to use a super Geiger counter that looks like one of those electronic portals now in use at airports to check passengers. This new device can detect pieces of plutonium or uranium as small as one gram, whether it's being carried out in a person's clothes or inside his body.

One reason the AEC installed these doors is that security people remember how many well-known physicists walked out of Los Alamos Scientific Laboratory during the war with uranium souvenirs. They had to send the FBI after many of them, just to get the uranium back.

The Achilles heel in all this is not the

factory, it's the truck or train that carries the uranium and plutonium away from the factory. New regulations put in this year require shipments to be accompanied by a driver and a guard, both of them armed. They're required either to drive an armored car or to be followed by an armed escort car.

The truck driver must follow a pre-planned route, so that rescue teams would know where to look if the truck is attacked. The driver uses a radiotelephone to call in regularly along his route.

There are shortcomings to all these plans. The AEC would like to scrap the radiotelephone, mostly because the lines are often busy. It would like to install in the trucks radios with a cleared frequency, right into central communication centers that keep track by computer of all the nuclear trucks on the road. Eventually, the AEC would like its own communications satellite hovering above the earth, watching and listening to its trucks.

What the AEC would also like is an unclassified version of the secret truck that hauls nuclear weapons. If the truck were attacked, the driver could stop the truck and freeze the engine by pushing a button. Another push and two of the wheels might blow off, rendering the truck immobile.

Even measures like these don't satisfy the safeguards experts. Some think the shipments of nuclear metals should be shrunk, so that only one-fourth of the "trigger quantity" for uranium and plutonium travel at any one time.

Others think the 10 or so chemical reprocessing plants planned for the United States should be built alongside the 26 fuel fabrication plants already doing business, so there will be no need to ship metals from one to the other.

One of the most extreme solutions to the safeguards problem would be to "poison" the uranium and plutonium whenever it leaves the factory. Poison it with radioactivity, making it that much more hazardous for the thief to steal it. Almost bizarre, this solution is under serious study at the AEC right now.

The trouble with all these schemes is that they add expense to the already skyrocketing cost of doing business in the nuclear power industry. The poison idea is also dangerous, introducing a large hazard to the people handling the nuclear material and to the public if there's an accident.

Nonetheless, new changes in nuclear safeguards will have to be made, if safeguards are to make incineration from nuclear theft a risk comparable to being hit by lightning.

The fear among some experts is that the AEC will move slowly and somewhat reluctantly to strengthen its safeguards. Some experts worry that the AEC might feel that stronger safeguards would inhibit the growth of nuclear power, by focusing too many spotlights on its hazards.

The AEC can boast that its safeguards have worked so far, but its track record is far from spotless. The agency still does not have an overall chief in charge of safeguards. It had one, Delmar Crowston, but forced him out a few years ago.

His deputy, Charles Thornton, was shunted to the side not long ago because he wanted stiffer safeguards. Thornton wanted armed guards even on shipments of natural uranium, which cannot be used to make weapons, but which conceivably could produce plutonium if it were used as fuel in a secret reactor.

The AEC set up an outside watchdog committee on safeguards seven years ago. The committee's job was to advise the AEC and it met at least twice a year until 1971. It has not met since—some feel because the AEC believes the committee might embarrass it. The AEC has a different explanation.

"There's a representative of Consolidated Edison and a representative of Westinghouse Electric on that committee," explains L. Manning Muntzing, AEC director of regula-

tion and a man to whom the committee reports. "I've taken the position that until the committee is reconstituted and that conflict of interest is removed, I will not use that committee."

One member of the committee who does not serve private industry claims that the two members Muntzing is talking about are the toughest members of the committee. They're former FBI men and one-time executive assistants to the Joint Committee on Atomic Energy in Congress, men who "really understand the troubles we'll have if safeguards don't work."

There is a single statistic that safeguards experts often quote in assessing the threat of nuclear theft. Between 1 million and 2 million men have already been trained by the United States in the handling, moving and operation of nuclear weapons.

Mr. DOMINICK. Mr. President, I call up my amendment No. 1358.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read the amendment offered by Mr. DOMINICK, for himself and Mr. McCURE, as follows:

At the end of the bill, add the following new section:

SEC. 2. That subsection 3(c) of Public Law 93-110 (87 Stat. 352, September 21, 1973) is amended by deleting all of such subsection and inserting in its place the following:

"(c) The provisions of this section, pertaining to gold, shall take effect September 1, 1974."

Mr. DOMINICK. Mr. President, I yield myself such time as I may take, and I do not anticipate taking very long.

I, first of all, ask unanimous consent that the Senator from New Mexico (Mr. DOMINICK) be added as a cosponsor of the amendment, along with myself and the Senator from Idaho (Mr. McCURE).

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

Mr. DOMINICK. Mr. President, the Senate on two occasions has considered the gold amendment, the first time on an amendment by the Senator from Idaho (Mr. McCURE) to S. 2865, which would have given American citizens the right to own gold by December 31, 1973. That amendment was adopted by a vote of 68 to 23, in the Senate.

Subsequent to that time there was a conference, and during the process of the conference the conferees changed the provisions of the bill so that the effective date of gold ownership was stricken and it was then left up to the President of the United States, whenever he might determine it best, to allow American citizens to own gold.

Subsequently, on behalf of myself and the Senator from Idaho (Mr. McCURE), I offered an amendment which would have made the effective date January 1, 1975. This amendment was to the Bicentennial Coinage Committee bill. This amendment was adopted by a vote of 69 to 21 in the Senate. Unfortunately, the Bicentennial bill did not get anywhere, and the amendment calling for a specific date was stricken.

The Senator from Idaho (Mr. McCURE) and I both have taken the floor on a number of occasions and said that we were not going to give up this fight, and whenever there was a bill which we thought was applicable to the situation, we would offer the amendment again. Hence this amendment today.

Mr. President, the interesting fact about this is that this country is the leading free world country. I do not think there is any doubt about that anywhere, among our friends, allies, or whatever, and yet we are the only country whose citizens are not entitled to own gold. This is by fiat or executive order which was passed as early as 1934 by President Roosevelt. There may have been a reason at that time, although I do not believe there was. There may have been a reason for his doing it at that point, but at this point, when we do not even have any gold convertibility in our dollar, it makes no sense to treat gold any differently than we would treat any other raw material, supply, or commodity.

It has no convertibility. As I said, we have a declining amount, although still a fairly substantial amount, of gold in our treasury. Not to let the American citizen own gold seems to me to be morally wrong. I think the United States presumably at least, is still one of the more moral countries in the world, from the point of view of basic principles. The fact is that we are not exercising that moral leadership insofar as the ownership of gold is concerned.

Americans who want to own gold have been able to do so. They simply go abroad and incorporate overseas, and they let the corporation purchase gold.

A foreign government can buy gold; foreign corporations can buy gold; and they hold it in the federal reserve in their own countries. But our own people cannot do so. That is wrong. I think that the Senate, having expressed its will on two occasions by an overwhelming vote on this matter, should be permitted to have this amendment added to the bill and considered by the House.

The House was going to continue the amendment which was offered originally by the Senator from Idaho (Mr. McCURE), but that lost on a vote in the House. It was one of the few times that I have heard of the House having a tie vote. It was that close.

It is my guess that although the administration, as all administrations have done—and I have been under four administrations now—does not want this done. They will not go forward until they finish the international monetary organization. The fact is that they have not finished the international monetary organization for I do not know how long—as long as I have been here, which is 14 years. So I see no possibility of their continuing it now.

When I was a member of the Committee on Interior and Insular Affairs, I remember that we used to bring up other methods of doing something about the gold situation. On every occasion—whether under President Kennedy, President Johnson, or President Nixon—always, as soon as it was mentioned, the Treasury Department has said: "Please don't mention gold. It will create a panic throughout the world market."

We do not have a convertibility problem now. We are not going to have it. Gold, instead of going from \$35 an ounce down, as one of the Members of the House of Representatives said it would, it has gone up to \$167 an ounce.

This is an additional indication that



there is no reason in the world why American citizens should not have an opportunity, why American citizens should not have the right, as other citizens of the world, to own gold if they want to do so.

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

Mr. DOMINICK. I yield.

Mr. HUMPHREY. It is a fact that the Senate has acted twice on an amendment of this nature. The most recent action was—

Mr. DOMINICK. The Bicentennial bill.

Mr. HUMPHREY. That was last year.

Mr. DOMINICK. The Senator is correct. It was last year.

Mr. HUMPHREY. By 68 votes, the amendment was agreed to. There were 68 votes for the amendment.

The Senator from Colorado makes the point that the Treasury Department looks with some doubt upon this kind of legislation. I do not mean doubt, but they have expressed their deep concern over it.

I gather that the Senator from Colorado would agree with me that the amendment to the Par Valuation Modification Act, which was passed last September, repealed the prohibition on the private ownership of gold by American citizens. However, it did so by stating that such prohibition would take effect "when the President finds and reports to the Congress that the international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the U.S. international monetary position."

The concern expressed by the members of the executive branch is that this amendment is untimely, to be frank about it; that a conference will take place in Washington in June. The international monetary reform has been progressing and the final meeting of the ministers of the Committee of 20 of the International Monetary Fund will be held in Washington in the middle of June.

At that time, it is hoped that there will be some agreements arrived at relating to the private ownership of gold.

There are sensitive negotiations on the role of gold that are now in progress. I have been informed recently—I believe it was May 13—that Secretary of the Treasury Simon and Minister Duisenberg, of the Netherlands, held exploratory discussions on the future role of gold in international monetary arrangements.

So there is concern that the amendment which the Senator is sponsoring today might cause a time frame in which international negotiations will take place, that this amendment might cause difficulty and encourage speculation, reversing the recent salutary trend toward lower gold prices.

Mr. President, I should like to have the Senator from Colorado comment on that amendment. As the Senator knows, concern has been expressed by the Department of the Treasury.

I voted in committee last year for the amendment or an amendment similar to the one which the Senator is now sponsoring. I was one of the 68 Senators who

voted for that amendment at the time it was agreed to.

Would the Senator from Colorado address himself to the concern which I have enunciated and which I think accurately reflects the feeling of the executive branch?

Mr. DOMINICK. Mr. President, I would be happy to do so. I think that the Senator from Minnesota has advanced the theory of the Treasury Department in very fine style.

I would say that we are not talking about the international monetary situation here at all. We are simply talking about the moral right of American citizens to own gold if they so choose.

This will have little or no effect on the international monetary situation. It would enhance the strength of the United States in negotiations because of the reserve of gold that we still have at Fort Knox. I would say that that would have an effect only if the Government were to decide to sell it on the open market.

The international monetary negotiations have been going on and were going on, as I remember, when we dealt with this question the last time. The negotiations were to be finished by last September.

Here we are having another one again in June. We have had one, as far as I can remember, almost since I came to Congress, almost every 2 years for the last 14 years. We have not yet arrived at an international liquidity situation, except by letting the dollar roam free, letting the franc roam free, and letting the Deutsche mark roam free.

That is the only way to date that we have been able to equalize the currency.

Mr. McCURE. Mr. President, if the Senator would yield, I think that in direct response to the Senator from Minnesota, I would remark that last year when this amendment was pending and later on when the amendment was offered by the Senator from Colorado to the Bicentennial bill, that the Treasury made reference to the conference in September of last year on the amendment which I offered on April 4 of last year, when the Senator from Texas (Mr. Tower) suggested that rather than make the effective date immediately, it should follow 3 months after the Nairobi conference.

So we did at that time decide upon the date of December 31, 1973, as the effective date for the change in the law. We have done that same thing with respect to the pending conference in June of this year, making the effective date September 1 of this year, so that we paralleled the action which was taken by the Senate with regard to the international conference last year.

Mr. HUMPHREY. Mr. President, will the Senator yield again?

Mr. McCURE. I am happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. That is very helpful information for the Senate and for the record here.

Let me just get this clear: Do I correctly understand that in other countries that are involved in the international

monetary negotiations, private ownership of gold is permitted?

Mr. DOMINICK. As I understand it, it is permitted in every other country with which we are negotiating, and our country is the only one that does not permit it. So I would say succinctly, yes, that is correct.

Mr. HUMPHREY. I believe the Senator has given the proper response to the concerns of the Treasury Department. I would note for the record that the effective date of the amendment would be after the June conference.

Mr. DOMINICK. The Senator is correct.

Mr. HUMPHREY. In other words, September 1974.

Mr. DOMINICK. September 1974.

Mr. HUMPHREY. So that during the period of the June conference, there would be no way that speculation could take place as a result of this particular amendment.

Mr. DOMINICK. That is correct. The situation would be the status quo until that date.

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

Mr. DOMINICK. I yield.

Mr. McCURE. I thank the Senator for yielding this time. I am not going to beleague the record, except by pointing out that we have addressed this matter on a number of occasions in the Senate, and on each occasion that it has come up in the last year, we have spoken affirmatively.

The new Secretary of the Treasury, in the remarks he made, and I think, indeed, in the remarks transmitted for inclusion in the record here today, has indicated that the administration does favor the private ownership of gold at a time when that transition can be effected without undue impact upon these delicate negotiations the Senator from Minnesota makes reference to.

The reason I mention that is that Congress in this instance, rather than continuing to delegate the responsibility to the President to make that decision, is undertaking, by this amendment, to make the timing decision itself, which I think Congress ought to do.

I think it is important to note that gold as a medium of international monetary exchange will be discussed not only in the June meeting here, but in some other meetings the continental countries are now conducting among themselves, and there is some likelihood that those countries, unlike our own, will seek to perpetuate a role for gold in the international monetary system.

It is my feeling that rather than this action now creating an instability in these negotiations which are going forward, action now is necessary so that the people who are meeting now will know what our policy will be, so that they can consider what effect that may have upon the international monetary situation, and they can reflect that certainty in their discussions and their deliberations and final conclusions, whatever the effect may be.

I would agree with the Senator from Colorado that I do not believe it is going to be destabilizing. It is not going to have

that tremendous an impact upon the world monetary system that some people have suggested. I think that would be just as far wrong as suggesting, as some were suggesting, that we agree that the price of gold go down to \$11 an ounce.

I think Senators will agree that had we taken the action I advocated last year, and permitted our citizens to own gold, they would have been able to buy a commodity which, in the last year, has increased in value 400 percent on the world markets. That is a right that was denied to American citizens as a result of that tie vote in the House of Representatives. It was a right which citizens of other countries in the world did not find themselves denied. So some citizens of some countries in this world had a right to exercise their judgment on the movement of commodities and the monetary situation in the world and profit by it, while our citizens did not have the right to make the same conclusions.

Without pressing the point, I would like to point out the comments that have been made by my friend the Senator from Colorado and others in the past on this subject, and I ask unanimous consent that the name of the Senator from Arizona (Mr. GOLDWATER) be added as a cosponsor of this amendment.

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

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

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HARRY F. BYRD, JR. I yield myself 10 minutes.

The purpose of the pending legislation is it would authorize an additional \$1.5 billion to the soft loan window of the World Bank.

Mr. President, this is on top of and in addition to all of the other foreign aid programs which are in the budget.

Now what we will be doing, Mr. President, in approving this legislation is authorizing the Federal Government to go out and borrow money at 9 percent, pay 9-percent interest, and turn that money over to the World Bank which, in turn, will lend it to other countries at 1-percent interest.

Then, what do the other countries do with it? The governments of those countries lend it to individuals or companies within those countries at interest rates of anywhere from 12 to 20 percent.

This is not a program to feed the hungry. It is entirely separate from any such program as that. The Senator from Virginia has never opposed participation by the United States in efforts to help the desperately poor and the starving.

This is not the issue. The people of the United States have proven that they are the most generous people the world has ever known. We have given \$160 billion to other nations. We have loaned more billions, much of which will never be

repaid. There is a \$10 billion amount for foreign aid in the current budget.

The issue before us is not whether the United States is a generous nation. Our generosity has already been established. What is before the Senate is this: Shall the United States, faced with one of its worst inflations in history, weighed down by the burdens of continuing Government deficits, give one and a half billion dollars in tax funds paid into the Treasury by our hard-working, hard-pressed taxpayers to foreign nations on top of a \$10 billion a year foreign aid program?

Mr. President, the House of Representatives in January voted down, defeated, this precise proposal. The vote was overwhelmingly against this proposal for an additional one and a half billion dollars to the World Bank. The total vote in the House was 155 in favor of this new giveaway program, and 248 against it, an almost 2-to-1 margin.

Now, in analyzing the vote we find that the entire delegations from Kansas, Maine, Montana, Nebraska, New Hampshire, New Mexico, Rhode Island, South Dakota, West Virginia and, I am pleased to say, Virginia, voted against this \$1.5 billion additional contribution to the International Development Association.

Furthermore, the single at-large Representatives from Delaware, North Dakota, and Wyoming voted in the negative. More than half the Representatives from California who voted on this issue voted against the contribution.

Eighteen members of the New York delegation—almost half—voted for rejection of what the Senate is now being called upon to approve.

Fourteen Representatives of Illinois out of 23 voted no. That is a 60 percent rejection by Illinois.

Here is how some of the other delegates voted.

Five out of 6 of the Alabama Representatives voted no; 6 out of 7 of the Alaskan delegation voted no; all 3 of the Arkansas delegates voted no; 5 out of 6 of the Connecticut Representatives voted no; 10 out of 15 Representatives voted no in Florida; 8 out of 10 of the Georgia Representatives voted no; 8 out of 11 of the Indiana Representatives voted no; 6 out of 7 of the Kentucky Representatives voted no; all of the Representatives of Mississippi voted no; 6 out of 9 of the Representatives of Missouri voted no; 10 out of 11 of the North Carolina Representatives voted no; 14 out of 22 of the Representatives of Ohio voted no; 4 out of 5 of the voting Representatives of South Carolina voted no; 7 out of 8 of the Representatives of Tennessee voted no; and 19 out of 24 of the Texas Representatives voted no.

Mr. President, I say that that is a national rejection of continuing these huge giveaway programs to foreign nations.

Somewhere down the line we must call a halt to such reckless spending of American tax dollars.

The Chairman of the Federal Reserve Board, in an address several days ago, called the attention of the Nation to the very difficult financial situation in which our country finds itself. The Secretary of the Treasury likewise has done so. Each of those individuals has made it

clear that if inflation is to be gotten under control, the huge Government deficits must be eliminated; yet this program today would further throw the United States into deficit financing.

I find it difficult to justify the U.S. Government using tax funds to finance virtually interest-free loans to foreign nations when the citizens of the United States are forced to pay sky-high interest rates to buy homes or to conduct a business. The Government itself is paying 9 percent interest to borrow money. Its individual citizens are paying at a minimum of 11½ percent interest; yet we are going out with this proposal under discussion today to have the Government go into the money markets and borrow additional funds and turn that money over to other countries to be loaned out at 1 percent interest.

I do not believe that can be justified. I do not believe that the taxpayers should be called upon to vote for such a program. The House of Representatives has overwhelmingly voted to defeat the pending measure. I hope that the Senate will vote to defeat this program also.

Mr. President, I want to emphasize this, that this is not the only foreign aid program. It is only one of many, as a matter of fact—only one of many. In the current budget there is \$10 billion in foreign aid, in addition to the \$8 billion for the Export-Import Bank.

So I submit that the U.S. Government is doing not only enough but too much in the way of foreign aid, even without this additional one and a half billion dollars.

Now, in fiscal years 1970 through 1975—and that is a 6-year period—the total Federal funds deficit will be \$133 billion. That is 25 percent of the total of the national debt, in that short period of time.

If the Senate has any interest at all in bringing some fiscal sanity and some fiscal responsibility to the handling of tax funds, it will vote down this proposal today.

Mr. President, I ask unanimous consent to have printed in the Record a table I have prepared showing the Government deficit and the Government financial situation for fiscal years 1956 through 1975.

Mr. President, I reserve the remainder of my time.

There being no objection, the table was ordered to be printed in the Record, as follows:

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1956-75 INCLUSIVE

PREPARED BY SENATOR HARRY F. BYRD, JR. OF VIRGINIA

[In billions of dollars]

	Receipts	Outlays	Surplus (+) or deficit (-)	Debt interest
1956.....	65.4	63.8	+1.6	6.8
1957.....	68.8	67.1	+1.7	7.3
1958.....	66.6	69.7	-3.1	7.8
1959.....	65.8	77.0	-11.2	7.8
1960.....	75.7	74.9	+ .8	9.5
1961.....	75.2	79.3	-4.1	9.3
1962.....	79.7	86.6	-6.9	9.5
1963.....	83.6	90.1	-6.5	10.3
1964.....	87.2	95.8	-8.6	11.0
1965.....	90.9	94.8	-3.9	11.8
1966.....	101.4	105.5	-4.1	12.6
1967.....	111.8	126.8	-15.0	14.2
1968.....	114.7	143.1	-28.4	15.6



	Receipts	Outlays	Surplus (+) or deficit (-)	Debt interest
1969	143.3	148.8	-5.5	17.7
1970	143.2	156.3	-13.1	20.0
1971	133.7	163.7	-30.0	21.6
1972	148.8	178.0	-29.2	22.5
1973	161.4	186.4	-25.0	24.2
1974 <sup>1</sup>	185.6	203.7	-18.1	27.8
1975 <sup>1</sup>	202.8	220.6	-17.9	29.1
20-yr total	2,205.6	2,433.0	-227.5	296.4

<sup>1</sup> Estimated figures.

Source: Office of Management and Budget and Treasury Department.

Mr. McGEE. Mr. President, the vote today on S. 2665, which authorizes U.S. participation in the fourth replenishment of the International Development Association, is important not only to this year's multilateral assistance effort, but it is also crucial to the very existence of IDA.

The United States was, in large part, responsible for the establishment of IDA. We worked long and hard in the late 1950's to convince other nations that such an institution was needed. Since its inception in 1960, we have been IDA's chief backers and its primary source of financial support. The institution has more than vindicated the early faith we showed in it. IDA has become the single most important component in our overall multilateral assistance effort. It has acquired an enviable reputation for solid financial management, sound project selection, and successful implementation, followthrough, and review of assistance efforts in the world's poorest nations. In short, IDA works.

Unfortunately, unless we take positive action today, IDA will not be able to work much longer. The association is dependent for its funding on the contributions of the United States and other developed countries. In the past decade, we have participated in three replenishments of IDA's resources. The funds from these contributions will be fully committed by July 1 of this year, and unless further resources are provided, IDA will be forced to cease operations.

In anticipation of this, the United States last fall negotiated an agreement with other donor countries for the fourth replenishment of IDA. Any objective observer would find that agreement very favorable to the United States: the United States succeeded in having its share in the total contribution reduced from 40 percent to 33 1/3 percent. The other donor countries are standing by this agreement despite being much harder hit than the United States by increased oil prices and inflation.

The House in January at the height of concern over the energy crisis voted not to approve even this more modest role in IDA's future. The dismay that was expressed after that vote in spontaneous editorial comment throughout the country reflected not only the importance of IDA to the United States but also the understanding that, if this legislation is not passed, IDA and our entire multilateral development effort, carefully nurtured for over two decades, may collapse. For, if we cannot find the foresight and good sense to authorize the funds for our

reduced future role in IDA, how can we expect the other donor countries with their huge oil import bills to participate? If no replenishment funds are forthcoming, IDA will soon be out of business.

This would be a catastrophe for millions of people in the world's poorest nations. IDA is the most important source of development assistance available to countries with per capita GNPs under \$375 per year. This includes the countries of Sahelian Africa, suffering now from one of the most devastating droughts in recorded history; the impoverished nations of Asia; and Latin America's poorest republics. Defeat of IDA would be a victory for starvation, pestilence, and illiteracy in these regions.

But I do not want to argue for this legislation primarily on humanitarian grounds, compelling though the case may be. Rather, I would like to point out why our contribution to IDA represents a good investment for the United States—why this legislation is vital to the long-run, enlightened self-interest of this country.

Everyone recognizes that the energy crisis has brought us to a critical juncture in world economic affairs. We are in greater danger of a wholesale slide toward confrontation and autarky than at any time since the Great Depression. In the face of this threat, the United States has been pushing hard for international cooperation, not only in the energy area, but also in matters of trade, monetary policy, and international investment. Sensitive negotiations are in progress. We cannot, however, seriously expect cooperation in these areas if we totally fail to do our share in the vital area of development assistance. Our call, for instance, for an international response to the problems of natural resources supply will be viewed as narrowly self-serving if we are unwilling to assume the responsibility for a share in multilateral aid to poor countries. Thus, this legislation must be viewed as an indispensable part of our broader effort toward international economic cooperation.

Further, IDA is a good investment because it helps assure the United States of an adequate supply of raw materials. It is no secret that this country will be increasingly dependent on the developing countries for vital raw materials necessary for our continued economic health. The ability of these countries to supply our needs is to a considerable extent a function of their level of economic development. IDA helps to establish the infrastructure—the roads, power systems, communications networks, and ports—that allow a nation to become a useful supplier of raw materials.

In a more general sense, IDA is a good investment because it helps to alleviate the sort of pressures that could lead to a destructive confrontation between the rich nations and the poor. IDA is a manifest example of our goodwill and our concern. But its true value is that it works—IDA helps provide poor people with real hope, with real opportunities for a meaningful existence.

IDA is a good investment because it is an efficient multilateral institution. That means, first of all, that through IDA, the burden of providing development assist-

ance is spread among many countries. For the proposed fourth replenishment, every dollar contributed by the United States will elicit \$2 from other donors. Second, it means that our capital contribution can be leveraged to a great extent by the institute's borrowing in world capital markets. Finally, it means that our contribution will be managed by an organization with great experience in development assistance, with proved managerial expertise, and with an enviable record of project selection and implementation.

#### IDA AND ECONOMIC INTERDEPENDENCE

We have heard both the purpose and the amount of this participation criticized on the grounds that the United States cannot afford such programs, with our trade balance and other problems.

I believe the realities of the interdependent economic world of today provide one of the most telling arguments in favor of this legislation. In the last few years, the U.S. balance of trade has shifted to its first deficit in 70 years, back to surplus, and now back again to deficit. These shifts clearly demonstrate that our international economic decisions must not be based on short-run conditions, but must deal with long-run issues.

In the interdependent world of the 1970's, I believe that peace and stability depend on international efforts to assist the economic development of the poor nations of the world, establish an open international trade system, and an effective international monetary framework. The United States must do its share to insure that the international economic system upon which our prosperity depends is maintained and developed.

The structure of peace is strengthened by the activities of IDA, whose credits contribute directly to the reduction of economic inequality. A farmer who now has access to the tools and fertilizer necessary to improve his land is gaining a stake in the future progress of his country. A youngster who can now attend a vocational school will gain the skills which will enable him to participate actively in his country's economic development efforts. Most IDA projects have involved irrigation, land improvement, schools, transportation, and power supply which have directly affected the lives of citizens in the LDC's. IDA is an effective and efficient institution dedicated to helping the poor in the poorest countries.

But this is not the only reason to support the IDA. There are also financial benefits to the United States from participation in IDA, benefits which have a positive impact on the U.S. balance of payments. Approximately 60 percent of the U.S. contribution will return directly to the United States through project procurement and local expenditures. Additionally, an unknown portion of the U.S. contribution returns indirectly to the United States as countries receiving IDA credits increase their consumption of U.S. goods and their demand for U.S. services.

It seems clear to me that we need the raw materials supplied by the developing

countries just as they need our products, our expertise, and our capital. The economic well-being of the United States depends, when international economic development of the poor nations of the world, enabling increased demand for U.S. products and supplies for U.S. industry. And, basically, it is this interdependence, when international economic relations have a direct impact on U.S. citizens' lives, which requires, in my view, U.S. participation in IDA.

#### THE UNITED STATES AND IDA

The replenishment is a carefully negotiated agreement among developed countries aimed at equitably sharing the financial burden of foreign aid, and at improving the lot of the poorest countries in the world today. At a time when the debt-servicing burdens of these countries continue to increase, when most will experience major deficits on current accounts, and when worldwide inflation threatens to outrun any advances these countries can make in national product, the developed countries have both practical and moral reasons to make funds available to these countries on concessionary terms through the International Development Association.

Another reason for my support of this bill is that the fourth replenishment will not become effective without U.S. participation. The potential contributors to the replenishment have worked out an integrated plan for contributions. Many countries are reluctant to commit their own resources to IDA unless they are certain of contributions by others. The replenishment thus goes into effect when at least 12 members notify IDA that they will contribute at least \$3.5 billion under the replenishment. Since the U.S. share is \$1.5 billion out of a total of \$4.5 billion, the United States must make its contribution if the replenishment is to come into effect.

#### CONTRIBUTION LEVEL

In addition, those concerned about keeping foreign aid within present levels have nothing to fear from this bill. Under it, the level of future U.S. contributions will actually decline somewhat, as compared to the present level of U.S. contributions under the IDA financing program which terminates this June.

S. 2665 stipulates that the total U.S. contribution of \$1.5 billion shall be paid in four equal annual installments of \$375 million per year over the fiscal year 1976-79 period. This annual level of \$375 million compares with present annual contributions of \$320 million, plus \$66 million which is required to maintain the real value of U.S. funds after the two devaluations of the dollar.

Thus, the bill provides for annual U.S. contributions between 1976 and 1979, which are slightly less on an annual basis than the amount we now contribute—\$375 million versus \$386 million—\$66 million of which are required to maintain the value of the predevaluation dollar and have already been appropriated.

I would also emphasize that the U.S. contributions under the bill before us are not subject to any increase as a result of future changes in the value of the dollar. Therefore, we are assured of

a smaller amount of annual payments to IDA in the future than at present.

Mr. President, the IDA bill before us contains several attractive features. The annual U.S. payment would be less than it now is. While our payments would go down, those of other donor countries will go up—the U.S. percentage share would decrease from 40 percent to 33 percent, which is the type of goal we have been seeking for years in the foreign assistance field. Our payments would be stretched over 4 years until fiscal year 1979—a longer payment period than most other donor countries. In addition, there will be no risk of additional future payments due to monetary realignments.

#### CONCRETE ILLUSTRATIONS OF IDA'S BENEFITS TO LDC'S

Now, I would like to emphasize what IDA does and what IDA means to the poorest countries of the world. I wish to do so because there are those who have maintained that development assistance produces no results, that IDA is incapable or unwilling to help the really poor, that the entire effort is doomed to failure.

These assessments will not withstand a look at the facts. IDA lends to the poorest of the world's poor countries—nations with per capita incomes under \$375 per year. These countries, because of their economic condition, are able to finance only the most minimal development programs from their internal savings. They are almost wholly dependent on external resources for the funds which can make economic growth possible. And IDA is the chief source—for some countries, the only source—of these external resources. Thus, IDA holds the key to many of the economic aspirations of the poorest countries.

IDA assistance has, in the past, gone primarily to projects in agriculture—28 percent, transportation—25 percent, and electric power—8 percent. Of late, the fields of education and family planning have received increased attention in recognition that improvement in human skills and curtailment of the population boom are vitally important to economic development. A look at a small sample of the projects funded in fiscal year 1973 shows how the institution puts its resources to work in these areas:

#### AGRICULTURE

A \$7.2 million credit was granted to Bangladesh for the establishment of a modern seeds industry. As a result, the country's annual output of wheat and rice should increase by 400,000 tons annually by 1979, saving Bangladesh \$25 million per year in foreign exchange.

#### TRANSPORTATION

A \$14 million credit was extended to Indonesia for construction of a highway to open up agricultural lands, feasibility studies for another major highway, and technical assistance to prepare a program for improving low-quality roads. With its new oil revenues, Indonesia is now expected to shift to regular World Bank loans, and should be able to repay this IDA credit prior to maturity.

#### ELECTRIC POWER

An \$85 million credit was granted to

India to build 2,500 circuit miles of transmission lines and 60 substations.

#### EDUCATION

A \$2.85 million credit was offered to Upper Volta to support the Government's efforts to provide rural youth with basic literacy and agricultural skills as an alternative to limited and relatively expensive formal education.

The results that have been gained through the years by IDA-sponsored development assistance projects like these constitute a most notable achievement. Consider the agricultural sector again: Over 26 million acres—an area approximately the size of the entire State of Tennessee—have been brought under cultivation or measurably improved. Consider transportation: IDA has helped finance construction of more than 21,200 miles of roads, many of them enabling farmers for the first time to move their produce efficiently to population centers. Consider education: IDA has financed the construction or modernization of 950 secondary and vocational schools, 110 teacher training colleges, and 17 agricultural universities. These projects have enabled enrollments to expand by 50,000 in technical and agricultural training schools, 15,000 in teacher training colleges, and 7,000 in agricultural universities.

IDA has recently begun to shift its project emphasis more toward helping the poorest sectors of the countries it assists—a course of action consistent with concerns expressed within the U.S. Congress. Agricultural projects are being tailored more toward the needs of small farmers; education projects which assist the rural and urban poor in achieving literacy and attaining employable skills are being stressed; and commitments to social welfare projects in the fields of health and population control have dramatically increased. As a result, the association is beginning to have an important impact in those segments of the populations where deprivation is the greatest.

In the face of this record, it would be more than a little difficult to maintain that IDA is an ineffectual institution. In the difficult field of foreign assistance, IDA is clearly a winner—it is a reliable and competent organization with an unmatched record for achievement. It deserves our continued support.

Mr. President, I wanted to say two or three things informally on this question.

First, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. GRIFFIN). The Senator from Wyoming will state it.

Mr. McGEE. What is the time restriction under which we are operating?

The PRESIDING OFFICER. The proponents have 60 minutes remaining and the opponents have 75 minutes remaining, with no rollcall votes to occur prior to 4 p.m. today.

Mr. JAVITS. Mr. President, I yield 10 minutes to the Senator from Wyoming (Mr. McGEE).

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 10 minutes.

Mr. McGEE. Mr. President, I know



that one of our fondest exercises in this body very often is to remind each other about the very considerable costs we have to meet if we are to survive in this world.

If anyone in the 1930's had told us how much it would cost when some of us were on college campuses at that time, I believe we would have rebelled and would have tried to find some place to hide.

But the hard truth of our time is that we have discovered, in very difficult and costly ways, that the only place we have to hide is right here on this earth and that we will never conceal ourselves long enough to escape the responsibilities our presence on earth requires and that the lesser of the evils confronting us is to face up to the world around us and try to influence the direction that it takes as we seek to proceed to go into the unknown vagaries and sometimes the fearful prospects of the future.

I invite the attention of Senators to a meaningful comment made by former President Eisenhower when he said that with all of our concern about Russians and communism, what we really should be focusing on is the basic danger to peace in the world.

President Eisenhower also said that it is the widening gap between the very poorest nations on the one hand and the very richest nations on the other, and the wider that gap becomes, he said, enhances the possibility of destructive war all over the world.

Therefore, it was his point that it behooves the Government and the people of the United States to face up to that kind of responsibility—unpleasant though it is, and that if we really believe in what we say, that we want to do away with war, if we want to avoid the holocaust that may be perpetrated from many sectors of the globe at this very time, it is important that the gap between the poorest and the richest nations be narrowed.

That is the petition, I think, that reason submits to Senators, like my distinguished colleague from Virginia (Mr. HARRY F. BYRD, JR.), who rightfully concern themselves whether we can afford these things or not. But I say the lesson we have learned is that we cannot afford not to. We do not like it that way. We would rather the rest of the world would go away. We would like to pretend that it was not really there and that all we have to do is wrestle with our own problems or contend with our own differences and resolve them as best we can and go on in the American way—whatever that is.

But, Mr. President, history has not given us that choice. We have not been accorded the luxury of stopping the world and getting off. Instead, we have been thrust onto the front lines of all the tensions of the globe, for better or for worse; and whether we face up to those tensions and whether we seek to resolve them short of nuclear war is really pretty much up to us. How much it is up to us is illustrated by our own recent history, or the history of the world itself.

When we sought to look the other way,

when we sought to withdraw, when we sought to pretend it did not make any difference, Mr. Hitler took over Europe, Mr. Tojo took over Eastern Asia, and we ended up in two world wars simultaneously. If those wars taught us nothing else, they should have taught us the stupidity, if not the reckless irresponsibility, of trying to buy somebody else's freedom or appeasing a dictator or an aggressor, or trying to hope that the width of the Pacific Ocean would insulate us from the rolls of the East. But such was not the case.

Likewise, there is another ingredient here that I think is very much a part of the American ethic which we ought never forget, and it is this: Not only does our national interest, our national concern, require our commitment—because others will commit us if we do not get in and commit ourselves and try to direct the forces of our times—but also, there are some things going on in the world that ought to be done because it is the right thing to do, not alone because it is in the national self-interest, but also because it is right.

Too many have tried to find Russians behind every banana leaf in the emerging new countries of the world, so that we could say that we were opposed to communism. Too many have tried to find some alibi to dignify our commitment. But there are some things that are important because they are right, and one of those things is to do all we can to assist in narrowing the gap that President Eisenhower referred to between the very rich and the very poor.

We are not going to make little Americans out of those people. They are not going to pat us on the head and say, "Thank you, U.S.A., for having assisted us along the way." If that is our motivation, as it appears to be the motivation of some who talk about these programs, then I say we are already off on the wrong track. We do those things because they are right and because they are in our self-interest.

I know it is popular these days to remind each other that we are going broke in this country. Well, the same voices have been raised now for 50 years. I wish we had a more stable economy than we have at the present time; but when you assess these questions, you have to assess them in the context of the whole world. Everybody else is having a lot of the same kind of trouble. History does not give us the luxury of saying that we want to take time out for a few years, until we make up our minds, or until things settle down. The forces of history still go on, and they are still eroding the kind of time we may have left to achieve some kind of balance of capabilities in the world, which includes the capabilities of the newest developing nations as well.

So, Mr. President, IDA—the program of the International Development Association—which we consider here this afternoon on this floor, is just that kind of proposal. The same voices I am listening to in this body used to tell us, "Look, the United States can't carry all this alone. We have to get help from some of the other free world members." We have worked many years to achieve that kind of assistance, and we have secured that

help. For every \$1 the United States puts into this program, \$2 is put in by the other members of the free world.

We are beginning to see the achievement of our longstanding goals. Yet, we still hear the same blighted cries about the U.S. commitment in the world. Of course, we cannot do it alone. But we have to do everything we can, or we are going to have a price to pay that will make our contributions to IDA look like chickenfeed in the Sunday school collection plate.

Mr. President, I do not know what our ultimate, long-range solution is to the problems that engulf us. None of us, I dare say, knows; and each day that passes, we are less and less sure of what the future holds. But I do know that we have learned the "no-noes"—the how not to do it. Even if we cannot agree on how we must do it, we know how not; and how not is to try to pretend that the rest of the world is not there. How not is to try to forfeit the future directions we ought to be working at very seriously which the human race and, indeed, the nations of the world will be taking.

Mr. President, I see the signal coming, and I yield myself such additional time as will be required until the Senator from New York returns to the floor.

It simply behooves the people of the United States to do those things of which they are the most capable. One is to help others to help themselves. We ought not forget from whence we have come. The first foreign aid program in the world was engineered by the British and the French, in the development of the American colonies, and ultimately the American people, in ways different from those we know now, but we were one of the first benefactors. Now we are being asked to assume the kind of burden that launched us, to help others to be launched, so that they might occupy their small place or their relative position in a very complex world society.

All we need do to measure the gains that already have been scored is to look backward from whence we have come—from whence we have come since World War II, from the upgrading, modernizing, the economic rise in many sectors of the world that could not have made it without help. That help has produced a greater flow of economic return to ourselves as well as an easing of many innumerable tensions around the world that otherwise would have been plaguing us even now.

I know it is popular to remind us that the Middle East is still a mess, that the Chinese question is floating, and that the Southeast Asia question is cloaked with grave uncertainties. But this will always be the case. They are never going to go away.

All we need to do is to contrast those conditions with not very many years ago, when we were not sure whether we were going to be able to make it in the world until next Tuesday or a year from then because the immediate threat was a nuclear first strike on the part of the Russians or the Americans. But we have been approaching steadily—and I might say skillfully—an easing of these tensions, to where we are even talking about whatever détente means, to where it is possible

at least to have dialogs going on, where there was nothing before but the stiffest and coldest of diplomatic exchanges, to where we find in one of the new potential powers of the world, the Chinese, at least holes in the bamboo curtain, which enable new contacts to be pursued, to where we have now dignified independencies in the world that not too long ago were colonial outposts for the old imperial powers of the past.

We have come a long way, Mr. President, and IDA epitomizes the kind of approach that we ought to be making, to make sure that the troubled road ahead will be fraught with less danger to blowing up the world than simply having disagreements and disputes in the world, as we seek to improve the lot of mankind insofar as we are capable of doing so.

Mr. President, it is my sincere hope that Members of this body will take their stand to plunge forward along the path into the future that IDA has epitomized over these good many years it has been in operation, as part of the program we shouldered with other nations in the world. It is part of the program we undertake also as the American people and as the Government of the United States. It is my judgment that the President's initiative in this at this time should be supported beyond party by Members of the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. DOMINICK. Mr. President, I call up an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill, add the following new section:

Sec. 2. No loan, guarantee, insurance, or credit shall be extended by the Export-Import Bank of the United States to any non-market economy country (other than any such country whose products are eligible for column 1 tariff treatment on the date of the enactment of this bill), and no such country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investments guarantees, directly or indirectly.

Mr. DOMINICK. Mr. President, I have just had the pleasure of listening to the Senator from Wyoming, my good neighbor, who spoke in favor of the bill. One of the phrases he used, which I was struck with, was that we should try to influence the direction which should be taken, the direction of our own policy and the direction of a policy toward peace, all of which I would agree with. I am not sure I agree with other statements made during the presentation of the very good speech.

However, one of the things I am trying to do by this amendment is try to influence the direction of U.S. monetary policy away from extending long-term credits and financial agreements to build up the economy of the U.S.S.R.

Mr. President, I am submitting this amendment to prohibit the U.S. Export-Import Bank (Eximbank) from granting to any nonmarket economy country—specifically the Soviet Union—any loans or credits.

The House of Representatives, by adopting the Mills-Vanik amendment to the Trade Reform Act, voted to forbid Government backed trade credits to any nation which denied its nationals the right to free emigration; this amendment was aimed primarily at the Soviet Union. Seventy-six Members of the Senate, including myself, cosponsored a similar amendment introduced by the Senator from Washington (Mr. JACKSON).

This past March I introduced a sense of the Senate resolution with 17 cosponsors attempting to insure that Eximbank would not grant any further credit to the Soviet Union. A majority of the House had also cosponsored an identical sense of the House resolution sponsored by Representatives ICHORD, ASPIN, and DENT.

Despite this clear statement of congressional will, Eximbank has continued to process loans to the Soviet Union. Eximbank just last week approved another loan to the Soviet Union for \$180 million. Since the House passed the Mills-Vanik amendment on December 11, 1973, Eximbank has loaned \$208.8 million to the U.S.S.R. The total amount of loans that Eximbank has granted to the U.S.S.R. stands at \$468,956,000.

I do not think the people of this country know this. I do not think they know that I, who serve on the Committee on Armed Services, have to look over procurement bills and military construction bills aimed largely at defending the people of this country, aimed principally at the threat of the Soviet Union, and those bills are as high as \$83 billion, and while doing that on the one hand we are building up the economy of the Soviet Union through the Eximbank on the other hand to the extent of loaning \$208.8 million dollars in the last 4 or 5 months.

There is one pending Soviet Union credit application at Eximbank for one project for \$18,450,000. In addition, there are pending applications for preliminary commitments for \$76,500,000, including an application for \$49.5 million for the beginning of the exploration of gas reserves in eastern Siberia.

Here we are with tremendous shortages in our country, where we are trying to gain independence and having trouble finding the necessary monetary funds to do the exploration and research we need, and while we are doing that we are thinking of granting \$49.5 million to develop natural gas reserves in eastern Siberia for the benefit of the Soviet Union. There has to be some kind of insanity in that type policy.

This \$208.8 million approved in the past few months certainly suggests that Eximbank is racing to approve as many loans as possible before the Senate can consider the Trade Reform Act and before the requirements of the Mills-Vanik-Jackson amendments become law.

My amendment would have the binding force of law. Eximbank, by its actions appears to be ignoring congressional rights in its determination to lend as much money to the Soviets as it can regardless of the will of Congress. This amendment will serve to show that the Congress of the United States controls

the future and programs of the Eximbank and has a legitimate role to play in determining American trade policy. I feel it is incumbent upon us to remind the Bank that it is an agency of the U.S. Government and as such is expected to carry out the policies made by the duly-elected legislative branch of our Government.

Mr. President, in addition to the issue of the flouting of congressional authority and stated intent, there are several other issues which need to be addressed at this time concerning loans to the Soviet Union. Restrictive and repressive Soviet emigration practices, the increasing evidence of Soviet persecution of scientists and intellectuals with the attendant denial of the most basic human rights, the Soviet role in the Middle East war and in the Arab oil embargo, and the effect our credit and technology in domestic fields will have on Soviet military strength and the balance of military power in the world all deserve careful attention.

Mr. Solzhenitsyn was forced out and as far as I know has not been able to publish any of his works in the Soviet Union except through underground sources. There is increasing evidence of persecution and of the denial of the most basic human rights. They do not bother to arrest them and try them any longer. They put them in an insane asylum and accuse them of mental sickness if they do not agree with the system now in charge of the Soviet Union.

In regard to the Soviet application for a \$49.5 million loan for the exploration of gas fields in eastern Siberia, it seems to me we should ask to what extent we think we could rely upon the Soviet Union to fulfill its commitments without using oil and gas as a political weapon. I think we must also ask if we could not much more wisely spend such money for energy exploration and development at home.

The most recent loan of \$180 million to help finance a gigantic natural gas and fertilization complex is the largest Exim loan made to Russia and one of the largest in the agency's 40-year history.

The Soviets will pay interest at only 6 percent on this loan. Imagine trying to go out here and get a 6-percent loan from anybody on anything, unless one was the REA, or by himself; there is no way one could get such a loan. The Soviet Union pays only 6 percent, which is barely one-half the price that big business borrowers in the United States today have to pay.

Senator TALMADGE, in a statement made on the Senate floor, presented some distasteful ironies regarding this \$180 million loan, in which I concur wholeheartedly. The distinguished Senator from Georgia stated that this loan will make us more dependent on foreign produced fertilizer at a time when we should be trying to achieve fertilizer self-sufficiency as well as energy self-sufficiency. He also stated that while we seemingly find it quite simple to expand other nations' capacities to produce fertilizer, bungling by our Federal agencies make it impossible for American firms to expand their capacity.



Mr. President, this amendment is presented to stop the unilateral action of Exim in granting loans to the Soviet Union until Congress works its will in the matter.

I know, because I have been visited by the head of the Bank, I have been visited by people in the executive department downtown, asking me not to even put in the sense-of-Congress resolution which I originally put in and which 17 cosponsors have already joined.

I urge that my colleagues respond to this situation and take action by endorsing this particular amendment, and I would ask the reaction of the Senator from Wyoming and/or the Senator from New York concerning their position on it so I can know what to do, because I understand we cannot have a vote until 4 o'clock.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMINICK. I yield myself 2 more minutes.

I want to say that, as a member of the Armed Services Committee, we deal with over \$23 billion worth of appropriations each year to try to do something about the defense of this country. Where are we subject to being attacked? By only one nation now. That is the Soviet Union. What in the world is the point of our giving them our own tax funds to help them build up their economy so they can be more self-sufficient and make us spend more money on our own defense? It seems to me total nonsense.

We are not getting anywhere because the Eximbank seems to think they have been incorporated to play this type of role. Granted they make sure they are going to be paid. Granted the loans we have made to the Soviet Union have been paid on time. That does not have anything to do with their ability to build up their economy, and any time we deal with the Soviet Union we are dealing with a government controlled corporation designed for one purpose, and that is to increase their strength.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. DOMINICK. I am happy to yield.

Mr. HARRY F. BYRD, JR. The Senator from Colorado a moment ago mentioned the Soviet Union repaying its obligations. Let me cite a few figures, if I may.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMINICK. I yield myself 2 more minutes.

Mr. HARRY F. BYRD, JR. In 1972 the Russian Government owed the United States \$2.1 billion. Our negotiators settled that debt for 3 cents on the dollar unconditionally, and another 24 cents on the dollar to be paid if the Soviet Union were to get most-favored-nation treatment and special long term credit from the United States. So we got very little out of the debt the Soviet Union owed. They reneged. We settled that debt with them, although, in effect, they reneged on it.

I think the Senator from Colorado is on very sound ground in what he is doing on this amendment. I am pleased to support the amendment. I hope it will be

adopted. I am against the bill, but I am in favor of the amendment offered by the Senator from Colorado, and I think it needs to be emphasized to the Eximbank that the Congress of the United States is opposed to what they are doing. The House of Representatives has voted against it. The Senate, I am convinced, is ready to vote against it and for the Jackson amendment if and when it comes to the floor.

I thank the Senator from Colorado for yielding.

Mr. DOMINICK. I thank the Senator. I think the debt of the Soviet Union to us that the Senator was talking about was the World War II debt and the settlement we tried to get.

Insofar as the wheat sales are concerned, they have paid it as they said they would. They did not, on the lend-lease agreement of World War II, do as they said they would. The Senator from Virginia is correct.

The point I am making is that every place where we have had American citizens killed, it has been incited, backed and supported by the Soviet Union.

What are we doing? Giving our own money, our own tax funds, through the Eximbank, because we supply the capital for it, in order to increase the money we have to put into weaponry in order to defend ourselves against that country. It makes no sense to me.

I reserve the remainder of my time.

Mr. McGEE. Mr. President, I listened with interest to my good friend from Colorado on his proposal, which we have looked at before when he submitted it in earlier times. I would say two things in regard to it without attempting to pass judgment on the substantive factors.

The first is that the amendment he offered is a substantive proposal in itself and as such ought to be at least referred to the appropriate committee, if he wishes with a time certain to get it back, so that there will be the deliberation necessary and testimony collected on it in as short a time as possible, if that be his judgment, so that the body would then submit it. I would think it would not belong properly on this particular pending item.

The second point I would make is really a tangent factor to that, and that is that at this very moment the Government of the United States is in the midst of serious discussions with the Soviet Union; that Secretary Kissinger has recently as this week been in conversation with Mr. Gromyko; and that the President is still intending, we are assured, to visit the Soviet Union very shortly.

I would think, given those impending situations, we ought not to be proceeding kind of helter-skelter on these particular items at a time like that.

Thomas Jefferson implored us, at the time of the founding of the Republic:

It is imperative that in foreign affairs the Government of the United States speak with a single voice.

While there is a great area for careful assessment and a sorting out of the truth as raised by my colleague from Colorado, I would think to attach them

to this measure now not only might be misinterpreted in wrong ways and less useful ways from the outside but could even confuse and confound the difficulties of the Secretary of State and the President in terms of trying to nail down some new quid pro quos between our own Government and the Government in Moscow.

So I would hope he would be willing to consider whatever time limitation ought to be put on it in terms of referring it back to this body; that it ought to be treated as a matter of substance, in its own right, rather than tagged on to this bill.

Mr. JAVITS. Mr. President, will the Senator yield me some time in opposition?

Mr. McGEE. Yes, I yield.

Mr. JAVITS. Mr. President, who controls the time in opposition?

Mr. McGEE. Mr. President, I believe that I have the time right now. I should like to turn the whole time over to the Senator from New York for the time being because I have another matter to take care of right away.

Mr. JAVITS. Mr. President, I thank the Senator from Wyoming. I yield myself 5 minutes.

The PRESIDING OFFICER (Mr. McCLURE). The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, in the first place, I think that I should like to make it clear—and I do not think that the Senator from Wyoming, as the manager of the bill, had anything else in mind—that we do not believe that the Senator from Colorado ought to have to wait on this matter until the report comes back.

Mr. President, if I may have the attention of the Senator from Wyoming, I do not think the Senator meant that we should wait on the Committee on Banking, Housing and Urban Affairs to report back to the Senate or that it means laying the matter aside until the report comes back to the Senate.

Mr. McGEE. Not on this bill.

Mr. President, I am talking about the substantive proposal made by the Senator from Colorado. I thought that it ought not, in the interest of reasonable and sound diplomacy, be made a fixture to this bill. It merits consideration on its own right. It is a very important factor in itself.

Mr. JAVITS. Mr. President, I am glad that the Senator made that clear. This is an important factor in and of itself.

The Committee on Banking, Housing and Urban Affairs had hearings on this question. The bill will be marked up very soon. It is the bill on the Export-Import Bank Act which expires, I believe, on June 30. There will be, I believe, without any question, serious consideration given to amendments and conditions. I hope very much that the Senator from Colorado will not press this amendment on this bill.

As to the substance of the bill, I think it proceeds in all respects from a certain view which is not in focus. It is one thing to say to the President of the United States—and I fully intend to do this if I can possibly contrive it, and others feel as I do—you may not go to Moscow and

come back to us with agreements made. If you are going to Moscow, we expect that you will bring back to us whatever you wish us to approve and ratify by treaty or executive agreement, but you will not make any agreements of which we do not approve.

That is quite proper. However, it is rather a different thing, literally, to wash it out before he gets there and before the negotiations start. That is what this amendment intends doing, because it lays out flatly as one proposition that the Export-Import Bank refuse credits to Poland, Hungary, Romania, Yugoslavia, and countries with which we are now trying to restore some kind of communication in terms of relations between the West and the East.

Let us talk to the Soviet Union alone. This lays it down as a flat proposition that the President may not participate in any agreement with respect to the Export-Import Bank or to trade with the United States through the Export-Import Bank long before there has been a pragmatic negotiation on the issue of trade.

The reason why this is so critically important is that it lines up the two different points of view. If the Senator from Colorado (Mr. DOMINICK) insists on pressing the matter here either on the merits or on a motion to table, it is rather premature, and I do not think that Senators have done all the thinking that they wish to do. However, the Senator is perfectly within his right in pushing the amendment to a vote.

The two points of view are these: First, those who feel that we should do no business of any kind with the U.S.S.R. and that it will not affect in any way the possibility of our making agreements with them relating to the negotiations on nuclear armaments which are so critical to them and to us or to any other nation.

Let us not forget the Middle East, where the President has just announced a disengagement of forces between Israel and Syria. If the Russians had wished to take any steps in this matter, there would have been no announcement made on this matter today.

This was a matter of negotiating an agreement between Dr. Kissinger and Gromyko, or whoever was negotiating at that level.

I believe, and I believe there is a strong body of people also that believes, that negotiations will be and should be tied up in one package with reduction of armaments and other agreements with which we could come to with the Soviet Union.

It is an extremely important card to play in the negotiations. The Russians think so and have stated so.

I would not wish to erode that factor and decide it in advance by the adoption of an amendment of this kind.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I yield myself 3 additional minutes.

Mr. President, I am in a rather unique position to speak on this matter. I am considered to be, and I am proud to be, one of the principal sponsors of the

Jackson amendment which has already been mentioned here.

I believe that I was the first one to broach the idea in a speech in New York 2 years ago, that this issue of morality had to figure in the trade relations with the Soviet Union.

I believe that today, I believe that it should be possible to get from the Soviet Union commitments which will make us feel that the Soviet Union is not going to be as reactionary and as persecuting of its minorities and its intellectuals as it has been up to now, and that that is a critical element in the trustworthiness and desirability of the whole range of agreements to be made between our countries.

However, I would like to leave room for that to be worked out, if it can be worked out. It may have to stand fast. However, certainly, we should try to work it out and not abort the whole process by an amendment like this.

The Senator from Colorado has stated his opinion. We both serve on the Labor and Public Welfare Committee and have always served there in harmony. We have always had great respect for each other.

I hope it will always be that way.

There are those people who do not want to do anything for the U.S.S.R. They say that they will use everything we give them against us. On the other hand, my attitude and the attitude of others like me is that we have got to give something. If one wants to get something, he has to give something in order to get something back. It is a tradeoff. And the trade and the possibility of trade are important factors which should be used in these negotiations. I do not want to abort their use.

So I have to oppose the amendment.

Finally, the Senator from Wyoming is exactly correct. It is just another way of killing off the bill.

There is grave fear that the trade bill, which is a much bigger proposition, is going to be killed off by the arguments with respect to the Soviet Union referred to in the Jackson amendment, and so forth.

How much more likely is it that the IDA bill will be killed off if we tack this amendment on its back.

I hope, for all of those reasons, that the Senator from Colorado will not press the matter.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I yield myself 1 additional minute.

Mr. President, that is the privilege of the Senator from Colorado. If he does so, I shall move to table the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, will the Senator from New York yield me 1½ minutes?

Mr. JAVITS. Mr. President, I yield to the Senator from Wyoming.

Mr. McGEE. Mr. President, I have discussed with the Senator from Colorado the possibility of a unanimous consent agreement to take up another bill under informal procedure, dealing with the civil service, which has been agreed to by both sides.

I ask unanimous consent that we may proceed with it for just a moment.

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

#### AMENDMENT OF CHAPTER 83 OF TITLE 5, UNITED STATES CODE

Mr. McGEE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 628.

The PRESIDING OFFICER (Mr. McCURE) laid before the Senate the amendments of the House of Representatives to the bill (S. 628) to amend chapter 83 of title 5, United States Code, to eliminate the annuity reduction made, in order to provide a surviving spouse with an annuity, during periods when the annuitant is not married, which were to strike out all after the enacting clause, and insert:

That (a) section 8339 of title 5, United States Code, is amended as follows:

(1) Subsection (j) is repealed.  
(2) Subsections (k) to (n), inclusive, are redesignated as subsections (j) to (m), respectively.

(3) The redesignated subsection (j), formerly subsection (k), is amended to read as follows:

"(j)(1) At the time of retiring under section 8336 or 8338 of this title, an unmarried employee or Member who is found to be in good health by the Commission may elect a reduced annuity instead of an annuity computed under subsections (a)-(i) of this section and name in writing an individual having an insurable interest in the employee or Member to receive an annuity under section 8341(c) of this title after the death of the retired employee or Member. The annuity of the employee or Member making the election is reduced by 10 percent, and by 5 percent for each full 5 years the individual named is younger than the retiring employee or Member. However, the total reduction may not exceed 40 percent.

"(2) An employee or Member, who at the time of retiring under section 8336 or 8338 of this title elects a reduced annuity under paragraph (1) of this subsection and later marries, may irrevocably elect, in a signed writing received in the Commission within 1 year after the marriage, an annuity computed under subsections (a)-(i) of this section. Such latter annuity is effective the first day of the month after such election is received in the Commission. The election voids prospectively any election previously made under paragraph (1) of this subsection."

(4) The redesignated subsection (k), formerly subsection (l), is amended by deleting "subsections (a)-(k)" and inserting in place thereof "subsections (a)-(j)".

(b) Section 8341 of title 5, United States Code, is amended as follows:

(1) by deleting paragraphs (1) and (2) of subsection (a) and inserting in place thereof the following:

"(1) 'spouse' means the surviving wife or husband of any employee, Member, or annuitant who—

"(A) was married to the employee, Member, or annuitant for at least 1 year immediately before the death of the employee, Member, or annuitant;

"(B) was married to the employee, Member, or annuitant, at the time of the retirement of the employee, Member, or annuitant, and at the time of the death of the employee, Member, or annuitant: *Provided*, That such surviving wife or husband was married to the employee, Member, or annuitant for any period or periods of time totalling at least one year; or

"(C) is the parent of issue by that marriage; and";



(2) by redesignating paragraph (3) of subsection (a) as paragraph (2) of such subsection;

(3) by deleting paragraphs (1) and (2) of subsection (b) and inserting in place thereof the following:

"(1) When an annuitant, except an annuitant who did not elect an annuity as provided in paragraph (2) of section 8339 (j) of this title, dies and is survived by a spouse, the spouse is entitled to an annuity equal to 55 percent of an annuity computed under section 8339(a)-(1) of this title as may apply with respect to the annuitant."

(4) by redesignating paragraph (3) of subsection (b) as paragraph (2) of such subsection.

(5) by deleting "widow, or widower" wherever occurring in paragraph (3) of subsection (b) redesignated as paragraph (2) of such subsection;

(6) by deleting "8339(k)" in subsection (c) and inserting in place thereof "8339(j) (1)"; and

(7) by deleting in subsection (d) "widow or widower" wherever occurring therein and inserting "spouse" in place thereof.

(c) Section 8344(a) of title 5, United States Code, is amended by deleting—

"If the annuitant is receiving a reduced annuity as provided in section 8339(j) or section 8339(k) (2) of this title, the increase in annuity payable under subparagraph (A) of this subsection is reduced by 10 percent and the survivor annuity payable under section 8341(b) of this title is increased by 55 percent of the increase in annuity payable under such subparagraph (A), unless, at the time of claiming the increase payable under such subparagraph (A), the annuitant notifies the Commission in writing that he does not desire the survivor annuity to be increased."

and inserting in place thereof—

"When an annuity is increased under subparagraph (A) of this subsection, then the survivor annuity payable under section 8341 (b) of this title is increased by 55 percent of that increase payable under such subparagraph (A)."

SEC. 2. (a) The annuity of a retired employee or Member who, immediately before the date of enactment of this Act, was receiving a reduced annuity in order to provide an annuity for a surviving spouse under subchapter III of chapter 83 of title 5, United States Code, or any prior applicable provision of law, shall be recomputed and paid as if the annuity had not been so reduced.

(b) The annuity of an employee or Member who separated under section 8338 of title 5, United States Code, or any prior applicable provision of law, prior to the date of enactment of this Act which has a commencing date on or after such date of enactment shall be paid as if the amendment made by paragraph (1) of subsection (a) of the first section of this Act had been in effect at the time of the employee's or Member's separation.

(c) The amendments made by paragraph (3) of subsection (a) of the first section of this Act shall apply to annuities commencing before, on, or after the date of enactment of this Act.

(d) The amendment made by paragraph (1) of subsection (b) of the first section of this Act shall apply in the cases of employees, Members, or annuitants who die on or after the date of enactment of this Act, except that such amendment shall not apply to a spouse to whom an annuitant was married at the time of a retirement which occurred prior to such date of enactment.

(e) The annuity of a surviving spouse who, immediately before the date of enactment of this Act was receiving a survivor annuity under subchapter III of chapter 83 of title 5, United States Code, or any prior applicable provision of law, shall be recomputed, if

necessary, and paid in an amount equal to 55 percent of the maximum annuity to which the former employee or Member was entitled at the time of his retirement or separation plus any annuity cost-of-living adjustments applicable to such survivor annuity which were authorized by law prior to the date of enactment of this Act.

(f) The spouse of an annuitant who retired or separated prior to the date of enactment of this Act and who dies on or after such date of enactment shall be entitled to an annuity in an amount equal to 55 percent of the maximum annuity to which the former employee or Member was entitled at the time of his retirement or separation plus any annuity cost-of-living adjustments applicable to the former employee's or Member's annuity which were authorized by law prior to the date of enactment of this Act. For the purpose of this subsection "spouse" means the surviving wife or husband—

(1) to whom an annuitant was married at the time of his retirement;

(2) to whom an annuitant was married for at least 1 year immediately before his death; or

(3) who is the parent of issue by the marriage to the annuitant.

(g) No annuity or increase in annuity resulting from the application of this section shall be paid for any period before the date of enactment of this Act or the commencing date of annuity, whichever is later.

And amend the title so as to read: "An Act to amend title 5, United States Code, to provide for annuities for surviving spouses under the civil service retirement system without reduction in principal annuities, and for other purposes."

Mr. MCGEE. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

Mr. MCGEE. Mr. President, it is my understanding of the procedure that this measure is now sent back to the House of Representatives in disagreement, without conference. Is that correct?

The PRESIDING OFFICER. The Senate's action will now be messaged to the House of Representatives.

Mr. MCGEE. I thank my colleagues for yielding to me the necessary seconds to transact this item of business.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 12466) to amend the Department of State Appropriations Authorization Act of 1973 to authorize additional appropriations for the fiscal year 1974, and for other purposes.

The message also announced that the House insists upon its amendment to the bill (S. 2893) to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 years, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ROGERS, Mr. SATTERFIELD, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. DEVINE, Mr. NELSEN, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. HUDNUT

were appointed managers of the conference on the part of the House.

The message further announced that the House insists upon its amendments to the bill (S. 2830) to amend the Public Health Service Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ROGERS, Mr. SATTERFIELD, Mr. DEVINE, and Mr. NELSEN were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ROGERS, Mr. SATTERFIELD, Mr. DEVINE, and Mr. NELSEN, were appointed managers of the conference on the part of the House.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

S. 3072. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes;

S. 3398. An act to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes;

H.R. 1817. An act to provide for the striking of national medals to honor the late J. Edgar Hoover; and

H.R. 12670. An act to amend section 301 of title 37, United States Code, relating to incentive pay, to attract and retain volunteers for aviation crew member duties, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. ALLEN).

#### U.S. PARTICIPATION IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION

The Senate continued with the consideration of the bill (S. 2665) to provide for increased participation by the United States in the International Development Association.

Mr. DOMINICK. Mr. President, I yield myself 3 additional minutes.

I listened very carefully to my friend from New York for whom I have great respect, and I do not think that his argument should be left in the Record unchallenged.

This country at the present time is making an effort at least to engage in a mutual force reduction on the European front. While we have been doing that, and while we have reduced our armed services by over a million men, the Soviet

Union has not only increased its overall forces, and substantially increased them along the Chinese border, but has also increased its forces on the central European front.

They have added a great number of tanks, and they have added a great number of men. This does not augur well for any kind of an eventual agreement.

We signed a SALT I agreement with the Soviet Union intended to try at least to limit the nuclear production of armaments, and since that time they have developed three new missiles, even though they have not yet deployed them, which have an enormous fire power, much bigger than anything we have, and they are continuing to build nuclear attack submarines and nuclear missile-firing submarines at the rate of over 12 per year.

I could go on. I do not want to go too far because we are not in an armed services debate.

What I am talking about is they have showed no respect for anything whatsoever except strength.

We are engaged in SALT II at the present time and we have gotten nowhere there. We have been engaged in a number of other situations with the Soviet Union, including trying to get them to voluntarily restrict their sale of weaponry and armaments to the Arab countries in the Middle East.

They declined to do that, which thereby necessitated our reinforcing Israel in order to keep a balance of arms in that area.

For the life of me, I cannot understand why, when we have all these things facing us, where the armament and the methods of killing—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMINICK. I yield myself 3 more minutes.

The weapons for killing American boys in Vietnam, and I had my own son over there who was wounded, all came from the Soviet Union; and, for the life of me, I cannot understand why we are going forward now in saying we are going to give them more money through the Export-Import Bank at half the interest rate that any American citizen has to pay anywhere in this country unless it is under REA.

Maybe I have misinterpreted what people are saying. Maybe they are saying that this is another chip on the bargaining table.

The difficulty is that we do not have any chips that they seem to recognize which are fruitful as far as we are concerned, except insofar as we take positive action through Congress in order to try to get them to exercise what we consider simple morality in this country.

I am bold to say that Mr. Solzhenitsyn never would have been allowed out of the Soviet Union if it had not been for the resolutions and talks that were made here on the floor of the Senate and in the House. I am bold to say that his family never would have gotten out of there except for world opinion, pressing on the morality of what the Soviets were threatening to do to them and which they have already done to a great many

other intellectuals and scientists in their country.

I would say that there is going to be no change in Soviet policy, either in the Middle East or in Southeast Asia or in other areas of the world, unless we take action to make sure that this country is not giving them the economic resources by which they can do this.

I would say at the present time that what we need to do is to make sure that the Export-Import Bank does not try to go ahead of the debate on this same subject which will inevitably come up during the process of the trade bill.

Why should we have given \$208.8 million in credits to the Soviet Union since last December? That is 5 months since the Mills-Vanik amendment passed, to which they have paid no attention at all because the Senate has not taken action on it.

So it strikes me that it is timely that we start taking action on this matter now, and that we do not wait for a future date presently unascertained, presently separate and apart from the debate on the IDA.

I reserve the balance of my time.

Mr. HUMPHREY. Mr. President, I know that there are some of our colleagues who have already responded to the distinguished Senator from Colorado on this amendment.

The amendment obviously has some appeal, particularly for those of us who are deeply concerned about the extension of credits to our own people, and those who are concerned about the fact that we will be extending credits to the Soviet Union and other countries under terms which are more favorable than are available to some of our own companies, indeed some of our own areas of local government.

But, Mr. President, I think we ought to do what another Senator from Colorado some years ago used to say, and the Senator to whom I refer was the beloved Senator Ed Johnson, who used to serve here and sit about at this desk in the second row, and I can still hear, as we called him, "Big Ed" get up and say, "Just a minute."

Somebody once asked me, "What do you think were Senator Johnson's?"—and I speak of Senator Johnson of Colorado—"most significant contributions to the U.S. Senate?"

I said there were many, but one that I remembered distinctly as a rather young, impetuous Senator, was that occasionally he would look over at me and others and say, "Just a minute. Hold on. Stop, look, and if you don't mind, listen."

So I rise today, believe it or not, having just celebrated my 63d birthday, to say, "Hold on. Stop, look, and listen; just a minute."

Why? Because this amendment strikes at the very heart of the policy which a President and a Secretary of State and an administration have been attempting to pursue in hopes of having some better relationships with the Soviet Union.

Here I am again on this side of the aisle defending and speaking up for a policy that is being advanced by the President of the United States and the Secretary of State and others; namely,

of extending commercial relationships between ourselves and so-called non-market economy countries.

I want the Senate to be clearly aware of the fact that we are not just talking about the Soviet Union. We are talking about Romania—and, by the way, Romania has had very good relationships with the United States. The Government of Romania stood up against the Soviet Union on foreign policy as much as we have. The Romanian Government has gone its own way. It is a nonmarket economy, however, in terms of the professional parlance of economics.

Another nonmarket economy is Yugoslavia; another one is Poland. There are others—Bulgaria—but I would make note of the fact that when we use terms as broad as any nonmarket economy country, that we are embracing a rather large part of the world. The distinguished majority leader, who occupies the desk where I now stand, has proposed in this body that we extend credits and that we extend guarantees on what we call the most-favored-nation treatment on commerce to the People's Republic of China.

Why are these proposals made by the President, the Secretary of State, proposals made by my distinguished colleague from Minnesota (Mr. MONDALE), who has taken the lead in this body in terms of trade with Eastern European countries, proposals made by the majority leader and others? Why? Because we happen to believe that one way of stepping a little closer toward an era of peace is through trade and commerce.

If we feel or have any reason to feel that the extension of loans or guarantees or credits to so-called nonmarket countries are not in our national interest, then we should not extend those loans, guarantees or credits. But if we believe that it is in our national interest then we should have the courage and the good sense to do so.

I would hope that we would not move precipitately here, whatever the merits of the amendment. I have spoken, may I say, in the Senate about my concern over the extensive extension of credits to the Soviet Union and other so-called Communist-Socialist countries, but particularly the Soviet Union. There was a time when there was talk of some billions of dollars worth of credits. I was of the opinion that credits of that nature would only permit the Soviet Union to continue its military buildup and, at the same time, not have to take on the burdens of supplying the resources and funds for its own domestic economy. I was of the opinion that we were financing in the United States our own military expansion and, at the same time, making possible the financing of Soviet military expansion—both of which I think are ridiculous and not in the national interest of either country.

This is a very complicated business, Mr. President. I do not think we should have an amendment like this acted on here hurriedly in the Senate when we have committees studying this, taking testimony, calling in the experts, calling in the best we have in the country to advise and counsel us.

The Senate Committee on Banking,



Housing and Urban Affairs is now holding hearings, as I understand it. I believe that the distinguished Senator from Illinois (Mr. STEVENSON) is its chairman and they are holding hearings on this subject matter. The Committee on Foreign Relations is concerned about this subject matter also. Indeed, the whole Congress should be concerned about it.

The Senator from Colorado does us a service in surfacing this issue again. I am not prepared to say that what he advocates here may not have merit. My off-hand opinion is, at this time, as I have expressed it, that it raises more problems than it gives solutions; but the answer to it is not to vote on something as sweeping as this amendment this afternoon, when we have several committees supposed to take testimony, to call in the best that we have in the country to advise and counsel us on these matters.

I want to hear from the American business community. I want to hear from the American labor movement. I want to hear from spokesmen in the field of foreign policy who have been advising and counseling Presidents. I want to hear from the administration. I want to hear what the President has to say about this. I want to hear what the Secretary of State has to say about this. I want to hear what the Secretary of the Treasury has to say about it. What does he have to say about it? I want to hear what people who have served other administrations have to say about it. I want to hear what people who are in the academic community, and who may know something about international policy have to say about it.

Instead of that, we have decided that we will take a shortcut and ignore all that advice and rush pell mell, if we take this amendment, to a decision. It would be most regrettable, whatever the merits of the amendment, if we did that.

Listen carefully, Mr. President, what would we be doing?

No loan, guarantee, insurance, or credit shall be extended by the Export-Import Bank of the United States to any nonmarket economy country (other than any such country whose products are eligible for column 1 tariff treatment on the date of the enactment of this bill), and no such country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly.

I repeat that "or indirectly." That word "indirectly" could mean an awful lot of things. I do not know what it really means in this case, but the fact that it is there, and it says indirectly, that looks to me like a catchall, a sort of universal net, to mean anything that anyone could think of.

So I am going, at the appropriate time—I do not want to cut off debate and discussion on this—but I will move at the appropriate time to table the amendment unless my good friend from Colorado, who is a reasonable man, would be willing, after debate on the matter, to withdraw the amendment, knowing that there will be some report from the appropriate committee of Congress, and then we can debate this amendment in due time on its merits, with the majority and minority report which undoubtedly will come from the Committee on Bank-

ing, Housing and Urban Affairs, and we will be able to handle it as we should.

It would be a terrible mistake for us to move now prematurely and precipitately and, in a sense, without adequate information.

Mr. DOMINICK. Mr. President, how much time do I have left?

The PRESIDING OFFICER (Mr. McCLELLURE). The Senator has 9 minutes remaining.

Mr. DOMINICK. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 4 minutes.

Mr. DOMINICK. Mr. President, I should like to be flexible and I should like to agree with the Senator from Minnesota that we would not push this amendment on this bill, but, as I pointed out, the Export-Import Bank has given \$208.8 million in terms of credits to the Soviet Union since the Mills-Vanik amendment was adopted in the House overwhelmingly.

It strikes me that, with the amount of the loan applications which are presently before them from the Soviet Union, we will be making a very bad mistake to wait any longer on a test vote. I understand that I may not win on this particular vote, but I think it will bring to the fore the problems we are confronting.

I want to say for the record to the distinguished Senator from Minnesota, who has been a very good friend of mine, that I do not believe that Poland or Yugoslavia are included in this ban, because they have most-favored-nation treatment.

Mr. HUMPHREY. Is that true of both? I recognized, when I sat down, that I was in error about Yugoslavia.

Mr. DOMINICK. Yes. That is true of Poland.

Mr. HUMPHREY. I was not sure of Poland.

Mr. DOMINICK. I remember, because I remember how mad our distinguished former colleague from Ohio, Mr. Lausche, used to get.

Mr. HUMPHREY. Yes.

Mr. DOMINICK. I am sure that they have the most-favored-nation treatment and would not be within the terms of this particular amendment. But it does strike me that we should have a test of strength on this. I agree it will not be a test on the merits, but some people I am sure will vote on tabling just on the ground that we are dealing with the World Bank and not the Export-Import Bank.

But, nevertheless, it will give us a test of some strength as to the sentiment of the people, as to whether we should not be requiring the Soviet Union to do something before we start giving them credits—and we are not requiring them to do a single thing at this point.

Mr. President, there is an article published in the Washington Post this morning entitled "Oil 'Shift' Surprises Japanese"—oil shift as it is called, written by Don Oberdorfer, and I ask unanimous consent to have it printed in the RECORD, because it shows full well that the Japanese expect us to go one-third in the development of the eastern Siberian gas.

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

OIL "SHIFT" SURPRISES JAPANESE  
(By Don Oberdorfer)

TOKYO, May 28.—Japanese industrial leaders expressed surprise and incredulity today at reports that the Soviet Union may be losing its desire for foreign help in the development of Siberian oil and gas resources. The Soviet ambassador to Japan, Oleg A. Troyanovsky, stated "emphatically" and publicly that there has been no change—"not at all"—in the Soviet attitude toward the resource development projects.

Just a few days ago, according to informed sources, Soviet emissaries suggested unofficially that Japan should move ahead toward concrete negotiations by mid-summer on the Tyumen oil project. So, the Japanese were taken aback by press accounts from Moscow, based on a briefing by Soviet Oil Minister Valentin D. Shashin, suggesting that Moscow is no longer interested in trading oil for development investments.

Japanese industry sources concede that the potentially vast project, which involves bringing Soviet petroleum thousands of miles eastward across Siberia, is not moving ahead now. A meeting of key industrialists and senior government officials here yesterday confirmed a consensus to do nothing on the oil plan for a while to await future developments in several areas, including Russo-Japanese relations.

One of the problems is the recent Soviet decision to transport the oil across the continent via a new Trans-Siberian railway rather than through the previously discussed pipeline. The Japanese are concerned about the potential strategic and military implications of the railway project, and specifically about the Chinese and American reactions. In an apparent effort to reassure Japan, the Soviet envoy went out of his way today to describe such worries as outmoded and to say that the "chief purpose" of the railway plan is economic development.

On the natural gas front, Soviet and Japanese negotiators on April 26 signed their part of an intended three-way agreement—involving the United States—for exploration of the Yakutsk field in eastern Siberia. The Japanese agreed to invest as much as \$100 million in Export-Import Bank loan funds in anticipation of a similar amount from the U.S.

Japan had hoped to have a U.S. response this spring so that the full deal could be sealed by June and actual exploration work could begin in November. However, at yesterday's policy committee meeting at Keidanren, the Japanese decided to wait until the fall for a U.S. decision. If Washington does not decide to participate by fall, sources said, the Japanese will face the question of going it alone into Siberian natural gas exploration and the much larger follow-on development project without the United States. Japan has been eager to have U.S. participation.

Soviet ambassador Troyanovsky, in an unusual appearance at a luncheon meeting of the American Chamber of Commerce in Japan, said the Yakutsk gas project had from the very beginning been envisioned as a joint Soviet-Japanese-American venture. "The question is now up to the American side, whether the [American] bank loan will be forthcoming," he said.

Troyanovsky added that the Japanese "letter of intent" signed in Moscow last year said that Japan would be prepared to undertake the gas deal even if a hitch developed in American participation. Japanese sources have said that such a decision is yet to be made.

The Soviet ambassador, who spent much of his boyhood in Washington, where his father was the Soviet envoy, spoke to the American group in perfect English. He hailed

recent improvements in the climate of Soviet-American relations and described President Nixon's forthcoming trip to Moscow "as another big step in further improvement."

Trojanovsky expressed much optimism regarding Russo-Japanese relations, which have often been poor in the past. "Politically, the fundamental interests of our two nations do not clash at any point, whereas the economies of Japan and the Soviet Union are in many ways complementary."

The diplomat forecast that a Russo-Japanese coal deal will be formally signed in Moscow within a few days and that a lumber agreement will be made soon. He said that there is a good chance that a Russo-Japanese agreement for offshore oil exploration near Sakhalin Island will be completed in June. "We look forward to a gradual deepening of mutual understanding and friendship," he said.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Colorado yield for a question?

Mr. DOMINICK. I am happy to yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Is it not correct that the proposal of the able Senator from Colorado is the same proposal that the House of Representatives has already passed and passed by an overwhelming vote?

Mr. DOMINICK. The Senator is totally correct.

Mr. HARRY F. BYRD, JR. I thank the Senator very much.

Mr. DOMINICK. The only change is that that was on the trade bill, and it was not on this bill.

Mr. President, I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. HUMPHREY. Mr. President, the bill before the Senate is one that relates to the World Bank. It relates to what we call IDA, the International Development Association. I do not believe that it is in our interest to clutter it up with this particular proposal, which is so far reaching.

I might also say that whatever one may think of the Soviet Union, I think the time is at hand for us at least to moderate what we call the cold war rhetoric, recognizing that we have to be alert, recognizing that we have to be on guard, and recognizing that this is a different day from the early 1950's or even the late 1950's or early 1960's.

The Soviet Union does pay its bills. It does pay on its export credits that it has received from other countries.

Once again, my fellow Americans, I think we ought to know that the Western European countries which are our allies and are vital to our security, as we are to theirs, extend credits to the Soviet Union. Japan, which is our best ally in the Far East, extends credits. We are going to close ourselves off from a great deal of trade if we do not watch out, because Export-Import Bank credits are spent in the United States of America. That money is not spent down in someplace in Africa or Asia or Western Europe. Every dollar of it goes for purchases in this country.

What is more, it does carry a rate of interest that is reasonable. What is

more, it has been determined over the years to be in our national interest, and the Export-Import Bank has made money, if you have to put it on that basis, for the Government of the United States.

These are not long-term credits; these are short-term credits. I think the time is at hand for us to grow up and realize that we can do business with countries that have economies different from ours and at the same time serve our national interest.

It has been said—and I stand corrected—that both Yugoslavia and Poland, nonmarket economies, Socialist economies, would not be included under the restrictions of this amendment. Well, what is so different? Poland is in the Warsaw Pact. Yugoslavia is not. Yugoslavia has received special treatment in Congress from the day Tito broke with Stalin, and rightly so. I was a firm advocate of dealing with Yugoslavia on a very independent, selective basis, and I am also an advocate of dealing the same way with Poland. I am an advocate of dealing in trade. I believe in selling the Russians anything they cannot shoot back. I believe in selling them anything they cannot shoot back. I like to see them pay interest, too, and they will pay it under the Export-Import Bank.

The Export-Import Bank was created to help the United States, its commerce, and its industry. When it was created, it did not have any exclusion in it for the Soviet Union.

Whatever the merits may be of this amendment, we are talking about a major national policy. We are talking about literally throwing overboard everything that this administration has tried to accomplish with the Soviet Union in the last 6 years. I never thought I would see the day when I would stand here defending this administration that I disagree with on many things. But I am not a partisan when it comes to matters than I think are in the national interest.

I happen to think that much of our foreign policy that has been pursued is in our national interest. I watch it carefully. I do not want us to be precipitate even in those arrangements.

Mr. Kissinger is in the Middle East, and perhaps today he is going to get some settlement between the Syrians and the Israelis; and Gromyko, from the Soviet Union, only the other day was in Damascus and, according to the reports, told the people in Damascus, "Sign up."

I do not think we ought to honor Mr. Kissinger this afternoon by kicking him in the britches and hitting him in the mouth and beating him over the head and telling him, "While you were gone, Mr. Secretary, we sure fixed you." That is what we will do with this amendment. I want the Secretary of State to have a chance to testify. I want him to have a chance to be heard. I want the administration to have a chance to lay its case before Congress.

If the Senator does not want to use the remainder of his time, I am ready to make the proper motion; but I do not want to cut off the debate of the Senator from Colorado.

Mr. DOMINICK. I appreciate that.

Mr. President, I yield myself 2 minutes.

Let us see what we are talking about here. A \$180 million loan for a fertilizer plant. Presumably, they cannot shoot back with that; but they can, because they develop natural gas in order to be able to do it, which is the thing which sponsors their whole economy.

Anyway, we are giving them that loan from the Eximbank at 6 percent, and they have promised to repay the loan over 12 years; but they do not begin until May of 1979, 5 years from now. So that is 17 years. Then they are going to repay the private banks first and the Eximbank thereafter. So it will be at least 17 years before we get anything, so far as I can see, so far as the Eximbank and the taxpayers of this country are concerned. That makes no sense to me. I do not understand why we do it.

Mr. President, I ask unanimous consent to have printed in the *Record* the article published in the *Wall Street Journal* of May 22, 1974, reporting on that loan.

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

EX-IM BANK LETS SOVIETS BORROW \$180 MILLION AT 6 PERCENT

WASHINGTON.—In the face of growing controversy, the U.S. Export-Import Bank approved a \$180 million loan to the Soviet Union to help finance a gigantic natural gas and fertilizer complex.

The loan, at a bargain 6% interest rate, will help finance Soviet purchases of American-made equipment and supplies for the construction of ammonia plants, storage facilities, pumping stations, railroad tank cars and a 1,200-mile gas pipeline in the Soviet Union.

The \$180 million credit is the largest Ex-Im Bank loan made to Russia and one of the largest in the agency's 40-year history. The extension of Ex-Im Bank credits to the Soviets—an aspect of President Nixon's policy of détente with the Russians—has grown increasingly controversial in recent months and has triggered moves in Congress to restrict or bar such lending.

But in a separate move yesterday, the House Banking Committee refused to go along with a resolution seeking to bar any Ex-Im Bank loans, guarantees or credits to Communist countries until Congress acts on trade legislation. The vote, however, was a narrow 13 to 12, and thus could be overturned on the House floor. A similar move is afoot in the Senate.

A trade bill passed by the House last year would bar Ex-Im Bank credits to any nation that restricts free emigration, a provision particularly aimed at the Soviet Union's treatment of Jews. The bill currently is bogged down in the Senate Finance Committee.

Reflecting the touchy nature of the decision, the Ex-Im Bank in its announcement of the loan's approval stressed the benefits to the U.S. The credit will assist the export of \$400 million of American goods, bring "needed fertilizer to the U.S.," and save domestic natural gas supplies that otherwise would be used in making the ammonia-based fertilizers that will be imported from the Soviet complex, the agency asserted.

The Soviet complex will produce ammonia and urea fertilizers for shipment to the U.S. in exchange for a key fertilizer ingredient that is abundant in this country—superphosphoric acid. The Ex-Im Bank said Occidental Petroleum Corp. and affiliates plan to invest more than \$500 million to build ships and expand production facilities to mine and



process phosphate rock in Florida for shipment to Russia.

In addition to the Ex-Im Bank loan, a group of private U.S. banks headed by Bank of America, San Francisco, will provide another \$180 million in credits for the project, the agency said. The Soviet Bank for Foreign Trade, the official borrower in the transaction, will put up \$40 million, or 10% of the expected purchases from the U.S.

Because the Ex-Im Bank issued a preliminary commitment on the loan last year, the Soviets will pay interest at only 6%, barely more than half the prevailing prime, or minimum, bank rate for big business borrowers in the U.S. today. Since that preliminary commitment was extended, the Ex-Im Bank has raised its lending rate to 7%. The agency said the private bank credits will be extended at the prevailing prime rate.

The Soviet Union will repay the loans over, 12 years beginning May 20, 1979, with the private banks being repaid first and the Ex-Im Bank thereafter. The Soviet fertilizer complex is expected to be completed by the end of 1978, with the two-way trade in fertilizers to begin that year.

A spokesman for the Ex-Im Bank asserted the threat of a congressional restriction on credits to the Soviet Union hadn't affected the timing of the loan approval. But the spokesman said the timing was accelerated by the threat that some potential American suppliers held tentative contracts that would have expired by the end of this month if the loan hadn't been approved by then.

Separately the Export-Import Bank approved a \$9.2 million loan to a U.S. Steel Corp. subsidiary in Canada to help develop Canadian iron ore deposits.

Mr. DOMINICK. Mr. President, I want the yeas and nays on this matter in one form or another. I understand that we cannot vote until 4 o'clock.

The only thing I want to say to the Senator before I release the remainder of my time is that I thoroughly believe in what Mr. Kissinger has been trying to do in the way of keeping communications open, and I think he has done a fabulous job. But all the way through he has testified to us that the only way we can do it is to keep a strong America, economically and defensively.

Twelve percent of the GNP of the Soviet Union goes into its military, as opposed to less than 6 percent on our side. To the extent that we build up its economy, we automatically build up its economic ability to increase its military force.

So I say once again that it is time that we take these things into recognition and that we be willing to communicate at all times with them, but that we do not give loans that may never be repaid.

The PRESIDING OFFICER. The Senator's 2 minutes have expired. The Senator has 2 minutes remaining.

Mr. DOMINICK. I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, this administration deals with bankers much more generously than I would, but I did not vote for this administration. I want that in the Record, for the thousandth time.

Second, the Export-Import Bank is a pretty good banking outfit, and when it makes loans, it collects.

I repeat that in the instance of a fertilizer plant, that is in the interest of world peace and decency and humanity.

That plant will be bought in the United States—all its parts—under the terms of an Export-Import Bank loan.

It seems to me, again without going into each individual case, that we must keep two things in mind. Let us start talking about our relationships with the Soviet Union in an atmosphere of constructive purpose, responsibility, and reasonableness. Let us not bring up the old bugaboo that the Communists are going to get us again. I believe in a strong national defense and will stand for it and work for it and vote for it.

Finally, let us let the committees of Congress have a chance to advise us and to counsel us.

Therefore, knowing that the vote comes at 4 o'clock, I move to table the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator withhold that temporarily?

Mr. HUMPHREY. Yes, I withhold.

Mr. DOMINICK. Mr. President, I yield to the Senator from Virginia the balance of my time.

Mr. HARRY F. BYRD, JR. Mr. President, I wish to address a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Is the Senator from Virginia correct in his understanding that once all time has expired on the pending amendment, then the Senate will go back on the bill itself until the hour of 4 o'clock?

The PRESIDING OFFICER. If there is a rollcall vote the vote would have to be postponed until 4 o'clock.

Mr. HARRY F. BYRD, JR. Not earlier than 4 o'clock.

The PRESIDING OFFICER. Not earlier than 4 o'clock.

Mr. HARRY F. BYRD, JR. I thank the Chair.

Mr. President, how much time does the Senator from Virginia have remaining on the bill itself?

The PRESIDING OFFICER. One hour remaining.

Mr. HARRY F. BYRD, JR. I thank the Chair.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Is it in order for the Senator from Minnesota to move to table the Dominick amendment, with a realization that the vote would not come earlier than 4 o'clock?

The PRESIDING OFFICER. Since the motion is not debatable, it might be better if the Senator withheld that until after 4 o'clock.

Mr. HUMPHREY. Very good.

The PRESIDING OFFICER. Does the Senator from Colorado yield back the remainder of his time?

Mr. DOMINICK. Yes. I would like to get enough Members in the Chamber to order the yeas and nays on the amendment.

Mr. HUMPHREY. We can do that at 4 o'clock. I assure the Senator I will help him get the yeas and nays.

Mr. DOMINICK. Fine. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back on the amendment.

Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum, with the time to be charged equally to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on a motion which I shall make to table the Dominick amendment.

The PRESIDING OFFICER. Does the Senator ask that it be in order to request the yeas and nays on the motion to table?

Mr. HUMPHREY. That is the request.

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

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I yield 4 minutes on the bill to the Senator from Idaho (Mr. CHURCH).

#### THE IDA REPLENISHMENT

Mr. CHURCH. Mr. President, nearly 3 years ago, in an October 1971 address delivered in the Senate, I parted company with our bilateral foreign aid program. In that speech, I urged that our bilateral loans made for the purpose of promoting long-term economic development abroad be "passed over entirely to the World Bank, the Asian Bank, the InterAmerican Development Bank, and other multilateral lending agencies which were set up for this purpose."

I said at the time that "I am prepared now and in the future, to support substantial U.S. contributions to these agencies. In this manner, we can set a worthy example of international responsibility and beckon other rich nations to share the load with us."

Consonant with that pledge, I shall vote for the pending bill. In doing so, I note with approval the fact that the American share in this fourth replenishment of the IDA fund of the World Bank has been reduced from 40 percent to 33 percent of the total. This reflects the growing capacity of other industrial nations to bear a larger proportion of the load.

Looking to the future, I would hope that the American share, as a percentage of the whole, might be diminished still further.

The new-found wealth of such oil producing governments as Saudi Arabia, Kuwait, Libya, and the sheikdoms that border the Persian Gulf, as well as that of Iran, begets an obligation to make larger contributions to the IDA fund in the future. Negotiations to secure an acceptable level of participation by these oil-rich governments should begin at once, and I hope that the World Bank is prepared to pursue this course.

Continuing support for the IDA depends upon the good-faith participation

of the contributing countries. Each must donate an amount that bears a reasonable relationship to what it can afford. Otherwise, the disproportionate burden assumed by some governments, when combined with nothing more than token support from others, can create inequities upon which the whole effort could ultimately founder. These warning signs are up for all those who believe, as I do, in the multilateral approach to foreign aid.

I cannot reiterate my support for multilateralism without reaffirming my opposition to our bilateral foreign aid program, the general failure of which should now be evident. One dimension of that failure is examined in a new article to be published in the June edition of the magazine *Psychology Today*. In this article, Ken and Mary Gergen of Swarthmore seriously assess the psychological reasons why bilateral aid doesn't work, while examining the countervailing reasons which make multilateral aid so much more successful.

Inasmuch as the Senate will later consider President Nixon's request for a greatly expanded bilateral aid program, which represents an astonishing 72-percent increase over the present level of spending, I believe the conclusions reached in this article are particularly pertinent. Accordingly, I ask unanimous consent to include the full text of the article at this point in the RECORD.

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

**FOREIGN AID THAT WORKS: WHAT OTHER NATIONS HEAR WHEN THE EAGLE SCREAMS**

(By Kenneth J. Gergen and Mary M. Gergen)

We had been studying foreign aid and the psychology of receiving help for several years when the U.S. House of Representatives, on January 23 of this year, voted to withdraw America's financial support from the International Development Association (IDA). The surprise move by Congress was an enormous disappointment in part because the overwhelming lesson of our research is that IDA is one of the best possible ways the U.S. can help millions of poor people around the world. Naturally, the disappointment will be far greater for those people who face starvation in the years ahead.

IDA, an affiliate of the World Bank, helps only the very poorest countries, the ones whose annual per capita income is \$350 or less. (In 1973 over 70 percent of IDA resources went to countries where the average income is less than \$120.) The organization provides monetary credits and technical assistance after conducting thorough studies of particular problems. Interest on these loans is virtually nil, and the recipients are allowed 50 years to repay them.

Malawi, an impoverished country in southeastern Africa, began receiving help from IDA in 1968 for a rural development project in the Shire Valley. Sixteen thousand farm families were able to increase their annual incomes tenfold by growing cotton and raising better food crops. The Shire Valley project was about to enter its second phase when Congress changed its mind.

IDA money doesn't build grand hotels, armies, or even much in the way of large-scale industry. Its chief aim is to help the small farm family, especially through agricultural and educational programs. IDA recently supplied funds to house 6,500 families left homeless by the earthquake in Managua, Nicaragua. It has funded a livestock develop-

ment project in Afghanistan, a water supply system for Damascus, an irrigation project for 20,000 families in Nepal, and similar projects in dozens of other countries. Moreover, IDA engages in these activities in such a way that the rich, contributing nations gain friends and increase trust while they help ordinary human beings.

**WE HAVE GOT TO RETRENCH**

The Congressmen who voted against IDA argued that America's attempts at foreign aid have usually ended in corruption and ingratitude. For example, Libya, India, Algeria, and Chile all "bit the hand that fed them." Representative John H. Rousselot of California pointed out that the U.S. was providing loans without interest to foreign countries, "yet our own people are having a struggle to obtain mortgage money at home." Other Congressmen said: "they do not put the money where it belongs;" "we have got to retrench;" "the amount that trickles down to the poor is very tiny;" "we have developed mineral resources all over the world, and in so doing we have closed down our own mineral resources." Other opponents of IDA had less substantial things to say.

Nevertheless, many see the cutoff as a tragedy. It is likely that the other contributing nations will follow the lead of the U.S., reducing IDA to practically nothing by the end of this month (June 30). Some Americans view this as a moral disaster. We are remaining aloof while a large part of the world's population struggles for its bread. The poorest nations already maimed by the oil price boost and the loss of oil-based fertilizers, face famine. From a more pragmatic standpoint, the friends of IDA argue that we're crazy to dismiss the developing nations that provide us with a third of our natural resources and an annual market for \$14 billion worth of American products. The dimensions of the country's error in withholding \$1.5 billion from IDA may turn out to be more extensive than Congress imagined.

One unfortunate aspect of the debate was that IDA's opponents frequently used arguments that referred to bilateral aid; they recalled scandals in which our nation gave assistance directly to other countries. But it is inappropriate to generalize from such instances to the very different world of multilateral aid.

The recent Congressional vote was also based on two questionable assumptions. The first is that the culprits in the case are the recipients. This assumption is supposed to account for the poor nations' growing hostility toward the U.S., their failures to cooperate with our programs, their pilfering of goods and funds, and their notorious "lethargy." Second, since aid is an economic matter, it is assumed that assistance programs should be evaluated almost entirely in economic terms.

**INDIVIDUALS WITHIN NATIONS**

As psychologists, we propose two counter-assumptions to these traditional views. First, it is possible that the behavior of recipient nations is importantly shaped by our actions. Recipients are not by nature hostile, uncooperative or lethargic. Moreover, rather than viewing assistance in purely economic terms, we should consider its psychological implications. Dollars are not simply dollars, they carry a host of implications for the recipients' self-esteem, feelings of obligations, and evaluations of us as donors. If we broaden our perspective to include the psychological dimensions of aid, it might be easier to formulate more effective programs. As we shall see, IDA, whose economic reputation is already excellent, may also be the best psychological means of providing aid.

Our research on foreign aid and the psychology of receiving help has involved surveys, questionnaires, in-depth interviews and controlled experiments in several countries.

Our focus of attention has been on individual rather than institutional reactions to aid. After all, much of foreign aid (like much of politics and international relations generally) is conducted among individuals. The people who make decisions about such matters are certainly individuals, and so are the people affected by those decisions. They react personally to the actions of others and hold views of "national character"; they personify nations and think in terms of motive and human design. We believe, moreover, that our own research, some of which is presented here, supports the notion that there are significant, pancultural similarities in the quality of human experience.

Our research points to three major variables that influence people's reactions to aid from other countries: characteristics of the donor, characteristics of the aid itself, and the psychological state of the recipient.

One might suppose, given the poverty of most aid recipients, that the assistance itself would mean everything. But our research indicates that recipients are also extremely concerned about the intentions of the donor. Of the 56 foreign aid officials that we interviewed, over 70 per cent of them singled out the influence of the donor's motives in shaping reactions to aid.

If the donor appears to be giving primarily to serve his own ends, his help is neither appreciated nor are his programs likely to be supported. The recipient of self-serving aid feels the donor is deceitful; as a result the recipient suspects that he himself will turn out to be the ultimate loser. One aid official characterized self-serving assistance as a "poison gift."

A laboratory study conducted with Phoebe Ellsworth and Magnus Seipel confirms the idea that recipients are hostile to self-seeking donors. Eighty young men in Sweden and the U.S. were placed in an experimental situation where they needed financial resources for an attractive investment. The experiment was a game involving chips and dice, but the final payoff was in real money. Each player got the resources he needed to play the game from what appeared to be one of his peers. Half the players, however, were given the impression that the gift-givers expected a share of the winnings in return. The other players suspected no such designs.

Later, the players evaluated their patrons. It seemed that the hint of exploitative intent evoked negative feelings toward the donor.

Questionnaire studies point to the same sensitivity to a donor's intentions. When asked what they would think of a donor who helped them for selfish reasons, respondents from Malaysia, the Philippines, South Africa, the U.S., and several other countries replied that they would surely dislike that donor. If the donor's intentions were unselfish, they'd like him.

When the U.S. gives aid directly to other countries (bilateral as opposed to the multilateral aid of organizations like IDA) we tend to trap ourselves. Recipients dislike us because they suspect our motives.

The American people, surveys show, think of our aid as unselfish and humanitarian and a picture of the clasped hands of brotherhood appears on our shipments overseas. Unfortunately the recipients of these shipments don't necessarily believe us. Sophisticated recipients, including foreign officials and others whose opinions carry weight, are aware that direct American aid is usually given to secure economic, political and military advantage. Our aid has gained us votes in the U.N., the use of military bases, protection for American business overseas, and automatic markets for U.S. exports. These may be reasonable aims, but they're not exactly unselfish, and the recipients understand our intentions. They may even understand them better than the American people do, since recipients read the fine print, in any



case, they react accordingly, and may come to dislike us and misuse whatever aid we give.

#### THE RELEVANCE OF NATIONAL CHARACTER

Other characteristics of the donor, aside from his specific intentions in giving aid, may have powerful effects on the success of the transaction. Most of us are continually evaluating the personalities of people we know. The recipients of aid are no exception. Views of the "American character," for instance, seem to color recipients' opinions about aid from this country. There is a strong human tendency to see things in emotionally consistent ways, so that "bad" people can't be expected to engage in any "good" act, even if the act appears to be a helping hand. The psychological validity of this principle has been established many times—most recently, perhaps, by Charles Osgood's "psychologic" and by Leon Festinger's concept of cognitive dissonance.

Recipients of aid also feel judged by the company they keep. If the donor's character is admirable, it's an honor to be allied with him. If he's aggressive, ignorant or manipulative, then receiving his aid is demeaning.

Surprising, our research indicates that almost any characteristic of the donor, no matter how irrelevant to the transfer of resources, can influence the way a recipient perceives economic aid. Public opinion research indicates that if an aid giving country has a reputation for being technologically inferior, warlike, unfair to minorities, irreligious, or deranged in its family relations, then reactions to its aid prove negative. The aid appears as unnecessary, undesirable, ineffective.

America's image abroad, surveys indicate, has suffered recently. Our involvement in Vietnam seemed imperialistic to the vast majority of people in developing nations. Earlier, our race relations gained us a reputation for injustice and hypocrisy. The Watergate scandal has left other scars. Problems like these, which seem to contaminate foreign aid, may be reversible.

But the fact that we're a wealthy country is much harder to undo, and unfortunately, our wealth may create envy and a sense of injustice in the eyes of the have-nots. The U.S. has dedicated a much smaller percentage of its gross national product to IDA than several other countries, including Britain, Japan, and West Germany. Many people in the poorest nations are aware of that fact, and apart from any possible envy, they realize that aid from the U.S. doesn't hurt us as much as, say, aid from Britain hurts the British. When you have everything, it takes a bigger gift to prove your feeling.

A laboratory study conducted in Japan, Sweden and the U.S. supports the notion that wealth can be a curse. Experimental subjects received help from two donors. One donor was rich, while the other gave from a small pool of resources. In each country, subjects evaluated the poor donor far more positively, the subjects also returned more of the poor donor's resources.

In short, the perceived characteristics of the donor exert a tremendous influence on the aid's success not only in terms of good will but also, to some extent, in the aid's material impact. This point is often overlooked by opponents of foreign aid, who tend to assume that the source of aid is irrelevant.

#### TRUE AID AND FALSE AID

The nature of the aid itself is just as vital to the success of the transaction as the perceived characteristics of the donor. One might suppose "the more the better"—at least as far as the recipients are concerned. But aid officials whom we interviewed assigned minimal importance to the amount of the aid. They placed much more emphasis on how useful the particular aid was on whether or not it allowed the recipients

autonomy, and on the sort of obligations it entailed.

It's easy to understand that some "aid" isn't very useful. Surplus foodstuffs occasionally wind up in countries that don't eat the sort of food they receive. Worse, huge quantities of food may be delivered to a country that needs the resources to produce its own food—as Morocco once needed a milk-processing plant to handle its own raw milk, but got tons of powdered milk instead. Everyone has heard of such absurdities. IDA has managed to steer clear of them better than most other donors.

Matters of autonomy are a more constant source of trouble for the aid relationship than even useless aid. Bilateral American aid programs tend to involve rigid restrictions; some of them are meant to insure that the aid is properly used, but other restrictions are less reasonable. Our technicians often oversee the projects, or set up systems of close surveillance. Any deviation from initial plans must be approved by our officials, many requests have to go to Washington for sanction. Moreover, most U.S. bilateral aid is not given in the form of money, if it is, the money must buy American products, which may not be the best or cheapest ones available.

Aid officials from various poor countries spoke vehemently of our inability to relinquish control over our gifts and loans. As one official put it: "If you give a man a piece of bread when he knocks on your door—don't tell him to eat a third of it, give a quarter to his eldest son and put the rest in the icebox." The maintenance of control tells a recipient that we don't trust him, that we think he's intellectually or morally incapable of making correct decisions. We're so anxious to insure that our resources are being properly used, according to our standards of propriety, that we jeopardize the success of the aid—again, both materially and in terms of mutual trust.

#### THE USES OF EQUALITY

Our most intriguing conclusions about the nature of the aid itself have to do with the kinds of obligation it entails. In essence, we found that, for the recipient, no obligation to repay tends to imply inferiority, whereas the obligation to repay with interest smacks of exploitation.

Many people achieve a sense of dignity from paying their own way. Free handouts not only suggest inferiority, but they also place the recipient under a constant tension of obligation; whenever the donor wishes, he can remind the recipient of his gift and demand his due. Recipients may also suspect the motives of someone who gives with no apparent thought of return. As one Indian spokesman observed, "Gifts without strings attached come either from fools or thieves."

On the other hand, there are obviously special advantages in receiving free gifts. Accepting disaster relief for instance, doesn't usually imply inferiority. Moreover, the total debt of the poorest nations is already very high, and increasing that debt beyond the possibility of repayment can do little for a poor nation's morale.

To explore this complex issue, Phoebe Ellsworth, Magnus Seipel, Christina Maslach and Kenneth Gergen conducted an experiment in Japan, Sweden and the U.S. A total of 180 males engaged in a competitive game of chance which could earn them a considerable sum of money. Six men participated at a time, and by experimental design, each one found himself losing badly while receiving information that the others were faring much better.

At a critical moment in the game, a moment when each participant was on the verge of losing everything, he received an envelope from what appeared to be one of the other players. The envelope contained additional resources, plus a note especially

prepared by the experimenter. In a third of the cases, the note said that the funds were a gift and that the recipient need not repay it. Another third of the players got notes saying the note-writer wanted to be repaid when the game was over. For the final third, the note-writer wanted repayment with interest.

The funds proved to be very useful. Each player then evaluated his patron. First, as might be expected, the players expressed hostility toward the donor who expected interest on his loan. The usurer has few friends. The critical comparison, however, was between evaluations of the donor who gave something for nothing, and the donor who asked for an equal return. The evaluations revealed that in all three nations people preferred the egalitarian donor. In this experiment, at any rate, something for nothing wasn't appreciated, and a relationship among equals proved most desirable.

Whether such experimental results can be easily applied to the arena of international aid remains an open question. However, it is worth noting that IDA does require repayment, plus a small administrative fee, but does not require interest.

#### SELF-ESTEEM

A final element in the aid relationship is the recipient and his characteristics, both real and perceived. At first, we assumed that questions of material need would be all-important—that the more needy the recipient felt, the more appropriate it would be to aid him, making the relationship tend toward success. But our subsequent interviews with aid officials convinced us we were naive in our thinking. It turned out that self-esteem was a far more important variable.

One of the many ambiguities of need is its relativity; what we consider poverty, someone else might consider the normal state of affairs, and it's hard to say which view is "realistic." Americans might single out as instances of economic need conditions that the people of another culture view as part of the fabric of their cultural tradition, or part of some modern ideology they're unwilling to forego. Another problem with aid based upon need is that the needy often feel they deserve help; when the help arrives they may be unaware of any particular generosity on the donor's part. Extreme poverty, then, doesn't guarantee a positive response to help, either in mutual respect or in the creative utilization of aid.

Self-esteem, though, is another matter. The aid relationship necessarily casts its participants into a hierarchy; the independent donor or has many resources while the dependent recipient has few. It's possible, in other words, that aid threatens the esteem of the recipient.

We expected to find tremendous cross-cultural differences in this regard. It is said, for example, that Western cultures are uniquely dominated by concern with self-esteem and pride, by notions of individualism and personal independence. On the other hand, Oriental and socialist societies are commonly said to be anti-individualistic and more interested in the common good. And we expected to find many other relative, cultural factors that would complicate our examination of self-esteem.

But our data so far suggest strongly that self-esteem is not only a kind of universal human value, but that foreign aid tends to succeed, or fail, psychologically and materially, depending on whether the aid relationship strengthens or weakens the recipients' self-esteem. The aid officials we interviewed, over 90 percent of them indicated that in one way or another the implications of aid for the recipients' self-esteem were of major importance. Some spoke of "loss of face"; others described the "humiliation" of waiting for handouts.

## THANKS BUT NO THANKS

With the help of psychologist Stan Morse, we tested this hypothesis in a laboratory in Italy. Young men in our experiment worked on a difficult puzzle. In half the cases, they were told that their performance was a measure of intelligence; in effect, their self-esteem was at stake. For the other half, performance was not equated with self-worth. Later, half the participants in each of these groups received help from the experimenter, who let them look at the right answers. The next stage of the test reversed the roles and the participants were given a chance to help the experimenters.

The men's reactions were revealing. When self-esteem wasn't in question, those who received help were much more likely to reciprocate. They were grateful and wanted to help in return. Just the opposite proved true where self-esteem was at stake. When the experimenter's help suggested that the participants weren't especially bright, they were loath to return the "favor."

Questionnaire data from different cultures demonstrate the generality of these findings. Respondents everywhere said they disliked people, even bearers of gifts, who made them feel inferior. In Japan, Taiwan and Korea, with their traditional emphasis on selfless devotion to hierarchies, the tendency to dislike such donors was less pronounced, but even the people of these traditional Asian cultures disliked aid which reduced self-esteem.

## AMERICA'S INTENTIONS

For years, Congress has debated questions of foreign aid. We believe that our research has reduced the uncertainties of this debate. The evidence implies that the U.S. has either not known, or has disregarded, the psychological implications of assistance.

Bilateral aid, in which the U.S. gives directly to other nations, is a method surrounded with difficulties. It appears manipulative (which it is) and tends to be corrupted by our own domestic foibles and by our extraordinary wealth. The self-serving restrictions we put on direct American aid serve as another goad to conflict, and the esteem of recipient nations continues to suffer.

It is for these reasons that we consider the cutoff of IDA funds a tragedy. This organization, and other cooperative multilateral organizations like it constitute the greatest opportunity for successful foreign aid. As a participant in IDA, America's manipulative intent is minimized, our national foibles are less likely to interfere, and the humiliating and impractical grip on recipient nations loosens. Moreover, because IDA's recipients are all members of the organization, it does not cripple the self esteem which everyone seems to need.

We have assumed throughout our research that the American people would like to reduce suffering in the poorest nations of the world, and in fact some survey data supports this assumption. The problem, according to IDA's Congressional critics, is that in spite of our generous instincts foreign aid has been a disaster.

We must add, however, that our prime assumption may be wrong. The truth may be that the American people have absolutely no intention of relieving some of the misery that burdens the greater part of the human race. America's support for international assistance has dwindled almost continuously over the past decade and is now only one tenth of what it was 25 years ago. Many Americans don't realize this. We tend to believe that America is inevitably the greatest giver, and that other rich nations—for example, the Arab oil states—give little or nothing. This belief is partly mistaken. The World Bank, IDA's parent organization, has recently borrowed \$624 million from the

Arab states of Libya, Lebanon, Saudi Arabia, and Kuwait—money that is spent entirely on aid, including the work of IDA. During the past two years, in fact, the World Bank has sold more fund-raising bonds in Kuwait than in the United States.

If the American people have no serious interest in helping the poorest nations, then our research becomes irrelevant, and we can stop worrying about the attitudes of others toward the U.S. What will remain instead are questions for us all about the humane character of the American people.

Mr. CHURCH. Mr. President, I thank the Senator very much for yielding.

Mr. HARRY F. BYRD, JR. Mr. President, I yield 10 minutes to the distinguished Senator from South Dakota.

## WORLD BANK LOANS TO GREEK JUNTA

Mr. ABOUREZK. I thank the Senator for yielding. I would like to raise a very serious question to which I believe all my colleagues should pay serious attention before casting their votes this afternoon on the IDA bill.

It has been my contention all along that foreign aid programs that we finance should be given to help the most unfortunate people around the world without any political conditions being imposed by any agency of the executive branch. Although, personally I am inclined to vote in favor of this bill, cognizant of the fact that millions of poor people will be helped, I am having serious reservations as a result of the matter which I will outline.

Beginning in May 1970, Mr. Robert McNamara, the president of the World Bank, was at the time fully aware of the tactics of the Greek military junta in Athens to use the loans of the World Bank to that country for domestic political purposes and to build up their image abroad. This deplorable effort was brought to the attention of the World Bank in 1970 by Elias P. Demetrapoulos, a leading opponent of the Greek military dictatorship now living in the United States and former newspaper editor, who escaped from Greece in September, 1967.

At that time, Mr. McNamara assured everybody concerned that he had warned the Greek military dictatorship that any further propagandizing of World Bank loans such as was crudely attempted by the Junta in 1970 would be sufficient cause for rescinding loans to the Greek military dictatorship. On December 24, 1973, the well-known syndicated columnists, Rowland Evans and Robert Novak, disclosed strong criticism last November by Congressman HENRY REUSS of Wisconsin of a September 12, 1972 \$24,500,000 World Bank loan to the Greek dictatorship given for Greek educational reform while college doors had been closed by the regime.

In this respect in a November 19, 1973, letter to Representative REUSS, chairman of the Joint International Economics Subcommittee, Mr. Elias P. Demetrapoulos noted that the Greek universities were again closed and added:

The objectives of the educational loan cannot be achieved, and the World Bank is, in effect, endorsing the junta's feeble attempts to explain away growing student and popular resistance by implementing the loan.

The Nixon administration through the Department of the Treasury replied on December 19, in effect affirming to Congressman REUSS its support of the Greek military dictatorship and stating that "while recent events confirm Greece's serious political problems, there is no objective economic evidence of which we are aware that would make it appropriate to raise the question of suspending World Bank loan agreements with Greece."

This highly critical column of Messrs. Evans and Novak against the Athens regime was completely distorted by the Greek controlled news media in order to convince the Greek people that the Nixon administration was responsible for the \$24.5 million loan from the World Bank, which was made to appear as an agency of the White House. This flagrant distortion, orchestrated by the Greek military dictatorship, was immediately brought to the attention of President McNamara on January 2, 1974 by Mr. Elias P. Demetrapoulos who sent to Mr. McNamara the following letter:

I am enclosing for your information four newspaper clippings, with translations, from four Greek language papers referring to the Evans and Novak nationally syndicated column of December 24, 1973, which criticized the relationship between the World Bank and the Athens military dictatorship. Both this column and my earlier correspondence with Mr. J. Burke Knapp, Senior Vice President of the Bank, dated May 12, 1970, make the point that the Greek dictatorship was and is exploiting the lending operations of the Bank group for political and propaganda purposes in Greece as well as abroad. I have enclosed copies of my correspondence with Mr. Knapp on this subject.

Taking into account the strict and complete censorship currently exercised over the Greek press media by the military censors, the enclosed newspaper clippings should prove to you beyond a shadow of a doubt the extent of fraud practiced by the Athens dictatorship at the expense of the World Bank group.

I am hoping that this latest example of the Athens junta's duplicity, in direct violation of the understanding on this point with the Bank, will finally cause you to order a basic review, leading to a suspension of the Bank's lending program to the Athens military regime.

It is my conviction that, under present circumstances, such a review and suspension will serve not only the best long term interests of Greece but also those of the World Bank group.

Mr. McNamara, on January 9, 1974, replied to Mr. Demetrapoulos stating among other things that:

With regard to the alleged political exploitation by Greek newspapers of the Bank's lending to Greece, if it has occurred, we strongly disapprove of it and would take steps to make our disapproval known. However, if there has been any publicity which might be deemed undesirable, this has happened precisely because these newspapers have been given a gratuitous opportunity to refer, more than a year after the announcement of the loan, to the article of December 24 in the Washington Post.

This reply of Mr. McNamara led to a second column by Evans and Novak on January 27, 1974, highly critical of the World Bank loans and attitudes toward the Greek junta.



I do strongly believe that if President McNamara and the World Bank group is allowing, without strong public protest and reprisals, the Greek military junta to use their lending operations to that country in order to bolster their shaky domestic and international position they are running the serious risk of seeing Congress become even more reluctant to go ahead with the Nixon administration's requests to replenish IDA funds. That is why I strongly urge this body to convey to the executive branch of our Government, the message that it will never again tolerate the use of World Bank lending operations to uphold brutal regimes like that of Greece by allowing them to propagandize these loans in the most fraudulent and shabby way. I do believe that the president of the Bank, Mr. McNamara, should be made fully cognizant of these feelings of the U.S. Senate.

I personally am appalled that President McNamara has allowed for the second time, the Greek junta to make propaganda use of the World Bank loans without applying his threat of 1970 that he would rescind the loans to Greece if this happened again. It did happen again, last December.

It should not have happened, and I for one will be hesitant to support future requests for funding of IDA if it ever happens again.

Mr. JAVITS. Mr. President, when I was temporarily absent from the floor and the duty was taken over by the Senator from Minnesota (Mr. HUMPHREY), the amendment on the possession of gold by Americans, which the Senator from Colorado (Mr. DOMINICK) had offered, was adopted.

I have very grave reservations about the advisability of the adoption of such an amendment, certainly on this bill, and generally, as a matter of policy, these reservations are very heavily shared in the Federal Establishment. I just wish to record that on the record so that my view on this matter may not be misinterpreted at some future time.

The amendment is deceptively simple. And the arguments in its favor are compelling on the surface. Nevertheless, I have serious reservations about the amendment, because of the effect it would have on the international monetary system, and of necessity on the strength of the dollar and our domestic economy.

The Treasury Department's views have been excellently stated by the Senator from Minnesota (Mr. HUMPHREY). In summary they point to the fact that we are currently engaged in very sensitive negotiations on the shape of the international monetary system. These negotiations are making progress, according to a well-defined timetable, and adoption of this amendment would suddenly confuse and throw into disarray the months and months of work which have gone before us. I take the Treasury Department's views very seriously, as I believe we all must when considering this amendment.

I would like for the record to mention some other points which did not surface during consideration of the amendment a few moments ago.

Notwithstanding the compelling arguments in favor of Americans holding gold, we must accept the fact that we live in the real world, and in the area of gold, the real world brings us face to face with the hard facts about the supply of and demand for gold which would ensue were this amendment adopted. The current free world production of gold in 1973 was approximately 36 million ounces. Of that, the United States consumes—through the jewelry trade, dentists, and industrial users—approximately 7 million ounces per year. We are, in fact, the largest consumer of gold, and we must import a considerable amount of that gold.

This means that any additional consumption of gold by Americans must be met entirely by imports, unless Treasury decides to sell off its limited gold supply. If the amendment were adopted by the Congress, the additional consumption could come through direct purchase by individual citizens if the amendment were put into effect. But a more immediate result of the amendment would be the growth of a domestic futures market for gold, which would siphon off additional gold stocks; it is a known fact that our commodities markets are well prepared to start trading gold futures within literally hours after the moment American citizens are allowed to hold gold.

Estimates as to the aggregate effect of these various demands on free gold stocks vary. On the one hand, Canadians—who are permitted to own gold—have not shown the penchant for developing private gold hoards as have, for example, the French; and some analysts conclude that the American experience would be more like the Canadian than the French. On the other hand, developments in other parts of our financial markets, and in such sectors of the economy as land development and art investment, indicate a growing frustration on the part of many Americans with paper investments and a search for something more solid and durable in value.

Outside estimates put the possible effect of 200 million Americans in the gold market at an additional 7 to 8 million ounces of gold per year. The effect of this demand on the present supply, and on the present market price of \$156 per ounce would be sudden and dramatic.

At the very least, a sudden rise in the gold price would widen further the cracks in the system which is being dealt with in the current international monetary negotiations. In particular, I refer to the very real temptation which the price rise would pose—especially among European countries—to reintroduce gold convertibility, which simply cannot be the solution to our monetary problems. This course of events would set the international monetary system back decades.

There would also be a direct and immediate effect on our balance of payments. Seven million ounces of imported gold at \$200 per ounce, for example, would add \$1.4 billion to the deficit side of our trade balance.

Mr. President, I would like to make one final point, for the RECORD. Refer-

ence was made during consideration of this amendment that the United States is one of the few countries where private citizens are not allowed to hold gold. I am advised that the United Kingdom imposes similar restrictions on its citizens.

In summary, Mr. President, I believe the very strong arguments in favor of Americans being allowed to hold gold must be weighed against the real consequences of adopting an amendment such as the one at hand. As the Senator from Minnesota made clear, we already have on the books a provision for giving Americans this privilege in a way that is consistent with an orderly international monetary system.

Mr. President, I again am prepared to suggest the absence of a quorum, without the time being charged to either side, or some other arrangement satisfactory to the Senator from Virginia.

Is that satisfactory?

Mr. HARRY F. BYRD, JR. Yes.

Mr. JAVITS. Without the time being charged.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HARRY F. BYRD, JR. Mr. President, I yield 10 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I certainly thank the distinguished senior Senator from Virginia for yielding to me. I shall stay well within the 10 minutes yielded to me.

#### THE MILITARY PROCUREMENT BILL

Mr. STENNIS. Mr. President, I am pleased to advise Senators that the Armed Services Committee report on the military procurement bill for fiscal 1975 will be filed with the Senate today. Printed copies of the report will be available to any Senator at the Senate Armed Services Committee, room 212, Russell Building. Several volumes of the printed testimony are available for any Senator at the committee, and all of the printed testimony will be available shortly.

Further, the Armed Services Committee has requested that this bill be taken up by the Senate for debate and final passage as soon as reasonably possible. Committee staff members will be available to assist any Senator in every way possible with the report as well as the printed testimony, and I invite each of the Senate membership to call on the staff for any assistance needed.

After reasonable debate and the consideration and disposition of any amendments that may be called up, I trust that this important bill will move to final passage as soon as reasonably possible and get the measure on to conference with the other body, which has already passed its version of the bill for fiscal 1975. It is only in this way that the ap-

appropriation bill for the Department of Defense for fiscal 1975 can move to the Senate floor for consideration. Hearings on the appropriation bill will be completed in a reasonable time, I am sure.

The Senate Armed Services Committee has had very complete and painstaking hearings on all major phases of the authorization bill, including the research and development requests. Many major phases of the bill have been gone over by highly competent subcommittees and the full committee has conducted extensive hearings on all phases of the bill that were not covered by the subcommittees. For almost 12 months our competent staff has done an unusual amount of work on the bill and the items contained therein.

I am fully convinced that this bill, as presented to the Senate, carries sufficient weaponry and manpower needs to afford us a very strong, highly competent, and modern military program.

Ultimately, in the times in which we live, our real and effective deterrent is our military strength. Diplomacy and summit conferences, of course, have a highly important place and are always to be greatly encouraged. I believe in that.

There is discussion as to whether or not President Nixon is going to Moscow soon for a summit conference. Assuming that the Soviets are willing, I hope that he does go. In fact, I think he should, all things considered. To meet present conditions, conferences should be held from time to time with willing nations and I feel that the President would be able to make some accomplishments and move forward some, at least, in the direction of peace.

The achievements, as I see it, would not necessarily be measured in terms of concrete agreements, but the fact that a conference was held and effort was made by both sides to reach agreements is an achievement toward peace within itself.

In the meantime, though—and I want to stress this point—I am convinced that we cannot afford to yet yield from a firm position of adequate military strength.

Even though I am greatly concerned over their cost, we must have the foremost and most modern frontline weapons and quality manpower in our military departments. When I say "front line weapons" or modern and foremost weapons I mean modern missiles, modern planes, modern submarines, and other seagoing vessels, modern ground weapons, all as good as technology can produce and money can buy. It is always a serious question, of course, as to how many such weapons we should have, but there is no doubt about the fact that they must be modern and first class.

I believe the military procurement bill as filed by the Senate Armed Services Committee fully meets these requirements.

Furthermore, there is another requirement. It is more essential than the military one I have just mentioned. This additional requirement is what is generally called quality manpower. Lacking this quality manpower, we lack everything. By quality manpower I mean men and women who have the qualities of

dedication, energy, talent, and training that is required to carry on with the peacetime problems and also wartime problems. These qualities must be so pronounced that they will withstand severe training and the ups and downs of military life.

Talking about making military life easy and soft, there is no such thing as it being soft and easy and at the same time having effective military units. There are going to be ups and downs, and there are going to be plenty of hard knocks, too.

Numbers are, of course, necessary, but numbers alone by no means make an effective military organization.

Our committee, and the Congress, is giving every support to the military services in support of the volunteer forces concept for our manpower. There has not been sufficient time yet to prove its worth but the responsibility of making it work is that of the military services.

This bill will be fully debated, which will be a wholesome thing. I hope we can fully consider the measure and any amendments offered within a few days.

Again, I thank the Senate leadership for arranging for the bill to be taken up.

Mr. President, Senators will notice I have not mentioned dates here, because the leadership was not able to give me a definite date, but I am hoping that action on this measure can begin as early as Friday of this week for the preliminary statements, the opening statements, and that we can move, then, perhaps next Monday, into further debate and the consideration of any amendments that may be brought up.

I thank the Senator from Virginia again for giving me the time for this advance notice, so that all parties will know about when this matter will come up.

The PRESIDING OFFICER. Who yields time?

#### TRIBUTE TO SECRETARY KISSINGER

Mr. HUMPHREY. Mr. President, I yield myself 3 minutes.

I rise for the purpose of noting for the Record here today the tremendous and significant accomplishment and achievement of Dr. Kissinger in his patient, persistent diplomacy in the Middle East, having made 13 visits back and forth between Damascus and Jerusalem, having been away from the United States in this delicate, sensitive negotiation between Israel and Syria longer than any Secretary of State in the history of our country; and today the President of the United States announced the agreement that has been reached between Israel and Syria as a result of Dr. Kissinger's effective personal diplomacy.

Every Member of this Congress and every citizen in America should be eternally grateful to Dr. Kissinger for this remarkable and significant achievement.

As the President has properly noted, there are many problems yet to be solved. But the two agreements of troop disengagement, first between Israel and Egypt, and now between Israel and

Syria, I think, stand us well for the possibilities of successful negotiations later on at Geneva on other more difficult and complex problems.

Mr. President, I ask unanimous consent that the text of President Nixon's announcement on the disengagement agreement between Israel and Syria be printed at this point in the Record.

There being no objection, the message was ordered to be printed in the Record, as follows:

WASHINGTON.—Here is the text of President Nixon's announcement of the disengagement agreement between Israel and Syria:

Ladies and Gentlemen: I have an announcement that will also be made today in Jerusalem and Damascus. The announcement reads as follows:

"The discussions conducted by United States Secretary of State Dr. Henry Kissinger with Syria and Israel have led to an agreement on the disengagement of Syrian and Israeli forces. The agreement will be signed by Syrian and Israeli military representatives in the Egyptian-Israeli military working group of the Geneva conference on Friday, this Friday, May 31."

Just a word about the significance of this development. It is obviously a major diplomatic achievement and Secretary Kissinger deserves enormous credit for the work that he has done along with members of his team in keeping this negotiation going and finally reaching an agreement when at many times over the past weeks it seemed that the negotiations would break down.

Also credit goes to the governments concerned which had great differences that had to be resolved. I have sent messages of congratulations to Prime Minister Meir of Israel and also to President Assad of Syria congratulating them with regard to the statesmanship they have shown in resolving differences that seemed totally without any prospect of resolution a month or so ago, and even, a matter of fact, over the past month.

This particular agreement, together with the agreement that was reached earlier on disengagement of Egyptian and Israeli forces now paves the way for progress in Geneva and, of course, with the various governments involved toward our objectives and, we trust, their objective as well of achieving a permanent peace settlement for the entire Mideast area. However, we should have in mind that despite the fact that these two agreements have now been reached that there are many difficulties ahead before a permanent settlement is reached. However, what was a major roadblock to any permanent settlement has now been removed. And I think the most difficult roadblock, the roadblock being the differences that have long existed between Israel and Syria.

As far as the United States is concerned we shall continue with our diplomatic initiatives, working with all governments in the area, working toward achieving the goal of a permanent settlement, a permanent peace and I can only say that based on the success in reaching this agreement in which the differences were so great that the prospects for reaching agreement on a permanent basis, I think now are better than they have been at any time over the past 25 years.

The agreement will be signed by military men from each side on Friday in the Egyptian-Israeli military working group of the Geneva Peace Conference, which Syria is expected to join. Kissinger and Soviet Foreign Minister Andrei Gromyko are co-chairmen of the Geneva Peace Conference.

The details will be announced officially on Thursday when Prime Minister Golda Meir will present it to the Israeli Knesset (parliament).



But it includes Israeli withdrawal to a cease-fire line in the Golan Heights, a buffer zone between the forces of the two countries, a thinning out of men and weaponry on both sides, a U.N. force to police the agreement and an exchange of prisoners of war. Israel radio said planes already were standing by to bring home the POWs.

The Egyptian Government hailed the Israeli-Syrian agreement as another victory for the Arabs that means another unilateral Israeli withdrawal from some captured Arab territory. An official said it is "a gain and an added strength to the Arabs."

President Nixon made the announcement in Washington at 1 p.m. EDT and his statement was broadcast by Damascus radio. Israel delayed announcement of its approval for half an hour later after a cabinet meeting that gave the final approval.

Nixon, in making the announcement on a nationwide television address, cautioned that in spite of the two cease-fires negotiated by Kissinger it did not mean that all the roadblocks had been removed toward a permanent Mideast peace.

"This particular agreement, together with the agreement that was reached earlier on disengagement of Israeli and Egyptian forces, now paves the way for progress in Geneva (for permanent peace)."

Wearied from 13 shuttles between Jerusalem and Damascus, Kissinger will start his thrice-postponed return home Thursday morning, stopping over for lunch in Cairo with Egyptian President Anwar Sadat and arriving back in Washington after dark.

Prime Minister Golda Meir invited officials to a party at her office at 8 p.m. to toast the agreement and in farewell to Kissinger.

While there were no official details, Israeli Government sources gave this picture of what the agreement would contain:

—Israel will withdraw from the 325 square mile salient captured in the 1973 Middle East war and from a sliver of the east Golan Heights taken in 1967, including the former administrative capital at Quneitra. Israel will keep three strategic hills west of the city.

—The buffer zone will be 1.2 to 3.6 miles wide, manned by about 1,250 troops of a United Nations disengagement observer force (UNDOF).

—Syrian civilians will return to Quneitra and the villages in the buffer zone under Syrian civilian administration.

—There will be a zone of limited forces on both sides of the buffer zone. In the first six miles on each side, Syria and Israel will be limited to 6,000 troops as well as 36 guns of 122MM caliber and perhaps 75 tanks. In a second six-mile-wide zone, there can be 450 tanks and unlimited troops but no missiles or long-range artillery.

—The United States is expected to give Israel assurances of political support in case of Israeli retaliation against Palestinian guerrillas who might have infiltrated from Syria. Syria refused to guarantee such infiltration would not occur.

A senior American official said the agreement would closely follow the Egyptian model. What will be released Thursday are the texts of the broad agreement themselves, expected to be short, and a map of the cease-fire line, buffer zone and thinning out zones.

Mr. HUMPHREY. Mr. President, I would hope Congress, in whatever form, fashion, or way it can, would express its appreciation to Dr. Kissinger for remarkable service to the cause of peace and for his great dedication to the well-being of the states involved in the serious conflict and dangerous situation in the Middle East.

I, for one, am very proud of him and proud to call him a friend. I feel as a citi-

zen honored that he represents us in diplomacy.

Mr. STENNIS. Would the Senator yield to me for just one sentence?

Mr. HUMPHREY. Yes, indeed.

Mr. STENNIS. I join in the sentiments expressed by the Senator from Minnesota in reference to this splendid work, remarkable work, that has been done by our Secretary of State, Mr. Kissinger, and commend him very highly in what was almost an impossible task.

It remains to be seen what the fruits of it will be, but I believe they will be great.

President Nixon, our Chief Executive, deserves great credit for this entire matter, which I believe is a far reaching and beneficial achievement in world affairs.

Mr. HUMPHREY. Mr. President, I always believed when a man achieved something that he was entitled to credit. In this instance, both the President and the Secretary of State are entitled to our thanks for this remarkable success, limited as it may be, but it is an important step.

Mr. GOLDWATER. Will the Senator yield?

Mr. HUMPHREY. Yes, I yield to the Senator from Arizona.

Mr. GOLDWATER. I would like to join the Senator in his comments on Dr. Kissinger. I think he has done an outstanding job, but I would feel remiss in my duty to my conscience if I did not remind this body that the President is responsible for foreign policy. Every bullet that has had to have a bite, the President has had his teeth on it, and he is responsible for the achievements in the Middle East of Dr. Kissinger.

Mr. HUMPHREY. I want to say to the Senator from Arizona that the Senator from Minnesota did so express his thanks to the President and the Secretary of State.

When we think the President is wrong, of course, we criticize him. When we think he is right, he is entitled to our respect and our praise. In this instance the foreign policy objectives of the United States, as enunciated by the President and carried out by the Secretary of State are commendable and deserve our expression of appreciation.

Mr. GOLDWATER. I am happy to be in agreement with my friend from Minnesota.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

#### U.S. PARTICIPATION IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION

The Senate continued with the consideration of the bill (S. 2665) to provide

for increased participation by the United States in the International Development Association.

Mr. HUMPHREY. Mr. President, I am going to move to table the Dominick amendment and I do so for two reasons.

First, this is the wrong time for this amendment. It will be a reflection on the effective policy of this Government in the Middle East and with the Soviet Union.

Second, and more significantly, the Senator from Illinois (Mr. STEVENSON), the chairman of the Subcommittee on Banking, Housing, and Urban Affairs, is already processing such an amendment. He is holding hearings and doing it the appropriate way in this body.

It would be a great mistake to circumvent the committee process and act precipitately on this proposal.

Mr. STEVENSON. Mr. President, the Committee on Banking, Housing and Urban Affairs has held extensive hearings on this subject. The authorizing legislation for the Export-Import Bank expires at the end of June. So within a month the Banking, Housing and Urban Affairs Committee will have its legislative report on this subject, and also a bill extending the authorization for the Export-Import Bank.

At that point, the Senate will be in a better position to act on all the issues associated with the Export-Import Bank's extension of credits.

So I would urge the Senate not to act now. To do so would be premature.

Mr. BAYH. Mr. President, I shall vote to table the pending amendment because the issue it raises is one now being considered in committee and due for considered Senate action in the near future. The distinguished Senator from Colorado (Mr. DOMINICK) raises a valid and important issue in offering his amendment.

However, because of the extremely serious nature involved in limiting Export-Import Bank loans, it would be far more responsible to deal with this matter following appropriate committee action.

In voting to table the pending amendment, and since my vote to table is not a vote in opposition to the purpose of the amendment, I should like to ask that the issue be brought before the Senate again in the near future for more considered action.

Mr. HUMPHREY. Mr. President, I now move to table the amendment offered by the distinguished Senator from Colorado (Mr. DOMINICK).

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota (Mr. HUMPHREY) to table the amendment of the Senator from Colorado (Mr. DOMINICK).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa

(Mr. HUGHES), the Senator from Hawaii (Mr. INOUE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from New York (Mr. BUCKLEY), the Senator from Kentucky (Mr. COOK), and the Senator from Florida (Mr. GURNEY) are necessarily absent.

I also announce that the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. FANNIN) are absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent attending a funeral.

The result was announced—yeas 59, nays 25, as follows:

[No. 217 Leg.]

YEAS—59

Abourezk	Griffin	Packwood
Alken	Hart	Pastore
Baker	Haskell	Pearson
Bayh	Hatfield	Percy
Beall	Hathaway	Randolph
Bellmon	Huddleston	Ribicoff
Bentsen	Humphrey	Roth
Biden	Jackson	Schweiker
Brock	Javits	Scott, Hugh
Brooke	Johnston	Stafford
Burdick	Kennedy	Stennis
Case	Magnuson	Stevenson
Chiles	Mansfield	Symington
Church	Mathias	Taft
Clark	McGee	Tower
Cranston	McIntyre	Tunney
Dole	Metzenbaum	Welcker
Eagleton	Mondale	Williams
Eastland	Moss	Young
Fong	Muskie	

NAYS—25

Allen	Dominick	Metcalfe
Bartlett	Ervin	Montoya
Bible	Goldwater	Nunn
Byrd	Hansen	Proxmire
Byrd, Jr.	Helms	Scott
Byrd, Robert C.	Hollings	William L.
Cannon	Long	Stevens
Cotton	MCClellan	Talmadge
Curtis	McClure	Thurmond

NOT VOTING—16

Bennett	Gravel	McGovern
Buckley	Gurney	Nelson
Cook	Hartke	Pell
Domenech	Hruska	Sparkman
Fannin	Hughes	
Fulbright	Inouye	

So the motion to table the Dominick amendment was agreed to.

Mr. MANSFIELD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

At the end of the bill add a new section as follows:

Civil Service Retirement Credit For Certain Language Instructors Of The Foreign Service Institute, Department of State.

Section 8332(b) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "and";

(3) by inserting immediately below paragraph (9) the following new paragraph:

"(10) subject to making a deposit provided for under section 8334(c) of this title, service performed after June 30, 1948, but prior to July 1, 1960, as a language instructor in the Foreign Service Institute, Department of State, under a non-personal-services contract, only if he later becomes subject to this subchapter.";

(4) by inserting immediately after the fifth sentence thereof the following new sentence: "The Commission shall accept the certification of the Secretary of State concerning service for the purpose of this subchapter of the type described in paragraph (10) of this subsection and performed by an employee."

Sec. 2. The amendments made by the first part of this section shall apply to individuals separated from Government service prior to, on, or after the date of enactment of this Act, and their survivors; but no annuity or survivor annuity, or increase in any such annuity shall be payable by reason of such amendments for any period prior to the first day of the first month which begins after the date of the enactment of this Act.

Mr. MANSFIELD. Mr. President, this amendment was passed by the Senate as a bill sometime in the last year. If my memory serves me correctly, the vote was unanimous, but no action has been taken in the other body.

The purpose of this amendment is to provide entitlement to credit under the civil service retirement system for periods of service of certain language instructors of the Foreign Service Institute of the Department of State, if the employee subsequently became entitled to retirement benefits. The employees involved were employed under so-called "nonpersonal-services contracts." The Comptroller General determined in 1960 that these contracts were unauthorized. Thereafter, the State Department appointed these language instructors as full-fledged employees. This bill would correct the administrative error insofar as retirement accreditation for the employees involved is concerned.

Twenty-eight people between 1948 and 1960 entered into non-personal-service contracts to perform duties as language instructors for the Foreign Service Institute of the Department of State.

Mr. President, I think this is only a matter of equity and fairness to the small number of people who have no protection as it is now, and I urge that the managers of the bill before the Senate accept the amendment.

Mr. HUMPHREY. Mr. President, the majority leader has spoken to us about this matter. It is perfectly obvious that this is something that needs to be done, and the Senator from Montana has seen fit to bring it here so that we can get justice for these employees.

I hope the Senate will agree with me and accept the amendment.

Mr. JAVITS. Mr. President, I am inclined to agree with the Senator from Minnesota in this matter. It is not a great matter. It is a matter on which we have acted. It may be possible to deal with it in this conference, and it may not. I will not stand in the way of it.

For the information of the Senate, however, as one of the managers of the bill, I am sure the majority leader would want me to state two things: One, this amendment may not be germane, and the unanimous consent was in the usual form, so germaneness could be raised. I am not raising it.

Second, Mr. President, I am informed by the staff that we are going to mark up a bill dealing with this subject, in the Committee on Foreign Relations, into which this amendment would fit. It is my belief, however, that the purpose of the majority leader is to put the matter forward so that it has attention. Often, what will happen in a conference is that there is an agreement to drop a particular provision, with a promise that it will be promptly included and facilitated in another bill.

For those reasons and having stated to the Senate the rights of any Senator will be protected if he wishes to avail himself of those protections, I shall not oppose accepting the amendment.

Mr. FONG. Mr. President, this matter came before the Committee on Post Office and Civil Service, which has jurisdiction over this matter. We did recommend its approval last time and it was passed by the Senate. We have no objection.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD pertinent information covering this amendment.

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

#### REPORT

[To accompany S. 2264]

#### PURPOSE

The purpose of this amendment is to provide entitlement to credit under the Civil Service retirement system for periods of service of certain language instructors of the Foreign Service Institute of the Department of State, if the employee subsequently became entitled to retirement benefits. The employees involved were employed under so-called "non-personal-services contracts". The Comptroller General determined in 1960 that these contracts were unauthorized. Thereafter, the State Department appointed these language instructors as full-fledged employees. This bill would correct the administrative error insofar as retirement accreditation for the employees involved is concerned.

#### BACKGROUND

Twenty-eight people between 1948 and 1960 entered into non-personal-service contracts to perform duties as language instructors for the Foreign Service Institute of the Department of State. After 1960, upon a finding of the General Accounting Office that such contracts were unauthorized, the contractors were appointed as employees. These employees contend that the manner of their employment before and after 1960 was the same, that personal services were provided in both instances, and that they are entitled to retirement credit for their pre-1960 service. Their recourse to administrative remedy through appeal to the Civil Service Commission has failed, apparently on the ground that they do not meet one of the criteria established for Federal employment, namely, that during the pre-1960 period they were not under the supervision and direction of a Federal office, a contention which they dispute. Nevertheless, they were engaged in Government work under terms



and conditions which should by law have recognized them as entitled to the status of Federal employees for retirement purposes.

This measure is necessary to correct the inequity created by an administrative error which excluded these men and women from Federal employment when they were in fact functioning as Federal employees.

It provides that the employees affected will be required to deposit to the Retirement Fund amounts equal to the amounts they would have contributed had they been on the Federal rolls during the periods of their non-personal-services contracts.

#### COST

The unfunded liability of the Civil Service retirement Fund would be increased by \$458,000 which would be amortized by annual installments of \$28,400 per year for 30 years as authorized by section 8348(f) of Title 5, United States Code.

This measure passed the Senate as a bill on or about Dec. 14, 1973.

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

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DOLE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

At the end of the bill add the following new section:

Sec. 2. Notwithstanding any other provision of law, the importation into the United States of all articles specified in items 106.10 (relating to fresh, chilled, or frozen cattle meat) and 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs)) of the Tariff Schedules of the United States is hereby prohibited. The prohibition on the importation of the specified meat and meat products shall be effective for a period of ninety days from the date of enactment of this Act, except that the prohibition may extend for a lesser period of time upon a determination and proclamation by the President that such lesser period of time is required by the national security interests of the United States.

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order. Will Senators conducting conversations please retire to the cloakroom? The Senate will be in order.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. JAVITS. Mr. President, a point of order. I wish to simply state I reserve the point of order.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, this is an amendment to the International Development Association Act to halt the im-

portation of certain meat and meat products for 90 days. The purpose of this bill is to provide temporary relief to the cattle and other meat producing industries during this immediate crisis and to permit a period for the reassessment of government action in the meat industry crisis.

The cattle industry in Kansas and throughout the country has been in a disastrous situation for the past 8 months and no relief is in sight at this point. A continuation of this situation can only result in wide-spread bankruptcy and economic ruin throughout the cattle industry and other meat industries.

#### CONSUMER HURT IN THE END

The most important point of this whole situation is that consumers will ultimately be hurt the most by economic disaster in the cattle industry, and this, Mr. President, is an issue that every member of this legislative body will have to answer to.

Cheap imported meat this summer may lower the food bill for housewives for a while, but the disruption in the domestic production of beef will ultimately lead to higher prices.

The present trend in the cattle business is that cow herds are being thinned, feed lots are being shut down, and there is a general decline in our ability to produce meat. The future outlook promises a continuation of this trend.

As every cattleman knows, it takes a 3-year cycle to increase the production of beef again once it has dropped. If our capacity to produce is hurt this year, consumers can ultimately expect a long and higher priced road back to an ample supply of tender and juicy choice beef.

#### FUTURE OUTLOOK SEVERE

Mr. President, the outlook for the cattle industry is especially severe for several reasons. First, cow slaughter and the thinning of cow herds is above normal. Second, we have a large inventory of beef in storage at this time. Third, there is a large supply of beef on the hoof presently existing in feed lots which must come to the market in the near future. Finally, since import restrictions have been implemented in Japan and the European Economic Community, we have seen the shipments of beef all over the world redirected to the United States.

All of these trends mean additional beef coming onto the U.S. market. The addition of increased imports will greatly contribute to the market glut and a disastrous situation in the livestock market. The only result can be widespread bankruptcy for cattlemen in Kansas and all across the country.

To provide temporary relief from this increase in imports, we need this 90-day embargo on the importation of meat, as I offer today.

#### GOVERNMENT ACTION AT FAULT

Cattlemen did not get into this predicament by themselves. Depression-level prices began last year because of price controls.

Putting price controls on the beef industry last summer encouraged the holding of beef until the artificial constraints were lifted. My colleagues will recall that a price freeze was kept on the retail beef

industry longer than for any other food sector. Repercussions have been felt throughout the cattle business ever since.

#### PRICE CONTROL FIASCO

Because of price controls, choice steer prices in Omaha dropped 27.4 percent from a peak in August to a low in December. After a brief respite earlier this year, the industry was hit again, this time by the truck strike.

The financial losses have been staggering. And Congress, because of its role in supporting or permitting price controls, bears part of the responsibility. In my opinion, we in the Congress, because of our failure to halt price controls sooner, should act all the more promptly to help the cattle industry by passing this legislation.

#### IMPORTS RISING

Since beef import quotas were lifted in 1972, we have seen the United States become "the world's dumping ground for beef." We have seen incoming shipments of beef rise to 1,354,000,000 pounds of beef in 1973.

In 1974, imports are expected to rise to 1.55 billion pounds. This is about 200 million pounds more than last year's shipment for an astounding increase of nearly 15 percent. Such a level of imports is equivalent to about 3.25 million head of cattle.

In terms of the overall beef industry in the United States, the 1.55 billion pounds of beef imports expected this year represents over 7 percent of the total quantity of beef produced in this country last year. Clearly this portion of the market is enough to have a harmful effect on prices.

And the true level and impact of beef imports this year may not have been properly evaluated yet. Large numbers of cattle are reportedly being fattened in Australia for export. This beef is expected to hit the U.S. market later this summer at the same time increased numbers of American cattle will be ready for sale.

#### MARKET DEPRESSED BY IMPORTS

The impact of beef imported into this country will be to further depress the market. This meat comes from countries where cattle are fattened for market on grass. While grass-fed cattle can be fattened more cheaply, the meat from these animals is not of the quality most desired by American consumers. The major portion of grass-fed beef will find its way into cheaper cuts such as hamburger and lunch meat.

The deluge of Australian meat expected later this summer will drive the market ever lower. The effect is likely to be that most commercial feedlots where prime American beef is produced will be driven out of business and the domestic output of meat will decline.

#### TRADE POSITION NOT AT STAKE

A final comment should be made about the effect an embargo of meat imports would have on our trade position. Some advocates of lifting import quotas have argued that reducing barriers would encourage other countries to do the same with the final result of liberalizing world trade and improving the sales of U.S. products overseas.

While this concept may appear to have some merit, it is difficult to see how such reciprocity would work in the production of beef. We have seen Japan, Canada, and the European Common Market close off imports of American beef.

The liberalization of world trade certainly holds great promise for American agriculture and for the meat industry in particular. However, the way to achieve this is not through the destruction of our livestock markets.

The lifting of import quotas in conjunction with similar action by other major beef consuming countries would be more rational. American cattlemen and other meat producers can compete in open markets on their own merits of efficiency and high quality.

However, to unilaterally keep import quotas off is to invite disaster.

Mr. President, it is to prevent disaster in the cattle and meat producing industries that I offer this amendment. It is to avoid ultimately higher meat prices for all American consumers that I urge every Senator to support this measure.

I ask unanimous consent to have printed in the RECORD a fact sheet by the Kansas Livestock Association describing the livestock industry in Kansas.

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

#### THE STATE OF THE KANSAS CATTLE INDUSTRY

The cattle industry in this country has suffered extremely severe financial losses over the past seven-and-one-half months. Hardest hit during this critical period have been cattle feeders because of their inherent "locked-in" costs and critical marketing time periods. However, if history is any indication, each of the other segments of the cattle producing and feeding chain will have incurred heavy losses before the readjustment period completes its cycle.

Briefly, there are three main reasons for this loss situation. First, an increasing consumer demand and a potential for profit have spurred cowmen to increase the number of beef cows over a period of several years. Secondly, Government action in 1973 in the form of price controls and then an extended price freeze completely disrupted any semblance of a normal marketing pattern. When the market finally began to develop a pattern, the third factor, the February truck strike occurred. The net effect of these factors was to create an oversupply of fat cattle ready for market. Especially the Government action made it impossible for the normal forces of supply and demand to operate. Today we not only have a "below breakeven" price for slaughter cattle, but we also have a great deal of uncertainty at all levels in the industry from ranchers to retailers.

Since the sales of cattle in Kansas during 1973 amounted to well over two billion dollars (\$2,044,000,000), the cattle industry's climate is particularly crucial in Kansas. The following facts are worth noting:

(1) Kansas feeders have sold approximately 1,650,000 head of slaughter cattle from October 1, 1973, to mid-May, 1974. Figuring the average loss at \$100 per head (which is conservative) the total loss has been \$165 million and some say closer to \$200 million.

(2) Kansas cowmen have approximately 2,000,000 beef cows on Kansas farms and ranches. Last year these cows were worth about \$500 each. This year they have an average worth of only \$350 each. This amounts to a \$300 million equity loss.

(3) Kansas stocker operators normally have about 2,000,000 stocker cattle on

hand . . . on wheat pasture, native grass or in growing programs of some kind. We estimate a conservative \$50 loss per head on these cattle which means a total loss on stocker cattle of \$100 million.

The Kansas cattle industry is a big one but even a two billion dollar industry cannot sustain actual losses of \$600 million. The outlook for late summer and fall is equally dismal. Assuming it takes \$200 to produce a 400 lb. calf, a price of \$40/cwt. is way below breakeven, putting cowmen in an even tighter cost squeeze when they begin marketing calves. Feeder and stocker losses will also continue unless things change.

#### BEEF IMPORTS

The Kansas Livestock Association has supported the principle of the Meat Import Act of 1964 which gives the President of the United States authority to limit meat imports, after giving special consideration to "the economic well-being of the domestic livestock industry". However, since June of 1972, the import quotas have been lifted. This has left the door wide open to foreign beef imports at a time when the domestic livestock industry is suffering through one of the most severe financial crises in history.

The KLA has called for an immediate embargo of beef imports into the U.S. This action is justified, we feel, for the following reasons:

1. Currently the United States is the only major importing nation with its doors wide open to beef imports. Japan embargoed beef and veal imports in February, 1974. The European Economic Community has taken a series of actions, the latest one on April 1 of this year, that has effectively cut off beef imports into the EEC. These two major importers have taken this action to protect their domestic livestock industries.

2. The imported beef coming into this country is not just low quality cow beef. According to the USDA's Foreign Agriculture Service, much of this product is now finding its way into the restaurant and institutional trade in direct competition with our domestically produced grain fed beef.

3. This year the FAS has estimated 1,550 million pounds of beef will come into this country. That's the equivalent of 3½ million head of cattle, 200 million pounds more than last year, for an increase of 14%. This projected increase could be quite conservative because it is common knowledge that Australia has been holding back on their export shipments because of the lower price structure. But, that production will have to come to market. At the moment, the only world market is the United States.

The summer of 1974 will be extremely critical for the U.S. beef industry. Since October of 1972, Kansas cattle feeders alone have sustained actual losses of at least \$165,000,000. This has wiped out profits of the past four years of cattle feeding. So far in 1974, these people are losing their equity capital.

Imports will play a key role in whether this industry is able to survive and continue to service the U.S. consumer with the quality domestic product that she has become accustomed to. The U.S. cattle industry needs and deserves the same protection that other countries have afforded to their domestic producers.

Mr. DOLE. Mr. President, I discussed this amendment with the distinguished Senator from Minnesota (Mr. HUMPHREY). I have pointed out to the Senator from Minnesota just how severe the impact has been in the State of Kansas. He indicated the impact has been as severe in the rural areas he has visited.

The PRESIDING OFFICER. The Senator will please suspend. The Senate is not in order. The Senator is entitled to be

heard. The Senator will suspend until the Senate is in order.

The Senator may proceed.

Mr. DOLE. Mr. President, in the State of Kansas alone the livestock industry is a \$2-billion industry. They have sustained a natural loss of over \$600 million in just the past 8 months. I say to those who are concerned about the price of meat for the consumer, or the price of meat at all, this is a matter of grave import and it has a great impact wherever cattle are raised. And this is not just for feeders, but for the stockers and cattlemen in general.

I believe this would be an appropriate amendment to this bill. The Senator from Minnesota disagrees, but I think he supports the effort I am making.

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

Mr. DOLE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I was privileged on Saturday of last week to go with our colleague and friend from South Dakota (Mr. McGOVERN) to South Dakota to attend a meeting of rural people, and particularly cattle people, in the eastern half of the State. There were several hundred of them in the sales pavilion and we were there to listen to what they had to say. We received literally a box full of questions, and when we looked over the questions from the farm producers, over two-thirds of them related to the price of beef cattle and hogs. Most of them were asking that the Government do something about the flood of imports which was having the effect of depressing the prices of cattle and hogs to the point where farm producers were going broke by the hundreds, where loans were being called in, and they were being wiped out.

Perhaps it is not easy for people who go into the supermarket to appreciate this fact. The Senator from Kansas is correct when he says that unless something is done instead of the price of beef being down in months to come, so many beef farmers are going out of business, as well as hog farmers, that the prices will be way up where they were before and be very unjust to the consumer.

Because of the unanimous consent we have on this bill, and because already there is legislation on the books relating to beef and beef production, I am asking the Senator not to press his amendment here. I, with the Senator from Kansas, shall appeal to the Secretary of Agriculture, to the President to use the law we have on the books which was passed in the 1950's, which will make possible some reasonable adjustment in terms of imports into this country which have a price depressing effect on producers of meat products.

I hope the Senator withdraws his amendment with that assurance and I will join him in whatever effort we can make to get relief for the cattle producers.

Mr. DOLE. I do plan to withdraw the amendment. I suggested to the Senator from Minnesota earlier that I do hope to take my case to the President. It is that important, not just for some special interest for the livestock industry, but in



the interest of all those who consume meat in this country.

The European Economic Community closed its doors to imports on April 1 of this year and Japan placed an embargo on beef and veal imports in February of 1974. Foreign shipments of beef to this country has reached the point where 7 percent of the meat consumed in the United States is imported, and it comes at a time when the livestock industry is literally on its back. Cattlemen understand the necessity of trade liberalization. They do not like embargoes, but they are just about out of business. And many feeders are already out of business. In our State, the feedlot sector of the cattle industry alone lost \$165 million.

I feel very strongly about this matter. I am pleased to have the support of the Senator from Minnesota, and I think a great many others here who represent the livestock industry hold similar views.

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

Mr. DOLE. I yield.

Mr. HUMPHREY. Of course, a point of order can be raised, as the Senator from New York indicated, on the amendment.

Mr. DOLE. Yes.

Mr. HUMPHREY. It should be clear for the record that, while the Senator from Kansas presses this amendment, he understands what the agreement includes, and therefore it would not be germane.

Mr. DOLE. Mr. President, I will withdraw the amendment, but first I yield to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, in this discussion of meat prices, my interest is heavily with the consumer. I understand the Senator from Kansas, but when he talks about controls in terms of trying to keep some handle on prices in a runaway inflationary situation everybody gets very religious. We do not want controls, but if things are not going well for them they immediately want the intercession of the Government to impose some kind of control, and the fellow who generally takes the licking is the fellow who pays the bill. Well, someday, although it may take an inordinate amount of time, and after I am gone, we are going to find that there are more of them than there are of us. Every time there is discussion of a formula and every time there is discussion of price controls, one would never think the consumer existed. It is high time that the tens of millions of American consumers begin to hold us to account for the totality of our acts. I say this because, from my experience, and the consciousness which does not seem to prevail here, that over 80 percent of the American people live in urban situations; they do not live in the country. They have to be able to buy these things, and these prices are out of reach. They have shown that they also know when to stop buying. They have found they do not have to eat meat.

They have found out that the most effective control known to man is to stop buying what is thought to be too costly.

So I hope that in the plans of my col-

leagues serious consideration will be given to it. Just as they want the consumers to take a long range view, paying more now but get more meat later, I hope that the representatives of the producers will take a somewhat long range view, too, and realize that we consumers cannot be exploited any more than they want to be exploited, and that whatever plan is presented may represent some balance between the consumer's desire for supplies but also fair prices.

I rise not to prolong the debate but only to serve the same kind of notice. Surely, Senators from States heavily affected by this matter are going to do their best along the lines already mentioned, but I hope Senators from heavy consumer States may also be aroused, so that in the tension between us we will come out with something that is fair to both sides and we do not have a situation where controls are out but the minute anybody gets in trouble the first thing he wants is controls.

I just say that because I think it needs to be said as, unfortunately, there seems to be some idea that when we are dealing with economics we are still some kind of bucolic society, which we are not.

Mr. DOLE. Let me say to the Senator from New York that I do not quarrel with what he says. We are having difficulty in this industry because of price control. The cattle industry suffered from an extra-long period of price controls. Then along came the truck strike, and the problem was even further aggravated.

So with reference to controls causing the livestock producers' problem, we are not suggesting more controls. But we have to protect a domestic industry which is a basic supplier of food and this Nation is becoming a dumping ground for the meat products of the whole world.

I yield now to the Senator from Wyoming.

Mr. HANSEN. I thank the Senator. Mr. President, I am happy to be a cosponsor of this amendment with him.

I would like to point out to the Senator from New York that if he would review the history of the cattle industry, it may be very enlightening. As a matter of fact, this is one industry which has not asked for, nor has it received, any special help in agriculture. We are the only segment in agriculture, as far as I know—

The PRESIDING OFFICER (Mr. McCURE). Will the Senator suspend? The Senate is not in order.

Mr. HANSEN. We are the only segment of agriculture that has not been under a price-support program for many, many years. Back in the early 1960's, when we were operating as we are operating today, on a market that was subject to whatever imports wanted to come into the country, and we would try to meet the competition as best we could, I recall very well that there suddenly developed a rather important demand for raw green cattle hides by Japan, and the tanners of this country, the shoe manufacturers of this country, some of whom may reside in the State of New York, called upon President Johnson to put an export embargo on hides, because if we continued to sell them abroad, as

we were then able to do, for about \$6 more than they could be sold for here, there was widespread fear among the consumers that my good friend from New York has alluded to that they might have to pay as much as \$2.50 to \$3.50 more per pair for their shoes.

So what happened? They slapped an export embargo on hides, despite the fact that we were willing then, as we are now, to get along without Government interference. I noticed it did not take very long for the overwhelming majority of those representing those consumers of this country to persuade then President Johnson that that action should be taken.

I cite that not to be critical of my good friend from New York but in the hope that by reviewing a little history he may be somewhat tempered in his view of the cattle industry. We have a good record. We happen to be good purchasers of American products, and we do not find the average rancher of this country buying too many products from foreign sources of supply. We will not find him employing very many foreign nationals; for the most part they are Americans. I am proud of that fact, and I would hope that the Senator might realize it is going to be easy for people to get out of this business. A number of people in the feeding business have lost as much as \$200 a head on cattle they are feeding this year.

All I can say is that if this business goes down the drain, it will be reflected throughout the economy, because a very significant part of everything America produces goes into the production of agricultural products, and the production of beef products in particular. I would hope we would keep those facts in mind as we try to reach a rational decision in attempting to meet this emergency.

I thank my colleague from Kansas.

Mr. DOLE. I thank the distinguished Senator from Wyoming. He is an expert on the livestock industry.

I think we have indicated there are two points of view. We also have indications that there is rather strong support for some relief of the livestock industry. Based on that assurance, plus my understanding of the unanimous consent agreement, I withdraw the amendment.

Before the amendment is withdrawn, I ask unanimous consent that the distinguished Senator from Oklahoma (Mr. BARTLETT) and the distinguished Senator from Wyoming (Mr. HANSEN) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment is withdrawn.

Mr. MAGNUSON. Mr. President, will the Senator yield to me so I may ask a question?

Mr. JAVITS. I yield 5 minutes to the Senator from Washington.

Mr. MAGNUSON. The Senator from Minnesota was very gracious to the Senator from Kansas when he said that if he withdrew his amendment he would be very glad to help him on the livestock problem.

The Senator from Washington is in doubt about this legislation for this reason. I understand many of these

loans would be to countries to produce more fertilizer plants, ammonia plants, and yet if there is one shortage in this country, it is the shortage of fertilizer. How can we justify lending part of our money for other people to produce fertilizer? I am sure under the bill people cannot get a loan to make more fertilizer in the United States. I am wondering what we do about our own resources. I am not talking about cattle now.

Mr. HUMPHREY. I understand.

May I respond to my very good friend from Washington? First of all, the countries that would get help under the IDA program for fertilizer are desperately in need of food. There is no amount of food we have that we can use to save them. The only way they can get it is through fertilizer.

In the second place, the fertilizer plants in our country are built by the petroleum industry, which is not short of money.

Mr. MAGNUSON. That is right.

Mr. HUMPHREY. So there is no need to help the oil industry to build the fertilizer plants. If IDA can help other countries build fertilizer plants, it will mean there will be more fertilizer here for ourselves.

Mr. MAGNUSON. I hope that is true.

Mr. HUMPHREY. That is true.

Mr. MAGNUSON. While the administration does something with its right hand, it does not seem to know what it is doing with its left hand. For instance, the administration supported a bill which would create plants to make more fertilizer, but by the same token would not allow, through an administrative ruling, farmers on the Pacific coast to make fertilizer for Alaska. All they had to do was make an administrative ruling, and they would not do that.

Mr. HUMPHREY. This bill is not a correction for stupidity. We worked on that a lot, but I would like to kind of work over some of the folks who have been so ruling. Would the Senator like to join me in some kind of cabal on that?

Mr. MAGNUSON. This was the Defense Department.

Mr. HUMPHREY. We can certainly join in that.

Mr. MAGNUSON. It seems to me we ought to use this occasion to alert ourselves to the fact that we have serious problems here, while we are lending money to other countries to take care of the same kind of projects over there. I would like to see both of them taken care of, and I assume the Senator from Minnesota agrees.

Mr. HUMPHREY. The Senator speaks my mind.

Mr. President, are we ready for the third reading?

Mr. President, will the Senator from New York yield back his time? First, I believe that the Senator from Virginia desires recognition.

Mr. HARRY F. BYRD, JR. Not at this time.

Mr. HUMPHREY. Mr. President, may we have third reading?

The PRESIDING OFFICER. If there be no further amendments to be pro-

posed, the question is on the engrossment and third reading of the bill.

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

Mr. HATFIELD. Mr. President, approval of the IDA bill would signal the world that the United States recognizes the magnitude of the problems facing the poorest countries, and will help try to solve them. From a moral and humanitarian perspective, we can do no less than see that our appetites as a country have put huge demands on the world's foods and its natural resources. As we have consumed more than our share of such limited resources, we must not fail to reach out a helping hand to other less fortunate countries of the world.

At a time when some foreigners question the United States' moral commitment to global concerns, approval of this bill is needed to show we will respond to basic human problems. Some people in public life in the United States look for a quid pro quo in legislation, and a list of the countries who could benefit from this legislation show that many of them have nothing to provide us of any immediate gain. Some legislators evidently feel that if such a relationship can be found, it will be easier to explain to tax-conscious voters at home.

Certainly voters want people to look at where their tax dollars go. Just as some question support for IDA, lots of others oppose moneys spent for planes that do not fly or fall apart, and tanks that are obsolete before being built. We should scrutinize some of the exotic plans that some of our military planners keep offering up with the same keen eye that have been turned to alleged shortcomings in this bill.

Humanitarianism to some may appear a passe phrase, one that was all right as long as we in the United States have everything we needed, but that lost its meaning at the first strains of discomfort here at home. I do not share this view. Global hunger and famine only contribute to a time bomb of human suffering. Its explosion can be defused by measures such as this.

Humanitarianism still means that we care about millions of starving people in Africa, and relief efforts in India and Pakistan. We should help the many smaller countries try to provide answers to tragic human suffering. It means we recognize that nationalistic concerns must be submerged when we are talking about the basic right to life of starving people. It means that the United States recognizes that discussions about moral leadership become hollow rhetoric unless backed up with action. "Do as I say, not as I do" will not work. Approval of IDA will show the poorest countries of the world that the United States can respond to the human problems they face with programs such as this one before us now.

I urge approval of the IDA bill.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself such time as I shall require. However, I shall take only 2 or 3 minutes. I shall then be prepared to yield back the remainder of my time.

Mr. President, the current budget al-

ready provides \$10 billion for foreign aid. That does not include the \$8 billion for the Export-Import Bank.

Earlier today I had printed in the RECORD a breakdown of all of the foreign aid commitments. The proposed legislation now before the Senate is for \$1.5 billion over and above these other figures. This would go to the World Bank, which would get that \$1.5 billion.

We must borrow the funds at 9 percent interest and turn them over to the World Bank, which will in turn loan those funds to other countries at 1 percent interest.

The able senior Senator from Missouri (Mr. SYMINGTON) brought out in debate this afternoon that other countries take that money and lend it to companies within those countries at interest rates anywhere from 12 to 20 percent.

So we are not talking in this bill about feeding the hungry, or anything like that. I note in the report of the committee and the hearings that the distinguished senior Senator from New Jersey (Mr. CASE) brought out that 40 percent of all the funds of the International Development Association will go to India. We know what happened there last week. India developed a nuclear weapon. She had obtained over the years a very high percentage—well above 40 percent—of all of the funds at the soft loan window of the World Bank. So what we have been doing has been to help India develop a nuclear weapon.

Mr. President, it seems to me that in a time of high inflation in this country, the Senate cannot justify borrowing money at 9 percent and turning it over to other countries at 1 percent interest, repayable to the World Bank in some 40 to 50 years.

I do not oppose, as I think Senators know, participation by the United States in helping poor and starving people. That is not the issue, however. The people of the United States have proved that they are the most generous people that the world has ever known. We have given \$160 billion to other countries. We have lent them billions of dollars, many more billions of dollars than will ever be repaid. Ten billion dollars is provided for foreign aid in the current budget. The issue before us is not whether the United States is a generous nation. Our generosity has been established. No one can doubt the generosity of the United States.

What is before us is this: Will the United States, faced with one of its worst inflations in history, weighed down by the burden of Government deficit, give \$1.5 billion more in tax funds paid into the Treasury by hard-working, hard-pressed taxpayers on top of the \$10 billion in the foreign aid program already contained in the budget.

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

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I say to my good friend, the senior Senator from Virginia, that I appreciate his tenacity, his persistence, and his basic belief in taking this position.

One of these days, I hope that I will



have the chance to manage a bill that is popular.

Mr. HARRY F. BYRD, JR. We have a popular bill according to the way Senators have voted. It is a very unpopular bill according to the way the Members of the House of Representatives voted. The House of Representatives voted this bill down.

Mr. HUMPHREY. We are going to work on them. We are going to pray for them, and salvation and redemption will all come on the same day.

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

Mr. COTTON subsequently said: Mr. President, I was off the floor in a committee conference and I had intended to speak briefly before the bill was passed. I came back just as the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was making his remarks. I would have contented myself, had I had time, to associate myself with everything he said, because he expressed exactly my sentiments and my reasons for voting nay.

Mr. JAVITS. Mr. President, the point which has been made by the distinguished Senator from Virginia has been effectively made, as the Senator from Minnesota has said.

I do not wish to delay the Senate 1 minute in voting upon this matter. However, I should like to give one figure. According to our understanding, we are doing the least for the poorest nations in the world. According to the very hard-headed program administered by the best administered agency in the world, the World Bank, our people in the United States contributed for charitable purposes, according to the 1972 tax returns, \$13,200 million. The number of itemized returns were 27 million. The average charitable contribution per return was \$512.

IDA takes \$1.50 from every American. It seems to me, Mr. President, that when, relatively speaking, a nation is where we are, with such an enormous part of the world's gross product, this is something that should be considered. We contribute only one-third; other nations contribute two-thirds. Under these conditions, human decency dictates our doing this.

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

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is, Shall the bill pass? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from South Dakota (Mr. McGOVERN). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. JOHNSTON (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Alabama (Mr. SPARKMAN). If he were pres-

ent and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. HUGHES) and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from New York (Mr. BUCKLEY), the Senator from Kentucky (Mr. COOK), and the Senator from Florida (Mr. GURNEY) are necessarily absent.

I also announce that the Senator from New Mexico (Mr. DOMENICI) and the Senator from Arizona (Mr. FANNIN) are absent on official business.

I further announce that the Senator from Nebraska (Mr. HRUSKA) is absent attending a funeral.

The result was announced—yeas 55, nays 27, as follows:

[No. 218 Leg.]  
YEAS—55

Abourezk	Hart	Pastore
Alken	Haskell	Pearson
Baker	Hatfield	Percy
Bartlett	Hathaway	Proxmire
Bayh	Huddleston	Randolph
Beall	Humphrey	Ribicoff
Bellmon	Jackson	Roth
Bentsen	Javits	Schweiker
Biden	Kennedy	Scott, Hugh
Brook	Magnuson	Stafford
Brooke	Mathias	Stevens
Case	McGee	Stevenson
Chiles	McIntyre	Taft
Church	Metcalfe	Tower
Clark	Metzenbaum	Tunney
Cranston	Mondale	Welcker
Eastland	Moss	Williams
Fong	Muskie	
Griffin	Packwood	

NAYS—27

Allen	Dominick	Montoya
Bible	Eagleton	Nunn
Burdick	Ervin	Scott,
Byrd,	Goldwater	William L.
Harry F., Jr.	Hansen	Stennis
Byrd, Robert C.	Helms	Symington
Cannon	Hollings	Talmadge
Cotton	Long	Thurmond
Curtis	McClellan	Young
Dole	McClure	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Johnston, against  
Mansfield against

NOT VOTING—16

Bennett	Gravel	McGovern
Buckley	Gurney	Nelson
Cook	Hartke	Pell
Domenech	Hruska	Sparkman
Fannin	Hughes	
Fulbright	Inouye	

So the bill (S. 2665) was passed, as follows:

S. 2665

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Development Association Act (22*

U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

"Sec. 14. (a) The United States Governor is hereby authorized to agree on behalf of the United States to pay to the Association four annual installments of \$375,000,000 each as the United States contribution to the Fourth Replenishment of the Resources of the Association.

"(b) In order to pay for the United States contribution, there is hereby authorized to be appropriated without fiscal year limitation four annual installments of \$375,000,000 each for payment by the Secretary of the Treasury."

SEC. 2. That subsection 3(c) of Public Law 93-110 (87 Stat. 352, September 21, 1973) is amended by deleting all of such subsection and inserting in its place the following:

"(c) The provisions of this section, pertaining to gold, shall take effect September 1, 1974."

CIVIL SERVICE RETIREMENT CREDIT FOR CERTAIN LANGUAGE INSTRUCTORS OF THE FOREIGN SERVICE INSTITUTE, DEPARTMENT OF STATE

SEC. 3. (a) Section 8332(b) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "and";

(3) by inserting immediately below paragraph (9) the following new paragraph:

"(10) subject to making a deposit provided for under section 8334(c) of this title, service performed after June 30, 1948, but prior to July 1, 1960, as a language instructor in the Foreign Service Institute, Department of State, under a non-personal-services contract, only if he later becomes subject to this subchapter."; and

(4) by inserting immediately after the fifth sentence thereof the following new sentence: "The Commission shall accept the certification of the Secretary of State concerning service for the purpose of this subchapter of the type described in paragraph (10) of this subsection and performed by an employee."

(b) The amendments made by subsection (a) of this section shall apply to individuals separated from Government service prior to, on, or after the date of enactment of this Act, and their survivors; but no annuity or survivor annuity, or increase in any such annuity shall be payable by reason of such amendments for any period prior to the first day of the first month which begins after the date of the enactment of this Act.

Mr. HUMPHREY. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE FATE OF THE AMERICAN SERVICEMEN STILL UNACCOUNTED FOR IN SOUTHEAST ASIA

Mr. BARTLETT. Mr. President, I was very much concerned and offended by a recent wire service report claiming greed and bad faith on the part of the families of our servicemen still missing in action in Southeast Asia and on the part of VIVA, Voices in Vital America, the organization which represents these families.

The article suggests that families are resisting a termination of missing status so they may continue receiving the serviceman's benefits. Likewise, the report suggests that VIVA has a vested interest in keeping the status uncertain.

Mr. President, my contact with these families, as well as with VIVA, has been quite to the contrary.

My impression has been of families and an organization whose sole interests are in finding out the fate of these missing servicemen. They cannot understand a change in a man's status, from missing to dead, when no new information has been received.

The North Vietnamese continue to resist our efforts to gain new information about the missing men.

I hope that world opinion eventually will convince the North Vietnamese to cooperate. If they have any sense of humanity, they will not continue their scheme of silence.

Mr. President, these families have endured enough without having to suffer the humiliation of articles such as this.

While there may be persons who abuse our system, let us not condemn the barrel because of a possible few bad apples.

As for me, I believe we should redouble our efforts to determine what has happened to the more than 1,000 men who are still unaccounted for in Southeast Asia. If it takes 10 more years, let's not give up until the fate of every man is determined. We cannot forget these men or their families. They have given far too much to be treated with anything less than the utmost respect.

#### VIRGINIA'S COLLEGES AND HEW: A SPEECH IN THE SENATE

Mr. HARRY F. BYRD, JR. Mr. President, once again, Virginia and a number of her sister States find themselves confronted with demands from the U.S. Department of Health, Education, and Welfare for imposition of racial quotas in their educational systems.

These kinds of demands, so long a source of controversy in the elementary and secondary schools, now are being made with regard to institutions of higher education.

It is true that HEW denies that it is seeking to impose quotas. It uses such words as "goals" and "estimates." But a quota by any other name is still a quota.

In Virginia's case, HEW has gone beyond the quota demand. The Department's Office for Civil Rights has asked that the Governor of Virginia effectively surrender his authority to make appointments to the boards of visitors of State-supported colleges—an authority which he must exercise under the statutes of the State.

Yesterday the Governor of Virginia, the Honorable Mills E. Godwin, Jr., had delivered to HEW a document of some 900 pages outlining the latest plans of the State for affirmative action to maintain equality of opportunity in higher education.

This document represents the latest step in a dialog between the State and HEW which began in 1969. It is the seventh major, separate submission of information requested by HEW and prepared by State officials.

Examining this new document and some of the earlier submissions, I find myself wondering how the officials charged with responsibility for higher

education in Virginia have had time to do anything but prepare reports for HEW over the past few years.

It seems to me that a great deal of this enormous paperwork burden has been imposed unnecessarily on the State.

It is the position of Governor Godwin, and it was the position of his predecessor, that in the area of higher education, Virginia is in compliance with the Civil Rights Act of 1964.

No person in Virginia is excluded from participation in, denied the benefits of, or subjected to discrimination under any higher education program receiving Federal assistance—and that is the exact requirement of the Civil Rights Act of 1964.

The record shows the affirmative action which Virginia has taken in the area of equal opportunity, and the results of that action.

From 1969 to 1973, minority enrollment in 4-year, State-supported institutions increased by 78 percent. The majority of this increase was in predominantly white colleges: minority enrollment in predominantly white colleges increased 344 percent, while white enrollment in these institutions rose by only 26 percent.

Moreover, white enrollment in predominantly black institutions has increased 132 percent, while black enrollment in these schools rose by only 37 percent.

But HEW is not satisfied.

It continues to seek the imposition of quotas—although it uses other names for these quotas. Quotas are discriminatory and do violence to the constitutional rights of individual citizens.

In addition HEW is now seeking assurance from the Governor of Virginia that he will abandon his statutory responsibility to exercise his own best judgment in selecting members of the boards of visitors of the State-supported institutions of higher education.

In a response to a Virginia plan submitted in February of this year, the Office for Civil Rights of HEW included this language. I am quoting now from the Department of HEW:

We are apprised that the president of each institution makes recommendations to the Governor as to appointments to the board of visitors of that institution. We seek from the president of each institution, in the revised plan (and this includes the community college system), a commitment that each president will take all reasonable steps to identify blacks for positions on the board of visitors, and that the Governor will appoint such individuals.

No reasonable Governor in my judgment, could acquiesce in such a demand. The people of Virginia elect the Governor, and the laws give to him the responsibility for appointments.

In a letter accompanying the State's latest submission to HEW, Governor Godwin ably set forth the State's position. He made these important points: First, Virginia is in compliance with the Civil Rights Act of 1964.

Second, Virginia has continued and will continue to insure the maintenance of equal opportunity in higher education.

Third, Setting quotas for minority

participation in institutions of higher education would not be educationally sound.

Fourth, The Governor of Virginia cannot legally agree to relinquish his statutory responsibility for appointments to boards of visitors.

I commend the Governor for his sound and forthright position. And I condemn HEW for its demand that Virginia's Governor surrender his legal responsibility for appointments.

I call upon the Department of Health, Education, and Welfare to recognize Virginia's compliance with the Civil Rights Act of 1964 and the State's continuing commitment to equal opportunity in higher education.

Mr. President, I ask unanimous consent that the letter of Governor Godwin dated May 28 and addressed to Mr. Peter E. Holmes, Director of the Office for Civil Rights, be printed in the RECORD at this point.

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

COMMONWEALTH OF VIRGINIA,  
OFFICE OF THE GOVERNOR,  
Richmond, May 28, 1974.

Mr. PETER E. HOLMES,  
Director, Office for Civil Rights, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. HOLMES: You will find attached a copy of "The Plan for Equal Opportunity in Virginia's Institutions of Higher Education: A Shared Responsibility." This most recent plan has been refined in response to your letter to me dated April 19, 1974.

The attached plan is a single document and has been written in a format which will allow easy identification of the parts of the plan and the nature of the shared responsibilities of the state-supported institutions, as well as those of the State Council of Higher Education. This format has required that portions of material submitted at earlier dates be rewritten for inclusion in a consolidated form. The attached plan does not negate any commitment made in any earlier material submitted to you by any Virginia institution or agency.

Let me reiterate my strong belief that Virginia is in full compliance with Title VI of the Civil Rights Act of 1964 and that Virginia has taken those affirmative actions necessary to ensure continued compliance and to move us forward into a leadership position in the important area of equal opportunity in higher education. The attached plan clearly states Virginia's commitment to equal opportunity for all students and to those affirmative actions which would assist minority students attending Virginia's institutions.

The citizens of Virginia see dramatic progress on every hand as they observe the institutions of higher education in relation to Title VI. This progress can be clearly demonstrated by the results of the past five years. At four-year, state-supported institutions from 1969 to 1973, minority student enrollment increased to 14,007. This is an increase of 6,156 or 78 percent. The majority of this increase in minority student enrollment, 58 percent, was in Virginia's predominantly white colleges. They enrolled 4,618 minority students in the fall of 1973. This is an increase of 344 percent over 1969, and while minority enrollment was increasing at this rate in predominantly white colleges, the enrollment of white students was increasing 26 percent.

Of the increase in student enrollment in predominantly white senior colleges since 1969 (20,809), approximately one minority



student has enrolled for every five white students. This enrollment pattern closely reflects the fact that approximately 20 percent of Virginia's public high school graduates are minority students.

The enrollment of minority students in Virginia's community colleges is equally dramatic proof of Virginia's successful programs of equal opportunity in higher education. From 1969 to 1973, minority student enrollment increased by 382 percent to 6,675 students. Minority students as a percentage of total enrollment have more than doubled in these five years to nearly 13 percent, the enrollment of white students increased by 116 percent.

The increased enrollment of white students in predominantly black colleges is also clear. While the total numbers are not large, the rate of increase and trends of the past five years show that white student enrollment has increased 132 percent since 1969—to 522 students for the fall of 1973. This increase compares with a rate of increase of 37 percent for minority students in predominantly black colleges. Of the enrollment increase of 2,874 students in these colleges, approximately one white student enrolled for every eight minority students. This trend of the past five years has led to an increased white minority presence in the state's predominantly black colleges.

As Governor of this Commonwealth, with a deep personal commitment to education, I will continue to work for quality education and to make my decisions—and to encourage others in the decision making process to make their decisions—on sound educational bases. Because of this commitment I must state my strong reservations on two points in your letter of April 19, 1974.

First, I do not believe the educational programs or, for that matter, the affirmative action programs of our institutions would be benefited by setting quotas for minority participation in institutions of higher education. I firmly believe that any planning process must have a goal which all those involved strive to attain. In Virginia, this goal is to provide equal opportunity in higher education for all of Virginia's citizens. I believe we have attained this goal and that our future actions will continue to ensure equal opportunity in higher education without regard to race.

Second, substantial progress has been made in the last several years in the appointments of blacks to the boards of visitors of the predominantly white institutions. I made the first such appointment as Governor in 1966. The appointment of members of public boards is a statutory responsibility vested in this state's chief executive and I cannot bind myself in advance to accept recommendations from whatever source they may come. In short, I cannot abdicate this responsibility. As Governor, I make appointments to boards based upon the qualifications of the individuals appointed. To do otherwise would be contrary to my oath of office and compromise my own conscience.

Again, I believe the attached plan sets out Virginia's commitment to equal opportunity in higher education and completely fulfills the requirements of Title VI of the Civil Rights Act of 1964. I firmly believe it is now time for the Office of Civil Rights to recognize the progress we have made and to help Virginia continue its movement forward in providing quality education for all our citizens.

Sincerely,

MILLS E. GODWIN, JR.

Mr. THURMOND. Mr. President, will the able and distinguished Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. I am delighted to yield to the distinguished senior Senator from South Carolina.

Mr. THURMOND. Mr. President, I commend the distinguished Senator from Virginia for calling this matter to the attention of the Senate. If the information contained in the statement by the able Senator from Virginia is correct—and I am sure it is, coming from him—then I think it is an example of what HEW may be attempting to do not only in Virginia now but in other States of the Nation as well.

If HEW can coerce the Governor of Virginia to give up his right of appointment to the various boards and commissions to which he has authority under the law and to which he is mandated under the law to make appointments, and to appoint other people whom he may not consider as well qualified, then we have reached a sorry state in this country.

I hope that the Governor of Virginia, who is a very able Governor and a very fine, patriotic citizen, will protest this to the utmost and, if necessary, take it to the courts of the land.

It does not make any sense at all that some bureaucrat here in Washington can tell the Governor of a great Commonwealth of this Nation, a sovereign State of this Nation, that he must appoint certain people to office or that he must follow the recommendation as to certain people who have been recommended to him for appointment to office, and deny him his discretion, his good judgment, and his reason in selecting other people whom he may feel are better qualified.

Mr. President, this is a matter that is very far reaching. In 1954, when Brown against Board of Education was decided, it was determined that no child of any race could be excluded from any school. Now the courts have gone further, and they are holding just the opposite—that you can force a child of one race to go to a school of another race just to bring about racial balance.

In this case, HEW is going still further. They are attempting to tell the Governor of a State that he must give up his prerogative to choose the person he thinks is the best qualified for appointment and that he should appoint someone else.

I believe in a fair opportunity for everyone; but if the Federal Government keeps on eroding the rights of the States, if it keeps on chipping away the powers of the States, the States will be nothing more than territories. After all, we have 51 sovereign governments in this country. We have 50 States governments and a Central Government in Washington known as the United States of America, commonly called the Federal Government. These States have powers under the Constitution. They have all the powers of a foreign nation, in fact, except those which were delegated to the Federal Government in the Constitution or in some amendments since the Constitution was adopted.

This is a thrust, an assault, on the rights of the States of this Nation. Every Governor in this country ought to rise and join the Governor of Virginia in protesting this unreasonable, illegal, and unwise act that is being taken by HEW.

I cannot believe that the President of the United States would approve this action. I cannot even believe that the able Secretary of HEW would approve it. But there are many bureaucrats in this Government; and when one of them takes a step such as this, which goes so far, it seems to me that the time has come to call a halt.

I commend the distinguished Senator from Virginia for the fine presentation he has made here and the service he has rendered in calling this matter to the attention of the people in the Nation.

Mr. HARRY F. BYRD, JR. Mr. President, what a powerful speech the able senior Senator from South Carolina has just made on behalf of a basic principle. The Senator from South Carolina has served as Governor of the State. He is one of the great Governors of South Carolina, one of the great Governors of the United States. I know that he would not have submitted to the Federal Government attempting to dictate to him how he should carry out his constitutional responsibilities to the people of South Carolina who elected him to that high office.

I know well the Senator from South Carolina's conviction as he expressed it on the floor a moment ago. I know well the present Governor of Virginia, Mills Godwin. He and I went to the legislature the same day in 1948. We have been close and dear personal and political friends ever since. I know that he will not submit to the Department of Health, Education, and Welfare, in the city of Washington, to any demands made by them that he surrender the responsibility given to him by the people of Virginia and the laws of Virginia to make the appointments of the best qualified individuals to the high positions in State government.

I am very grateful, indeed, to the Senator from South Carolina, and I am certain that the majority of the people in the State I have the responsibility to represent would be equally grateful to him for his comments today.

I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I, too, want to associate myself with the eloquent remarks of the Senator from Virginia and those of my good friend, the Senator from South Carolina (Mr. THURMOND).

As the distinguished Senator from Virginia knows, the agonies being experienced by his State of Virginia at the hands of bureaucrats in the Department of Health, Education, and Welfare are identical to the problems of at least nine other States, my own State of North Carolina included.

This is just another of those "class action" matters contrived by lawyers either paid by or subsidized by the American taxpayers, under the so-called legal services program. It is no accident, I would suggest to the distinguished Senator from Virginia, that there are almost identical and simultaneous pressures being exerted by HEW in 10 States.

Mr. President, it would be one thing if there were evidence of discrimination—or, as the case may be, a denial of equal treatment under the law. But what the

distinguished Senator from Virginia has described, and what his distinguished Governor is protesting, is the thrust of contrived racial quotas and other usurpations of the very clear prerogatives of State government and the administrators of State educational institutions.

This is happening, as I say, in my own State, and it is an absolute absurdity, Mr. President, for there to be such an assault by HEW and the Federal courts on the University of North Carolina. Indeed, it is the height of irony that the University of North Carolina has leaned over backwards, in the view of many, to go along with the process of racial desegregation. I think it can be said without fear of contradiction that the University of North Carolina has been one of the most liberal universities in the entire country in that regard.

Yet, according to news reports from my own State and based on conversations with the Governor of North Carolina, the Federal Government is attempting to impose requirements that simply cannot be met under the budgetary process of the State of North Carolina, let alone the normal processes of government.

So I feel, Mr. President, that it is about time that Congress did some serious thinking about how the Federal Government is hamstringing the development of education in Virginia, North Carolina, and the eight other States suffering under the yoke of Federal arrogance. No other description can be given to it. It is arrogance; it is an abuse of power.

The president of the University of North Carolina, I dare say, has been able to spend precious little time running the university. That is the job for which he was hired. No, he spends his time trying to meet the whims and caprices of bureaucrats who descend on him constantly. I would not be surprised if the same is not true in Virginia, Maryland, Georgia, Florida, South Carolina, and other States involved in this situation.

It is a waste of valuable time of educators; it is a waste of money, which is already in too short supply. All in all, it boils down to a sort of tyranny, and the victims of it are the young people who have a right to expect that they will be educated in and by institutions which are permitted to concentrate on the quality of education instead of on the quality of integration.

As the distinguished Senator from Virginia said, violence is being done, actually, to the constitutional rights of individual citizens.

And all of this, Mr. President, is being prompted by so-called class action suits and other contrivances which are being financed by the same taxpayers who are burdened by this Federal nonsense.

I commend the distinguished Senator from Virginia and the Senator from North Carolina for their forthright statements. I commend the distinguished Governor of Virginia who has not hesitated to speak out on this matter. I join the Senator from Virginia in the hope that the distinguished Governor Godwin will pursue this matter. I hope that soon there will be a return to sanity in some

of the agencies of the Department of Health, Education, and Welfare, and in our Federal courts. There is certainly a crisis of deficiency there now.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from North Carolina has made a tremendous contribution to this discussion and he has been tremendously helpful to the State of Virginia in pointing out that this demand on Virginia is broader than just Virginia itself. He has pointed out that eight other States beside Virginia are involved in these demands being made upon them by the Department of Health, Education, and Welfare.

I submit that the departments here in Washington have lost sight of what the Senator from North Carolina just said is so very important; namely, that we ought to provide an education for all children in each of the States involved and the children themselves are hurt the most by the tactics and demands being made from Washington on the administrator of these programs in Virginia.

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

Mr. HARRY F. BYRD, JR. I yield.

Mr. HELMS. I had a conversation with an important administrator in education in my State this afternoon. He said:

I am ready to quit. I have had Federal bureaucrats looking over my shoulder to the point where I can no longer do my job. Everything we do is wrong. Every day there is a new regulation or a new requirement. There are 25 new requirements lying on my desk now we cannot possibly meet and I have to answer them by June 10.

I think that is the date he said. I submit this is tyranny and it should not be.

Mr. HARRY F. BYRD, JR. It is tyranny. I agree thoroughly with the Senator. It should not be permitted by the executive branch of Government. I think the people of this country are fed up with having their lives run from Washington.

During the last recess, the Memorial Day recess, instead of taking a vacation, I went through parts of four counties in the southwestern part of my State: Wise County, Russell County, Smith County, and Washington County. Wise County is a very important county with a heavy coal mining operation; Washington County is heavily involved with cattle; Russell County is a diversified county. It is a splendid and beautiful area.

But everywhere I went people were talking about the continued domination by Washington. I think people are more aware of it than these Washington bureaucrats realize. I think these people ought to get away from Washington. I think the people who administer these programs should go out and discover what the people think in the States, and the counties, and in the localities of our Nation.

I want to get back for just a moment to the unusual demand made by HEW on the Governor of Virginia, and I wish to quote two sentences from his reply. This is on the question of committing himself in advance to make appointments of any names that might be submitted to him. These two sentences were in Governor Godwin's letter:

In short, I cannot abdicate this responsibility. As Governor I make appointments to boards based on the qualification of the individuals appointed. To do otherwise would be contrary to my oath of office and compromise my own conscience.

I admire that position taken by Governor Godwin. I think he is exactly right. I think the Department of Health, Education, and Welfare is exactly wrong in demanding that he surrender to them this statutory power of appointment which resides in the office of Governor.

These people in Washington were not elected to be Governor of Virginia. We had an interesting election in Virginia last November and the people of Virginia made their choice. They chose Mills Godwin as their Governor and under the laws of Virginia he has the responsibility, as well as the right to make appointments to the various boards. Yet we find a group here in Washington wanting him to commit in advance that he will make appointments based on what someone else thinks the appointments should be.

So I am very grateful to my friends from North Carolina and South Carolina for their comments today. I do hope that the Secretary of Health, Education, and Welfare will call his subordinates in and see if he cannot get them to show some restraint, and some reasonableness, and some understanding of the problems facing the various States of our Union.

I think that is an obligation which the Secretary has, but whether he assumes that obligation or not is for him to decide. It is also for the Governor of Virginia to decide whether he will be dictated to and whether he will surrender his responsibilities to a group outside the State of Virginia. I submit that Governor Godwin will not surrender his responsibilities, and I applaud him for the position he takes.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon tomorrow.

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

#### ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, there be a period for the transaction of routine morning business



of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

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

### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow the Senate will convene at the hour of 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

At the conclusion of morning business, the Senate will proceed to the consideration of S. 2543, the Freedom of Information Act, and there is a time agreement on that measure. Yea-and-nay votes may occur.

Other measures which are eligible for possible callup on tomorrow and Friday and on which rollcall votes may occur are the following, for example, but not necessarily in the order listed:

The House message relating to S. 1752, relating to a Productivity Commission.

S. 3433, the National Wilderness Preservation System.

S. 2846, a bill to assure an adequate supply of chemicals for safe drinking water.

S. 2201, which has to do with the settlement of damage claims relating to opening certain spillways.

S. 424, a bill having to do with the management and development of natural resource lands.

H.R. 11546, the Big Thicket National Preserve.

Conference reports can also be called up, and, additionally, calendar measures cleared for action can be called up.

So yea-and-nay votes are expected tomorrow and Friday.

### ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 5:39 p.m. the Senate adjourned until tomorrow, Thursday, May 30, 1974.

### NOMINATIONS

Executive nominations received by the Senate May 29, 1974:

#### INTERNATIONAL BANKS

William E. Simon, of New Jersey, for appointment to the offices indicated:

U.S. Governor of the International Monetary Fund for a term of 5 years and U.S. Governor of the International Bank for Reconstruction and Development for a term of 5 years; a Governor of the Inter-American Development Bank for a term of 5 years; and U.S. Governor of the Asian Development Bank.

#### FEDERAL ENERGY ADMINISTRATION

John C. Sawhill, of Maryland, to be Administrator of the Federal Energy Administration. (New position.)

#### DEPARTMENT OF THE TREASURY

Francine Neff, of New Mexico, to be Treasurer of the United States, vice Romana Acosta Banuelos, resigned.

#### IN THE U.S. NAVY

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

##### LINE

Clyde C. Andrews	Francis T. Brown
Merrill H. Sappington	Jeffrey C. Metzger, Jr.
John M. DeLargy	Owen H. Oberg
Randolph W. King	William L. Harris, Jr.
Newton P. Foss	Kenneth E. Wilson, Jr.
Joseph L. Coleman	Wycliffe D. Toole, Jr.
Albert M. Sackett	John G. Williams, Jr.
Willis C. Barnes	Charles W. Cummings
Walter Dedrick	Paul J. Early
George F. Ellis, Jr.	Max K. Morris
William H.	Fred H. Baughman
McLaughlin, Jr.	Frank W. Corley, Jr.
Cleo N. Mitchell, Jr.	John S. Kern
Donald T. Poe	William N. Small
Richard E. Rumble	Robert P. Hilton
Warren H. O'Neil	George E. R.
Eugene J. Carroll, Jr.	Kinnear, II
Joseph W. Russel	Stanley S. Fine
Robert H. Wertheim	William L. Read
Ferdinand B. Koch	Burton H. Shepherd
Frank S. Haak	Robert R. Monroe
Justin E. Langille, III	David F. Emerson
Robert J. Hanks	Ronald J. Hays
John H. Nicholson	Thomas J. Bigley
Warren M. Cone	Kinnaird R. McKee

##### MEDICAL CORPS

Philip O. Gelb  
Donald L. Custis  
Edward J. Rupnik

##### SUPPLY CORPS

Eugene A. Grinstead, Jr.  
Wendell McHenry, Jr.  
Stuart J. Evans  
William M. Oller

##### CIVIL ENGINEER CORPS

John R. Fisher  
Kenneth P. Sears

##### DENTAL CORPS

Robert W. Elliott, Jr.

##### IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, sections 3370 and 3383:

##### ARMY PROMOTION LIST

##### To be colonel

Adams, Harold D.,	xxx-xx-xxxx
Apostolu, Daniel R.,	xxx-xx-xxxx
Arzooonian, Victor,	xxx-xx-xxxx
Barrena, Charles M.,	xxx-xx-xxxx
Beattie, Walker,	xxx-xx-xxxx
Blake, Melville E., Jr.,	xxx-xx-xxxx
Blesse, Henry O.,	xxx-xx-xxxx
Brandt, William B.,	xxx-xx-xxxx
Cannon, Joseph M.,	xxx-xx-xxxx
Clarke, Conley I.,	xxx-xx-xxxx
Closs, John W.,	xxx-xx-xxxx
Cushing, Raymond G.,	xxx-xx-xxxx
Davis, Harry B.,	xxx-xx-xxxx
Davis, Jack C.,	xxx-xx-xxxx
Donavan, Paul C.,	xxx-xx-xxxx
Gagnon, George W.,	xxx-xx-xxxx
Grainger, Walter E.,	xxx-xx-xxxx
Grek, Martin C.,	xxx-xx-xxxx
Hare, Jack V.,	xxx-xx-xxxx
Hetrick, Russell R.,	xxx-xx-xxxx
Hodges, Gene L.,	xxx-xx-xxxx
Hodgkins, H. W.,	xxx-xx-xxxx
Holloway, O. C.,	xxx-xx-xxxx
Hopkins, Vernon C., Jr.,	xxx-xx-xxxx
Hupp, Jack S.,	xxx-xx-xxxx
Hyberg, Bengt T.,	xxx-xx-xxxx
Jacobs, Talmadge J.,	xxx-xx-xxxx
Kearney, William E.,	xxx-xx-xxxx
Klagge, Jules M.,	xxx-xx-xxxx
Long, Charles E., Jr.,	xxx-xx-xxxx

Malkin, Earle A.,	xxxx
May, Humphrey, Jr.,	xxx-xx-xxxx
McNicholas, Everett,	xxx-xx-xxxx
Murphy, Ira E., Jr.,	xxx-xx-xxxx
Pafenberg, John D.,	xxx-xx-xxxx
Patrick, Cleavland J., Jr.,	xxx-xx-xxxx
Pendergast, Richard W.,	xxx-xx-xxxx
Saufley, Zack C.,	xxx-xx-xxxx
Schulstad, Paul G.,	xxx-xx-xxxx
Smith, Thomas E., Jr.,	xxx-xx-xxxx
Sylvester, W. P., Jr.,	xxx-xx-xxxx
Van Pietersom, Donald E.,	xxx-xx-xxxx
Wiese, Owen P.,	xxx-xx-xxxx
Winter, Calvin A.,	xxx-xx-xxxx

##### CHAPLAIN

##### To be colonel

Berg, Harvey M., xxx-xx-xxxx  
Davis, Joseph A., xxx-xx-xxxx

##### MEDICAL CORPS

##### To be colonel

Campbell, J. E., Jr., xxx-xx-xxxx  
Edwards, T. S., II, xxx-xx-xxxx  
Wilson, James W., xxx-xx-xxxx

##### MEDICAL SERVICE CORPS

##### To be colonel

Schaffert, Roscoe R., xxx-xx-xxxx  
Stang, Johnny J., xxx-xx-xxxx

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of Title 10, Sections 3366, 3367, and 3383.

##### ARMY PROMOTION LIST

##### To be lieutenant colonel

Allen, Harvey C., Jr.,	xxx-xx-xxxx
Allen, Robert L.,	xxx-xx-xxxx
Anderson, Robert N.,	xxx-xx-xxxx
Andes, Kenneth C.,	xxx-xx-xxxx
Anthony, James G.,	xxx-xx-xxxx
Barlow, Anthony H.,	xxx-xx-xxxx
Barrett, Billy G.,	xxx-xx-xxxx
Bauersfeld, Virtus,	xxx-xx-xxxx
Bedard, Norman L.,	xxx-xx-xxxx
Beddow, Harold G.,	xxx-xx-xxxx
Belken, Donald C.,	xxx-xx-xxxx
Benedict, Johnny,	xxx-xx-xxxx
Blandino, Walter E.,	xxx-xx-xxxx
Boelling, Randal J.,	xxx-xx-xxxx
Boyle, James S.,	xxx-xx-xxxx
Brackeen, Billy,	xxx-xx-xxxx
Brewer, Dan G.,	xxx-xx-xxxx
Brooks, W. D., Jr.,	xxx-xx-xxxx
Brubaker, William L.,	xxx-xx-xxxx
Burnette, Luther,	xxx-xx-xxxx
Cardin, Carl W.,	xxx-xx-xxxx
Carey, John R.,	xxx-xx-xxxx
Carr, Francis F., Jr.,	xxx-xx-xxxx
Carr, John H., Jr.,	xxx-xx-xxxx
Chapman, David J.,	xxx-xx-xxxx
Cherry, C. W., III,	xxx-xx-xxxx
Clay, Brent A.,	xxx-xx-xxxx
Coffield, James D., Jr.,	xxx-xx-xxxx
Coleman, Richard D.,	xxx-xx-xxxx
Corbitt, Herman H., Jr.,	xxx-xx-xxxx
Damico, George O.,	xxx-xx-xxxx
DaPena, Ramon,	xxx-xx-xxxx
Davenport, Robert H.,	xxx-xx-xxxx
Derbis, Albin B.,	xxx-xx-xxxx
Dew, Wayne C.,	xxx-xx-xxxx
Diggins, John J.,	xxx-xx-xxxx
Dillon, Porter B.,	xxx-xx-xxxx
Donaldson, W. A., II,	xxx-xx-xxxx
Eckhardt, Walter,	xxx-xx-xxxx
Engelage, Robert W., Jr.,	xxx-xx-xxxx
Erskine, L. C., Jr.,	xxx-xx-xxxx
Falk, Edgar A.,	xxx-xx-xxxx
Feeley, James L.,	xxx-xx-xxxx
Ferguson, James T.,	xxx-xx-xxxx
Ferrari, Mario J.,	xxx-xx-xxxx
Feuka, Robert W.,	xxx-xx-xxxx
Fisher, Lynn N.,	xxx-xx-xxxx
Fitz, Loren E.,	xxx-xx-xxxx
Flippen, Robert J.,	xxx-xx-xxxx
Ford, John J.,	xxx-xx-xxxx
Fosler, Robert K.,	xxx-xx-xxxx
Foster, Herman,	xxx-xx-xxxx
Freeman, Dirk B.,	xxx-xx-xxxx

Galvin, John L., xxx-xx-xxxx  
 Gandia, Alberto A., xxx-xx-xxxx  
 Garcia, Manuel H., xxx-xx-xxxx  
 Gibney, John A., xxx-xx-xxxx  
 Gilbert, Robert S., xxx-xx-xxxx  
 Glod, Stanley J., xxx-xx-xxxx  
 Godbey, Norman J., xxx-xx-xxxx  
 Goldstein, Benjamin, xxx-xx-xxxx  
 Gonzalez, Carlos, xxx-xx-xxxx  
 Green, A. J. Jr., xxx-xx-xxxx  
 Gullage, James T., xxx-xx-xxxx  
 Gulley, Harvey G., xxx-xx-xxxx  
 Hanke, David S., xxx-xx-xxxx  
 Hansen, William E., xxx-xx-xxxx  
 Harrington, Peter T., xxx-xx-xxxx  
 Hathaway, Benjamin W., xxx-xx-xxxx  
 Heintz, Robert B., xxx-xx-xxxx  
 Heynoski, Edward J., xxx-xx-xxxx  
 Holloman, Dale, xxx-xx-xxxx  
 Hope, Robert C., xxx-xx-xxxx  
 Hopkins, Robert F., xxx-xx-xxxx  
 Huddleston, Charles E., xxx-xx-xxxx  
 Hyde, Jerry L., xxx-xx-xxxx  
 Isley, Charles C., III, xxx-xx-xxxx  
 Iullano, P. S., xxx-xx-xxxx  
 Jackson, Merwyn L., xxx-xx-xxxx  
 Johnson, Lamarr L., xxx-xx-xxxx  
 Jones, T. R., Jr., xxx-xx-xxxx  
 King, Jack A., xxx-xx-xxxx  
 Knudtson, George M., Jr., xxx-xx-xxxx  
 Lanier, Jack D., xxx-xx-xxxx  
 Lapasso, Anthony C., xxx-xx-xxxx  
 Larsen, Robert W., xxx-xx-xxxx  
 Lavin, Richard P., xxx-xx-xxxx  
 Lewis, Charles F., xxx-xx-xxxx  
 Light, Richard L., xxx-xx-xxxx  
 Lilly, Thomas A., xxx-xx-xxxx  
 Lindenfeld, John A., xxx-xx-xxxx  
 Liner, Cornelius E., xxx-xx-xxxx  
 Loughmiller, Donald R., xxx-xx-xxxx  
 Lowery, James P., xxx-xx-xxxx  
 Lupold, Hugh M., xxx-xx-xxxx  
 Machno, Edward J., xxx-xx-xxxx  
 Magro, M. V. Jr., xxx-xx-xxxx  
 Magrogran, Francis, xxx-xx-xxxx  
 Maruzzella, Frank R., xxx-xx-xxxx  
 Mauney, Joe B., xxx-xx-xxxx  
 McCoy, James L. Jr., xxx-xx-xxxx  
 McDaniel, Young E., xxx-xx-xxxx  
 McWaters, John R., xxx-xx-xxxx  
 Melvin, Francis B., xxx-xx-xxxx  
 Miller, Clarence W., xxx-xx-xxxx  
 Miller, John K., xxx-xx-xxxx  
 Montgomery, Homer A., xxx-xx-xxxx  
 Montgomery, R. S., xxx-xx-xxxx  
 Muehlberger, Robert M., xxx-xx-xxxx  
 Mura, Ronald A., xxx-xx-xxxx  
 Myers, Robert L., xxx-xx-xxxx  
 O'Connor, T. H. Jr., xxx-xx-xxxx  
 Ogden, Seward J. Jr., xxx-xx-xxxx  
 Park, Jack G., xxx-xx-xxxx  
 Payne, Richard A., xxx-xx-xxxx  
 Pecquet, Shelby L., xxx-xx-xxxx  
 Phillips, Roy L. Jr., xxx-xx-xxxx  
 Pickus, Ross G., xxx-xx-xxxx  
 Pienkowski, Edward C., xxx-xx-xxxx  
 Pistorius, J. H. Jr., xxx-xx-xxxx  
 Platz, William B., xxx-xx-xxxx  
 Pottenger, Harold P., xxx-xx-xxxx  
 Price, Thomas A., xxx-xx-xxxx  
 Provencher, Paul J., xxx-xx-xxxx  
 Raimondo, H. G., xxx-xx-xxxx  
 Reid, James A., xxx-xx-xxxx  
 Remich, Antone F., xxx-xx-xxxx  
 Roberts, James E., xxx-xx-xxxx  
 Sanchez, Phillip V., xxx-xx-xxxx  
 Sanders, T. G., xxx-xx-xxxx  
 Segrest, Douglas B., xxx-xx-xxxx  
 Shafer, Donald R., xxx-xx-xxxx  
 Silvi, Albert H., xxx-xx-xxxx  
 Sneed, Ronald E., xxx-xx-xxxx  
 Stanford, Melvin J., xxx-xx-xxxx  
 Stout, J. K., xxx-xx-xxxx  
 Toomepuu, Juri, xxx-xx-xxxx  
 Van Horn, James E., xxx-xx-xxxx  
 Veytia, Joe F., xxx-xx-xxxx  
 Volkmann, Henry F., xxx-xx-xxxx  
 Wagner, Daniel C., xxx-xx-xxxx  
 Ward, Alvin G., xxx-xx-xxxx  
 Weggeland, Gordon, xxx-xx-xxxx

Weisler, Julian E. II, XXXX  
 West, Noland M., xxx-xx-xxxx  
 Williams, Lewis N., xxx-xx-xxxx  
 Wilson, William C., xxx-xx-xxxx  
 Woda, Seymour, xxx-xx-xxxx  
 Wood, Theodore R., Jr., xxx-xx-xxxx  
 Yarbrough, Ralph G., xxx-xx-xxxx  
 Zachos, John K., xxx-xx-xxxx  
 Zimmerman, C. W., xxx-xx-xxxx

## CHAPLAIN

*To be lieutenant colonel*

Dougharty, Bernard W., xxx-xx-xxxx  
 Martinka, Stanley V., xxx-xx-xxxx  
 Pearce, Arthur J., xxx-xx-xxxx  
 Vetter, Joseph W., xxx-xx-xxxx

## ARMY NURSE

*To be lieutenant colonel*

Jaegger, Robert J., Jr., xxx-xx-xxxx  
 James, Doris M., xxx-xx-xxxx  
 Jesse, Florence C., xxx-xx-xxxx  
 Modigh, Annie, xxx-xx-xxxx  
 Raabe, Betty L., xxx-xx-xxxx  
 Sloan, Barbara J., xxx-xx-xxxx

## MEDICAL CORPS

*To be lieutenant colonel*

Bachman, Richard K., xxx-xx-xxxx

## MEDICAL SERVICE CORPS

*To be lieutenant colonel*

Boffoly, Richard L., xxx-xx-xxxx  
 Buehler, Vaughn R., xxx-xx-xxxx  
 Marhefsky, Louis A., xxx-xx-xxxx  
 Powers, Clayton E., xxx-xx-xxxx  
 Twitchell, Harold F., xxx-xx-xxxx  
 Welch, C. E., Jr., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 591, 593, and 594:

## MEDICAL SERVICE CORPS

*To be lieutenant colonel*

Coalson, Embry L., xxx-xx-xxxx

## ARMY PROMOTION LIST

*To be lieutenant colonel*

Kaiser, James B., xxx-xx-xxxx

## DENTAL CORPS

*To be lieutenant colonel*

Atkins, Raymond M., xxx-xx-xxxx

## MEDICAL SERVICE CORPS

*To be lieutenant colonel*

Anglin, Walter M., xxx-xx-xxxx  
 Bloomstrom, Albert D., xxx-xx-xxxx  
 Chenoweth, Richard G., xxx-xx-xxxx  
 Crippen, Edward F., xxx-xx-xxxx  
 Forrest, Robert L., xxx-xx-xxxx  
 Gruberg, Kermit H., xxx-xx-xxxx  
 Ledbetter, Rene B., Jr., xxx-xx-xxxx  
 Marshall, Angus, xxx-xx-xxxx  
 Massa, Emilio, xxx-xx-xxxx  
 Moore, William L., Jr., xxx-xx-xxxx  
 Rushing, Charles M., xxx-xx-xxxx  
 Sargent, Robert T., xxx-xx-xxxx  
 Steinberg, Sidney R., xxx-xx-xxxx  
 Stones, Carl, xxx-xx-xxxx  
 Werner, John L., xxx-xx-xxxx  
 Whitelaw, John M., xxx-xx-xxxx

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, U.S.C., section 3494:

## MEDICAL CORPS

*To be lieutenant colonel*

Hilton, James M., III, xxx-xx-xxxx  
 Moore, Hylan C., xxx-xx-xxxx  
 Reeves, Leonard E., III, xxx-xx-xxxx  
 Zaki, Saleh A., xxx-xx-xxxx

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

## ARMY PROMOTION LIST

*To be colonel*

Copeland, Robert P., xxx-xx-xxxx  
 Davis, Glenn V., xxx-xx-xxxx

Davis, Robert S., xxx-xx-xxxx  
 DeLee, James A., xxx-xx-xxxx  
 Durham, Eric A., xxx-xx-xxxx  
 Effing, Gerald B., xxx-xx-xxxx  
 Flynn, Lawrence P., xxx-xx-xxxx  
 Johnson, Wiley V. Jr., xxx-xx-xxxx  
 Jones, Charles R., xxx-xx-xxxx  
 Latta, Robert E., xxx-xx-xxxx  
 McLendon, James M., xxx-xx-xxxx  
 Orr, Robert P., xxx-xx-xxxx  
 Price, Clyde L., xxx-xx-xxxx  
 Smith, James F., Jr., xxx-xx-xxxx  
 Sterbenz, Joseph L., xxx-xx-xxxx  
 Stormo, Donald H., xxx-xx-xxxx  
 Taylor, Archie O. Jr., xxx-xx-xxxx  
 Taylor, John B., xxx-xx-xxxx

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

## ARMY PROMOTION LIST

*To be lieutenant colonel*

Acosta-Rosario, R. B., xxx-xx-xxxx  
 Adams, Robert L., xxx-xx-xxxx  
 Alexander, Glen D., xxx-xx-xxxx  
 Arnold, Joseph R., xxx-xx-xxxx  
 Badger, Bill D., xxx-xx-xxxx  
 Beebe, Urban U., xxx-xx-xxxx  
 Best, Louis E., xxx-xx-xxxx  
 Biediger, Paul N. Jr., xxx-xx-xxxx  
 Bingham, Junior D., xxx-xx-xxxx  
 Bonenfant, Norman H., xxx-xx-xxxx  
 Brokmann, Charles H., xxx-xx-xxxx  
 Buggy, Clair B., xxx-xx-xxxx  
 Burnett, Edwin E. Jr., xxx-xx-xxxx  
 Capellen, Earle M. V., xxx-xx-xxxx  
 Carroll, Robert D., xxx-xx-xxxx  
 Chandler, Jackie D., xxx-xx-xxxx  
 Clardy, William B., xxx-xx-xxxx  
 Cole, John C., xxx-xx-xxxx  
 Connery, Joseph W. Jr., xxx-xx-xxxx  
 Conva, Gerald P., xxx-xx-xxxx  
 Crawford, Cody A., xxx-xx-xxxx  
 Daniel, Don O., xxx-xx-xxxx  
 Devine, Donn D., xxx-xx-xxxx  
 Drew, George F., xxx-xx-xxxx  
 Dunn, Wesley A., xxx-xx-xxxx  
 Edwards, James L. Jr., xxx-xx-xxxx  
 Feeney, Linwood K., xxx-xx-xxxx  
 Freitas, Robert, xxx-xx-xxxx  
 Ganulin, James E., xxx-xx-xxxx  
 Gray, Edward R., xxx-xx-xxxx  
 Hays, William R., xxx-xx-xxxx  
 Heaton, Jerry W., xxx-xx-xxxx  
 Henderson, Howard G., xxx-xx-xxxx  
 Henderson, Raymond E., xxx-xx-xxxx  
 Hlatte, Donald L., xxx-xx-xxxx  
 Himsel, Kenneth W., xxx-xx-xxxx  
 Holder, Arnold W., xxx-xx-xxxx  
 Jensen, Donald G., xxx-xx-xxxx  
 Jones, Freddie G., xxx-xx-xxxx  
 Jones, Hayden E. Jr., xxx-xx-xxxx  
 Jones, Vernon R., xxx-xx-xxxx  
 Kiefer, Lawrence R., xxx-xx-xxxx  
 Leege, William J., xxx-xx-xxxx  
 Liepert, Gerald C., xxx-xx-xxxx  
 Lucas, Clarence A., xxx-xx-xxxx  
 Ludwig, Arthur A., xxx-xx-xxxx  
 Maynard, Richard C., xxx-xx-xxxx  
 McCurry, Asben A., Jr., xxx-xx-xxxx  
 McGillen, William D., xxx-xx-xxxx  
 McMillan, David V., xxx-xx-xxxx  
 Morris, William L., xxx-xx-xxxx  
 Nielsen, Franklin E., xxx-xx-xxxx  
 Page, Joseph C., xxx-xx-xxxx  
 Pascoe, Kenneth H., xxx-xx-xxxx  
 Perry, William A. Jr., xxx-xx-xxxx  
 Pogue, J. E., xxx-xx-xxxx  
 Powers, Richard T., xxx-xx-xxxx  
 Price, Lloyd M., xxx-xx-xxxx  
 Purtle, Herbert G., xxx-xx-xxxx  
 Ramey, Jack D., xxx-xx-xxxx  
 Reed, Joseph L., xxx-xx-xxxx  
 Roland, Alan C., xxx-xx-xxxx  
 Schweikert, James F., xxx-xx-xxxx  
 Shackelford, William H., xxx-xx-xxxx  
 Shoemaker, Robert L. Jr., xxx-xx-xxxx  
 Simmons, Leland M., xxx-xx-xxxx



Smith, David A., XXXX  
 Stitzinger, Robert H., XXX-XX-XXXX  
 Storer, Duane L., XXX-XX-XXXX  
 Taylor, William A. Jr., XXX-XX-XXXX  
 Thompson, Harold M., XXX-XX-XXXX  
 Turner, James E., Jr., XXX-XX-XXXX  
 Upton, Robert F., XXX-XX-XXXX  
 Van Keuren, Charles W., Jr., XXX-XX-XXXX  
 Walker, Holman J., XXX-XX-XXXX  
 Walters, Bobby G., XXX-XX-XXXX  
 Warncock, Luther Jr., XXX-XX-XXXX  
 Wasson, James L., XXX-XX-XXXX  
 Watson, Glenn M., XXX-XX-XXXX

## CHAPLAIN

To be lieutenant colonel

Yates, James L., XXX-XX-XXXX

## DENTAL CORPS

To be lieutenant colonel

Nelson, Roy, Jr., XXX-XX-XXXX

## MEDICAL CORPS

To be lieutenant colonel

Bradley, Douglas D., XXX-XX-XXXX  
 Burk, Houston W., XXX-XX-XXXX  
 Cudmore, John W., XXX-XX-XXXX  
 Holsinger, James W., Jr., XXX-XX-XXXX  
 Markert, George C., XXX-XX-XXXX

## MEDICAL SERVICE CORPS

To be lieutenant colonel

Mayo, Dominic L., XXX-XX-XXXX

## IN THE NAVY

The following named officers of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-3 subject to qualification therefor as provided by law:

Apodaca, Paul Joseph.  
 Bledsoe, John Richard.  
 Bradford, Billy Cleveland.

The following named officers of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-4 subject to qualification therefor as provided by law:

Abenante, Ralph Pasquale.  
 Allen, Richard Roy.  
 Anderson, Jackson Ray.  
 Archibald, Robert John III.  
 Babington, David Clark.  
 Black, Harold Baxter.  
 Bouchillon, James Dennis.  
 Brooks, Harold Farquahar.  
 Brumit, Larry David, Jr.  
 Christiansen, Robert Canute.  
 Cunningham, Lawrence Michael.  
 Dennis, Jackie Lee.  
 Dickinson, Edwin Lincoln.  
 Dougherty, James Harold.  
 Duckworth, George Earle.  
 Franklin, Harrison Lee.  
 Gochenaur, George Earl.  
 Gray, Ivan Errol.  
 Hannon, Billie Gene.  
 Harris, Donald Edward.  
 Harville, Robert Albert.  
 Hawks, Oda Ellis.  
 Herrington, Hollis Frank.  
 Hinman, Leroy Thomas.  
 Hodges, Byron Wayne.  
 Horton, William Glennwood.

Johnson, James Dewey, Jr.  
 Johnston, Jerry Robert.  
 Johnston, Richard Earl.  
 Jones, Richard Leonard.  
 Jorgenson, Richard Clair.  
 Kannegieser, Andrew Anthony.  
 Kinner, Richard, Edward.  
 Kondziela, Jack.  
 Lafond, Paul Arthur.  
 Laroek, Francis Joseph.  
 Lear, Gerald Shirley.  
 Lipinski, John Bernard.  
 Lutes, Jack.  
 McCarthy, John James, Jr.  
 McCormack, Walter Francis.  
 McDonald, Thomas Henry, Jr.  
 McManus, Theodore Glenn.  
 Meade, Joe Davis, III.  
 Miller, Gerald Jeffery.  
 Moudry, Joseph Ralph.  
 Myers, Edward Frederick.  
 Myrick, Jerry Eugene.  
 Offield, John Dale.  
 Olson, Neal Donald.  
 Owen, Harold.  
 Owens, James Clarence.  
 Parrish, Wendell Lee.  
 Patterson, Richard Lawrence.  
 Pitzer, Richard Lee.  
 Pochkowski, Joseph Daniel.  
 Posey, James Arthur, Jr.  
 Price, Loyd Harold.  
 Rearer, Thomas Charles.  
 Reddix, Charles John.  
 Reynolds, Eugene Nicholas.  
 Richardson, David Lee.  
 Richey, James Horace.  
 Rouse, Fred Lawson.  
 Sadowski, Donald Edward.  
 Seals, William Truman.  
 Seymour, John Clinton.  
 Smith, Charles Frederick.  
 Soule, Louis Manley.  
 Spata, August.  
 Spencer, Sidney Thomas.  
 Stosel, Stanley Lewis.  
 Stroup, William Emory.  
 Sweigart, Donald Richard.  
 Tellman, Donald Francis.  
 Terryberry, Kenneth Charles.  
 Tillery, Donnie V.  
 Tounzen, Albert O., Jr.  
 Truman, Harold Stanley.  
 Turnquist, Arnold Clifford.  
 Wells, Eugene Arthur.  
 Wilson, Robert Henry.  
 Wiltz, Lawrence N., Jr.  
 Windell, Marion Almond.  
 Winslow, Robert Leon.  
 Woods Melvin Isaac.  
 Young, Harold James.

## IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of colonel:

Glen S. Aspinwall  
 Donald R. Austgen  
 Thomas J. Ayers  
 Howard G. Balogh  
 Carl L. Battistone  
 Don D. Beal  
 Glen T. Beauchamp  
 Harold J. Field, Jr.  
 Daniel J. Ford  
 Arthur D. Friedman  
 Joseph P. Gagliardo, Jr.  
 Elmer T. Garrett, Jr.  
 Donald E. Gillum

Roy L. Belli  
 Kenneth H. Berthoud, Jr.  
 John H. Blair  
 Daniel Z. Boyd  
 William C. Britt  
 William G. Carson, Jr.  
 Logan Cassidy  
 Don R. Christensen  
 Bernard E. Clark  
 Frank A. Clark  
 Fred E. Clark, Jr.  
 James E. Clark  
 Clayton L. Comfort  
 John C. Conlin  
 Richard M. Cooke  
 Gregory A. Corliss  
 Stanley D. Cox  
 Winchell M. Craig, Jr.  
 Daniel C. Daly  
 Darrell U. Davidson  
 Clyde D. Dean  
 Richard G. Deem  
 Charles F. Dininger, Jr.  
 Billy R. Duncan  
 John H. Dunn  
 Arthur J. Eagan  
 Raymond W. Edwards  
 William R. Eleazer  
 Gerit L. Fenenga  
 John P. Kraynak  
 Donald Q. Layne  
 Chester A. Liddle, Jr.  
 Bertram A. Mass  
 Byron E. Madden  
 Leroy A. Madera  
 Albert H. Manhard, Jr.  
 Bennie H. Mann, Jr.  
 James G. McCormick  
 Jack D. McCreight  
 Richard C. McDonald  
 James J. McMonagle  
 John H. Miller  
 William S. Miller, Jr.  
 Michael P. Murray  
 Michael J. Needham  
 Ronald E. Nelson  
 Merrill S. Newbill  
 Thomas F. Nugent  
 James K. O'Rourke  
 Earl F. Pierson, Jr.  
 Bert R. Pitcher, Jr.  
 Charles F. Pitchford  
 Walter S. Pullar, Jr.  
 Thomas F. Qualls  
 John M. Rapp  
 J. C. Rappe  
 Arvid W. Realsen  
 Edward D. Resnik  
 Donald G. Robison  
 Cledwyn P. Rowlands  
 Harold G. Glasgow  
 Richard W. Goodale  
 George O. Goodson, Jr.  
 Marcus J. Gravel  
 Johnny O. Gregerson  
 Jerome T. Hagen  
 William J. Hallisey, Jr.  
 James J. Harp  
 Donald L. Harvey  
 Thomas M. Hearn  
 Robert W. Heesch  
 James H. Higgins  
 Robert J. Henley  
 Charles W. Henry, Jr.  
 Ralph P. Holt  
 Joseph E. Hopkins  
 Walter P. Hutchins  
 John K. Hyatt, Jr.  
 Milton E. Irons  
 Floyd J. Johnson, Jr.  
 Herschel L. Johnson, Jr.  
 Mannon A. Johnson, Jr.  
 Martin D. Julian  
 James P. Kehoe  
 David A. Kelly  
 John A. Kinniburgh  
 Charles W. Knapp  
 Howard M. Koppenhaver  
 Alfred W. Ruete, Jr.  
 Americo A. Sardo  
 Ernest B. Savoy  
 Raymond A. Shaffer  
 Robert R. Sheahan  
 John E. Sinclair  
 Craig S. Smith  
 Joseph N. Smith  
 Kenneth E. Smith  
 David A. Spurlock  
 Merlin V. Statzer  
 Ray A. Stephens  
 John C. Studt  
 Richard A. Sulik  
 John L. Thatcher  
 Robert H. Thompson  
 William H. Tiernan  
 Bruce A. Truesdale  
 Richard T. Trundy  
 David S. Twining  
 James R. Vandeneizen  
 David H. Wagner  
 James H. Walker  
 Robert P. Walling  
 Joseph J. Went  
 Clair E. Willcox  
 Willard J. Woodring, Jr.  
 Earnest G. Young  
 Frank Zimolzak

The following named officers of the Marine Corps Reserve for temporary appointment to the grade of colonel:

Frederick P. Anthony  
 Alphonse J. Castellana  
 William A. Donald  
 Charles Edwards  
 Wilbur D. Everett  
 Paul S. Frappollo  
 Robert D. Jones  
 John Kovach, Jr.  
 Edgar J. Love  
 Robert R. Norton  
 Donald E. Schneider  
 Robert H. Schultz  
 Henry W. Steadman  
 Robert L. Talbert  
 Phillip P. Upschulte  
 Clifford D. Warfield

## HOUSE OF REPRESENTATIVES—Wednesday, May 29, 1974

The House met at 12 o'clock noon.

Rev. Wayne Yeager, St. Timothy Episcopal Church, Massillon, Ohio, offered the following prayer:

O God our Father, for this Nation made from many kindreds and tongues, its mountains, prairies, oceans with foam, its hopes, its dreams, successes and failures, for those who served and sacrificed, we thank Thee.

Help us, to defend our liberties, pre-

serve our unity, uphold what is right, abhor what is wrong, and perform that which is just. In peace, preserve us from corruption, in trouble defend us from suffering. Make us equal to our high trusts, reverent in the use of freedom, just in the exercise of power, and generous in the protection of weakness.

Turn our hearts back to Thee by forgiving us for what we have been, amending us for what we are, and directing

us what we shall be, through Jesus Christ our Lord. 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.