each DD–963 has increased from $86 million per ship to $107.6 million for a total of $3.2 billion. At present Litton is attempting to obtain an extra $400 million in the LHA program and $350 million on the DD–963 program. These new delays will ultimately increase the cost of the ship above these current estimates.

Any further delays will increase labor costs since men will have to work many more years than originally planned on these ships.

And of course, material cost increases and inflation will boost the price tag even higher.

Mr. Speaker, I am asking the General Accounting Office to attempt to find out exactly what impact these delays will have on the final cost of the ships. It will be very useful both for the Navy and the Congress if GAO independently investigates the cost of Litton's contract. With the program in such deep trouble there is a real temptation on the part of the Navy to fool and delude itself and the Congress into believing that the cost will not increase by much.

I am also calling upon the Navy today to drastically cut the DD–963 program to avoid another procurement disaster rivaling the C–5A. Canceling some of the ships will avoid lengthy delay and huge cost overruns. Cancellation of some of the ships will be one way to show defense contractors that this kind of performance will not be tolerated. If more and more defense contractors get away with this kind of thing, eventually every defense contractor will line up for bailouts or rewards for poor performance and cost overruns.

SENATE—*Tuesday, August 6, 1974*

The Senate met at 11:30 a.m. and was called to order by Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine.

PRAYER

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

O God our Father, eternal and unchangeable, in whom alone we can find help for each new day and hope for every tomorrow, help us now that we may comfort ourselves as Thy true servants, ever faithful to our high calling. In troublous times when painful decisions are required, grant that we and all the people of this good land may be conscious of the enduring moral and spiritual laws which Thou hast ordained, obedience of which leads to light and life, disobedience of which leads to darkness and death. Impart to us a measure of the spirit of the Master, that we may possess compassion and strength, kindness and firmness, hate of sin but love of sinners, faithfully doing Thy will even to the pain of the cross. Since we know not what a day or a moment may bring, grant us grace to be true to truth and true to Thee, for Thy kingdom's sake. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 6, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HATHAWAY 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 Monday, August 5, 1974, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

CONSIDERATION OF CERTAIN MEASURES ON CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 1021 and 1030.

The ACTING PRESIDENT pro tempore. The clerk will state the first measure.

SUSPENSION OF DUTIES ON CERTAIN FORMS OF COPPER

The Senate proceeded to consider the bill (H.R. 12281) to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper, which had been reported from the Committee on Finance with an amendment, on page 2, beginning with line 4, insert:

SEC. 3. (a) Notwithstanding the provisions of section 334 of the Internal Revenue Code of 1954 (relating to basis of property received in liquidations), no adjustment to the basis of any property distributed in complete liquidation of a corporation prior to July 1, 1957, shall be made for any liability if—

(1) the distributor and distributee did not consider the liability relevant to the value of the stock with respect to which the distribution was made,

(2) the distributor and distributee reasonably relied upon a decision of a United States district court specifically adjudicating the amount of the liability and its affirmance by the appropriate United States court of appeals, and

(3) the amount of the liability so adjudicated was no greater than would be compensated for by insurance.

The provisions of this section apply without regard to whether such decision was subsequently reversed or modified by that United States courts of appeals following distribution of such property in complete liquidation.

(b) To the extent that the liability described in subsection (a) is not compensated for by insurance or otherwise, the amount thereof shall be allowed as a deduction under the appropriate provision of the Internal Revenue Code of 1954 for the taxable year in which payment thereof was made and shall be effective in determining income tax liabilities of all taxable years prior thereto.

The amendment was agreed to.

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

The bill was read the third time, and passed.

The title was amended so as to read: "An act to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper, and for other purposes."

ADDITIONAL COPIES OF HEARINGS AND FINAL REPORT OF THE HOUSE COMMITTEE ON THE JUDICIARY

The concurrent resolution (H. Con. Res. 566) to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry, was considered and agreed to.

"GIANT PATRIOT"—MINUTEMAN II AT-SITE-TESTING PROGRAM

Mr. MANSFIELD. Mr. President, as my colleagues in the Senate know, I am very much opposed to the "Giant Patriot"—the Minuteman II at-site-testing program, and I was delighted the Senate-House conference has deleted this item from the military procurement bill.

In recent months there has been considerable information coming to my attention about the inconsistencies in the information being released and being circulated by the representatives of the Department of Defense. Questions about the public relations effort underway have been raised from time to time by the Missoulian, published in Missoula, Mont. The Tuesday, June 18, issue contains an excellent summation of the conflicting material being circulated about the purposes and need for the Minuteman II tests.

I ask unanimous consent that this editorial from the Missoulian be incorporated at this point in my remarks.

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

[From the Missoulian, June 18, 1974]

MISSILE TEST STATEMENT MADE BY FORKED TONGUES

This week in Washington, House and Senate conferees are expected to decide whether the Giant Patriot Minuteman II missile tests at Malmstrom Air Force Base near Great Falls will be funded or not.

The House has approved spending money for the tests. The Senate has denied funds. The conference committee, composed of defense appropriations committee members of both houses, will compromise differences in the bills each house has approved. If the conference committee decides to fund the missile tests, both houses normally would go along. The tests then would take place, starting this winter.

And if the tests take place it will be a triumph for lying, double-talk, wastefulness, confusion and silo-rattling. Here are some of the things supposedly informed officials have said about the testing program:

1. "Both men and equipment will be tested in circumstances that approach as closely as possible a wartime situation. The Department of Defense believes that tests under these conditions will greatly enhance the level of confidence we may have in the men and the equipment involved."—Stan D. Anderson, acting assistant secretary of state for congressional relations, in a letter to Rep. Dick Shoup Feb. 26.

"It should first be emphasized that the tests are not designed as training missions nor are they planned to check out or validate maintenance or combat crew procedures."—Maj. Gen. M. L. Boswell, USAF, director, legislative liaison, Department of the Air Force, in a letter to Sen. Mike Mansfield, Feb. 7.

2. "Our Minuteman missile, the mainstay of our ICBM force, has never been flown from an operational base to target impact. For these reasons, we feel it is time to conduct such a launch to demonstrate to our friends and potential adversaries that the Minuteman II system has the deterrent capability we seek."—Air Force Capt. Olson of the Strategic Air Command, at a public hearing on the missile tests in Helena, March 14.

"The purpose of these tests is to demonstrate unmistakably the deterrent capability of the Minuteman force."—Air Force draft environmental impact statement on Operation Giant Patriot, February, 1974.

". . . but we did not purposely associate it (the missile testing program) with the SALT talks and we would rather, I think, keep it disassociated in the sense that we are after certain technical assurances here rather than making a strong demonstration to someone else."—Dr. John L. McLucas, secretary of the Air Force, Department of Defense Appropriations for 1975, hearing before the House Appropriations subcommittee on the Department of Defense, Jan. 28.

3. "From 1965 through 1968, four limited range test launches were conducted with modified missiles containing only seven seconds of propellant and capable of a mile of flight. That program proved unquestionably that tests of actual missiles could be conducted safely in the operation base environment."—Capt. Olson at the public hearing in Helena, March 14.

"There were four attempted launches in the seven-second launch program. One was completely successful. Three were unsuccessful."—Capt. Kenneth A. Kissel, missile operations staff officer, Space and Missile Systems Branch, Strategic Division, Deputy Chief of Staff, Plans and Operations, at the House defense subcommittee hearing cited above.

4. "The Giant Patriot concept purposes a series of eight Minuteman II launches, four in the winter of 1974–75 and four the following winter." Capt. Olson at the public hearing in Helena, March 14.

Mr. Mahon (Rep. George H. Mahon, D-Tex., subcommittee chairman)—"The Air Force testified that this program will be a continuing one and will eventually include Minuteman III launches."

Secretary Schlesinger (Secretary of Defense James R. Schlesinger)—"Yes, sir."

Mr. Mahon—"In other words, this is a program we have postponed over the years and now want to begin and continue?"

Secretary Schlesinger—"That would be my recommendation, Mr. Chairman."—Exchange at the House subcommittee hearing cited above.

"I now make the assumption that we would probably be over here (before Congress) on a more or less continuous basis to have some number of launches, either four or something approximating that, year after year to assure that we are maintaining a high state of readiness."—Secretary of the Air Force McLucas at House subcommittee hearing cited above.

5. "Our first action is to do detailed site surveys not only of the area where the launches are, but down in the areas where the first stages and the interstage panels are going to land in northern Idaho. What we will do then is, we plan to take the areas where these pieces will land and back up and make a selection of launch facilities from those in the safest possible areas we can. Once we have done that, we will be able to say exactly what areas these pieces (of missile) are going to land in and exactly what is the terrain." Capt. Kissell at the House subcommittee hearing cited above.

"We want to be able to discover to what degree the operational accuracies that we have inferred from launches on the western test range will be reproduced from operational silos. We are hopeful that the results will be very close. But until we have actually done that, we will not know. We have to live on the basis of hope."—Defense Secretary Schlesinger at the House subcommittee hearing cited above.

6. "The officers said they could not comment on the success of the previous tests since that data is classified information, but they did say the tests have shown the missiles are 'very accurate.' "—Missoulian story Jan. 17 of Air Force officers briefing the Missoula Rotary Club on the Minuteman II tests.

"My determination to jolt my leaders into constructive action was strengthened when I found that reports on the Minuteman II accuracy had been misleading. To me, this was the last straw in irresponsible behavior. As in the past, reports and briefings on the missile's accuracy emphasized that outlook, was for 'outstanding' Minuteman II accuracy. The primary indicator of accuracy was CEP or Circular Error Probability. The primary CEP was demonstrated graphically by plotting test war head impact points on a target of concentric circles about the central aim point. The graphic displays looks just like rifle targets used in shooting matches, and a tight grouping of shots near the bullseye was the objective. In one of the briefings I received in the Minuteman control room at Norton Air Force Base, I noticed that the Minuteman II test shots showed a tight grouping all right, but that all missed the bullseye by a startling margin. The test results depicted precision but not accuracy, just like a rifle which shot consistently high and to the right. Furthermore, the number of impacts plotted was far less than the total number of test shots. The Minuteman management people were counting only the relatively good shots, omitting entirely the worst misses."—A. Ernest Fitzgerald, former deputy for management systems in the Air Force in his book about Defense Department lying and profligacy, "The High Priests of Waste."

7. "Secretary McLucas has said several times the Air Force has been open and aboveboard on this program."—Brig. Gen. David B. Easson, deputy director of legislative liaison for the office of the secretary of the Air Force, at the House subcommittee hearing cited above.

Well somebody's not being "open and aboveboard." There is conflicting material about the purposes of the Minuteman II tests, the number of tests to be conducted, the results of previous testing, and the missile's accuracy. There is doubt whether the Air Force can pinpoint where first stage debris will fall.

It is not too late to write or wire the House and Senate defense appropriation conference committee and urge it to reject the misnamed Giant Patriot testing program.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, Senator MCGOVERN is recognized for not to exceed 15 minutes.

JUSTICE FOR THE VIETNAM VETERAN

Mr. MCGOVERN. Mr. President, I hope very much that the Congress will not be swayed, either by the myopia of a few or by criticism from the White House, into rejecting the one hope Vietnam veterans have of receiving the same kind of help so many of us had after World War II.

I think Members of the Senate know that the House and Senate conferees are meeting this week on a very important measure affecting the response that we make to these young men who participated in the Vietnam conflict. I was one of many who took issue with our involvement in that war, but I have always felt that we had an obligation to do justice to the young men who participated. After all, they were not the architects of the policy; they were simply participants.

In particular, I hope the House conferees will pay close heed to Veterans' Affairs Committee Chairman VANCE HARTKE and other members of the conference in the case they have been making on behalf of the Senate-passed tuition proposal for Vietnam veterans.

We hear the phrase "peace with honor" used to describe the outcome of the Vietnam war.

I think most reasonable people will agree now that is a dubious claim in view of the continued slaughter in Vietnam.

But regardless of how we see that particular question, I submit that no war can be called honorable if society does not honor its debt to the young men who did the fighting and participated in this conflict. And in this case that must certainly mean extending the same kind of educational opportunities that were available after World War II. As a com-

bat pilot in World War II, I was the beneficiary of the GI bill of rights that made it possible for me to support my family while completing work at Northwestern University for a doctoral degree in history and government, which is not an inexpensive school. I want the veterans of the Vietnam era to have the same opportunity that was given to me, and given to millions of others who participated in the Second World War.

I think it is fair to say that no public investment has ever returned greater dividends to the American Nation than the World War II GI bill of rights, and a number of Members of the Senate are here partly because of the benefits we received from that legislation.

So let us understand very clearly what is at stake in the argument that is now going on between House and Senate conferees on this matter.

After World War II, veterans who wanted to pursue a secondary education received two kinds of assistance. We received, first of all, a basic living allowance, and then we received a separate allowance for tuition, depending on the cost of the school that we attended.

The second figure varied, depending on what the tuition and fees were at a given institution. So a veteran's educational opportunity was not limited by the cost of the school that he selected. It was limited only by his ability to gain admission and make the grade.

As it stands now, however, a veteran receives one flat figure which must cover both living costs and tuition. It does not vary with educational costs or with different factors in various parts of the country; and it means, in effect, that veterans in parts of the country where school costs are high are simply denied the same educational opportunities the country was offering nearly 30 years ago.

In recent weeks I have examined very carefully the objections that have been raised to the tuition proposal as passed by the Senate, and I must say that that process has meant getting past a certain amount of verbal excess which has no bearing at all on this issue. But even putting the objections in their best light, I suggest, they have little merit.

I regret that in recent weeks Congressman TEAGUE, a former chairman of the House Veterans' Affairs Committee, has let his resistance to any form of tuition aid boil over into a personal attack upon me. Not long ago he challenged both my motives and my credentials for supporting the tuition language in the Senate bill. He even claimed I am trying to intimidate him. I understand that that statement which was released to the press some days ago is now being circulated to Members of the House.

But Mr. TEAGUE must know that the original tuition proposal had strong bipartisan sponsorship and support in both Houses. This is not my proposal alone. The Senate language was worked out with painstaking care in the Senate Committee on Veterans' Affairs. It was finally approved by a 91-to-0 vote. And if there is any question of intimidation involved, it is whether the entire Senate, the House conferees, and I suspect a majority in the House who support this concept, are going to let it be defeated because a single Member is opposed.

I also regret that President Nixon is now opposed to more equal educational opportunities for Vietnam veterans. In a letter last week he called the tuition proposal both "inflationary and unnecessary." The Washington Post has reported that the President's letter was actually solicited by Mr. TEAGUE. But regardless of how he reached that position, the President's arguments are plainly faulty and his conclusion is plainly wrong.

One objection is to cost. Certainly a bill with a tuition proposal will cost more than one without it, that is self-evident, although the figure President Nixon used last week—$1.3 billion—is grossly inflated. The committee report on S. 2784 sets the cost of partial tuition at $589.9 million, dropping down to $430.8 million by 1979, and then gradually phasing out completely.

In a time of persistent and ruinous inflation, we must obviously be concerned about the costs of every program that comes up for evaluation here in the Senate. But I ask my colleagues this: Is this the area where we want to go out of our way to cut public investment?

Is it, after all, real economy to deny these young men a chance not only for additional education, but a chance to become better income earners and, therefore, better taxpayers to our Government? Is this real economy? Is our answer to inflation going to be to take it out on the Vietnam veteran?

The administration has asked that we spend three or four times as much as this tuition proposal will cost to continue underwriting General Thieu's government in Saigon. Should we be so much less concerned about the young men that were sent over there to support that government over the last 10 years? I cannot believe that Mr. Thieu's welfare deserves a higher priority than the American veterans of his war.

The other major argument that has been raised is that the tuition proposal is somehow discriminatory. Both President Nixon and Representative TEAGUE seem to be especially concerned about this point.

But reaching that conclusion requires that we abandon simple logic. In fact, it is the tuition proposal that can make the Vietnam veterans bill less discriminatory than it would otherwise be.

The present GI bill may be adequate for some veterans who are attending low-cost public schools which are available in some areas of the country.

We know that there are States that provide very economical public education, at least at the junior college level, but not most of our States. But I disagree strongly with those who would restrict GI bill improvements to veterans who are fortunate enough to live in such parts of the country. The net result would be to deny hundreds of thousands of veterans a chance to use their entitlements for education and training.

I know the VA contends that the World War II veterans and the Vietnam veterans receive comparable benefits. But they make that case by pitting 1946 dollars against a 1974 problem. Every Member of this Congress knows that the dollar we got in 1946 does not buy anywhere near as much today.

We must compare opportunities that were available under the World War II GI bill with opportunities offered for veterans of the Vietnam era, not simply count the number of dollars that were given in each case.

According to the Department of Veterans' Benefits of the Veterans' Administration, the $500 paid for tuition, books, and fees under the World War II GI bill is equivalent to $2,517 in today's buying power—$500 more than a single Vietnam veteran's current total yearly benefits. The current dollar value of the World War II subsistence allowance for a single veteran is $1,278. By adding the World War II veterans' subsistence allowance and the buying power of his tuition allowance that we got some 30 years ago, the educational opportunities available to the World War II veteran total nearly $1,800 more annually than those currently available to the veteran of the Vietnam conflict.

Mr. President, I see statistics indicating that educational costs have increased roughly three times as fast as we have increased the educational allowances in the current GI bill.

By paying educational expenses, the World War II GI bill provided equal opportunities to all veterans to enter education and training institutions of their choice. All World War II veterans were assured of paid educational expenses, and an equal subsistence allowance to meet living expenses. Vietnam veterans must pay the tuition from their monthly subsistence allowance. The amount of his GI bill a Vietnam veteran can devote to his living expenses depends directly upon the amount he must pay for tuition.

I know for a fact, Mr. President, from numerous letters received from my constituents, that many of these young men simply cannot make it to higher education under the present program.

What is the result? The April 1973 Veterans' Administration DVB bulletin noted:

> There is a marked difference in participation rates between States in the Eastern section of the Nation and the Western section of the Nation. This may be due in part to low costs, and greater access to public institutions (particularly junior colleges) in the West.

The Veterans' Administration's finding was confirmed by the congressionally commissioned Educational Testing Service report. It found that:

> The accessibility of postsecondary education for the Vietnam conflict veteran is a function not only of his military service but also his particular State of residence. The effectiveness of the benefits is directly related to the availability of low-cost readily accessible public institutions. The current veteran seeking to use his educational benefits finds that equal military service does not

provide equal readjustment opportunities with respect to attendance at postsecondary schools.

So the tuition assistance provision is designed precisely to remove the inequity of opportunities for veterans in States with high cost public schools across this land.

Vienam veterans served their country, not their various States. They should be entitled to equal opportunities for their service.

Some States, including Texas and California are fortunate to have an excellent and well-developed system of low cost community and junior colleges through which veterans can take full advantage of their GI benefits. They receive GI bill dollars greatly disproportionate to their veterans population when compared to States that do not have access to a similar system of low cost community and junior colleges.

For many years the GI bill dollars that have been supporting veterans attending colleges in disproportionate numbers in some States have been generated from the taxes of citizens nationwide. Indeed, Vietnam era veterans in States with high-cost education are working, and paying taxes, because they cannot afford to go to school. Instead of sharing in the benefits, they are forced to help pay the cost. And if that is not discriminatory, I do not know what is.

So the claim that this tuition proposal discriminates is simply preposterous.

The same label applies to the argument that some veterans might actually lose benefits under the tuition plan.

In fact, under the tuition assistance provision veterans in States with low-cost education will still be slightly better off than veterans in States with high-cost education. They must still contribute 20 percent of their tuition expense up to $1,000.

The maximum amount available under the tuition assistance provision is $720, about one-third of the tuition at the average private school. So it would simply give the Vietnam veteran little more than parity with the tuition assistance at the time he would have entered a private institution had he not served his country instead.

I hope the House and Senate conferees will report out the tuition assistance provision, as it stands in the Senate bill. And I hope they will act swiftly so veterans can make plans for this September. If need be, the appropriate administrative procedures may be developed over the next few months so long as the veterans and the school are assured of the amount of tuition that will be eventually provided for this coming school year.

Mr. President, I have some charts which demonstrate in more precise detail the comparison between present benefits and those available after World War II. I ask unanimous consent that they be inserted in the RECORD at this point. I also ask that articles from the Washington Post and the Washington Star-News on Mr. Nixon's position be included in the RECORD.

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

ESTIMATE OF CURRENT DOLLAR VALUE OF THE WORLD WAR II FINANCIAL ASSISTANCE FOR TRAINEES UNDER THE GI BILL

I. SUBSISTENCE ALLOWANCE (FULL-TIME SCHOOL TRAINEE)

[Consumer Price Index for 1967 equals 100; 1948 average, 72.1; 137.6 divided by 72.1 equals 1.9085]

	Monthly rates		
		World War II	
	Current GI bill	Actual	Current dollar value (November 1973)
No dependents	$220	$75	$143
1 dependent	261	105	200
2 dependents	298	120	229
More than 2 dependents (each)	18	None	None

II. CURRENT EQUIVALENT OF THE $500 LIMIT ON PAYMENT OF TUITION, FEES, BOOKS, SUPPLIES AND EQUIPMENT (MORE COULD BE PAID BUT THIS WOULD EXHAUST ENTITLEMENT AT A GREATER RATE)

	School year	
	1948–49 (World War II)	1973–74 (current GI bill)
Estimate cost of private college (tuition and fees)	$396	$2,095
Estimated cost of books and supplies	$50	$150
Total	$446	$2,245
Ratio of current World War II ($2,245 divided by $446)		5.0336
Estimated current equivalent ($500 times 5.0336)		$2,715

Source: Veterans' Administration Statistics, Department of Veterans' Benefits, Jan. 11, 1974.

CURRENT BUYING POWER[1] OF THE VIETNAM ERA GI BILL COMPARED TO THE WORLD WAR II GI BILL

	World War II GI bill (1948)				Vietnam Era GI bill (1974)			
	Monthly SA[2]	Period of entitlement (months)	Tuition	Yearly buying power	Monthly SA[2]	Period of entitlement (months)	Tuition	Yearly buying power
No dependents	$143	9	$2,517	$3,804	$220	9	0	$1,980
1 dependent	200	9	2,517	4,317	261	9	0	2,349
2 dependents	229	9	2,517	4,578	298	9	0	2,682

DIFFERENCE IN BUYING POWER

	World War II GI bill	Vietnam GI bill	Yearly difference	Monthly difference (months)
No dependents	$3,804	$1,980	$1,824	$203
1 dependent	4,317	2,349	1,968	219
2 dependents	4,578	2,682	1,896	211

Conclusion: The Vietnam Era veteran actually has $1,896 a year, or $210 a month, less than did his World War II veteran counterpart.

[1] Per 9-month school year.
Subsistence allowance.

Note: Figures taken from Veterans Administration statistics, Department of Veterans Benefits, Jan. 11, 1974.

PRESIDENT SUGGESTS VETERANS BENEFIT VETO

(By Tim O'Brien)

President Nixon has announced strong objection to a Senate-passed measure that would substantially increase educational benefits for veterans.

In a July 30 letter to Vance Hartke (D-Ind.), chairman of the Senate Veterans Committee, Mr. Nixon blasted the Senate's proposal as "clearly inflationary and unnecessary for our nation's veterans."

A Senate committee staffer said the letter "amounts to a preliminary veto message."

The President's letter came at a bad time for the Senate committee as it prepared to take its bill to conference with a House-passed measure that would cost about a billion dollars less a year.

The Senate bill, approved June 19 by a 91-to-0 vote, would increase basic GI educational benefits by 18 per cent, establish a new loan program, extend benefit entitlement by a full academic year, and establish a new tuition asssitance program to pay up to $720 of a veteran's tuition costs.

The House measure, passed 328 to 0 on Feb. 19, would increase basic benefits by 13.6 per cent. The President, in a message earlier this year, called for an 8 per cent increase.

The President said the Senate version would "increase current GI Bill costs by $1.3 billion annually—without even considering the 'suction' effects of converting the GI Bill from an educational cost-sharing to an income-attractive program."

Mr. Nixon was particularly critical of the Senate's controversial tuition assistance proposal, which the House Veterans Committee leadership also opposes.

Mr. Nixon said the tuition plan "subverts" the purpose of the GI Bill, discriminating against those veterans who attend low-cost public schools and favoring those who attend high-cost, private colleges. He said "congressional and GAO studies" suggest that such a tuition assistance plan would be abused by schools.

The Senate committee believes the tuition plan is essential to help equalize the often

significant tuition cost differences between private and public schools and even between public schools in different states. The Senate plan would have the veteran pay the first $100 of his tuition, the federal government would pay 80 per cent of the next $1,000, then the veteran would pay the remainder.

Reliable sources said the President's letter was actually solicited by Rep. Olin E. Teague (D-Tex.), former chairman of the House committee and still its most powerful member. Teague has been under increasing pressure from senators, veterans' lobbyists and some of his fellow House members—including Speaker Carl Albert and the entire New York delegation—to agree to the Senate tuition plan.

The letter amounts to White House backing for the less-costly House-passed version of the GI Bill.

Forrest Lindley of the Vietnam Veterans Center, a proponent of the Senate version, said the letter "shows that Nixon really doesn't want veterans to use their benefits." He cited a passage that said: if "as few as 10 per cent of the eligibles (500,000 veterans) who have not used their benefits were to enter the program, costs would rise by an additional $1.3 billion annually."

NIXON BLASTS GI BILL EXPANSION

(By Ned Scharff)

President Nixon has issued a strong denunciation of proposed changes in the GI Bill of Rights for Vietnam veterans, saying that measures to broaden educational assistance programs "inflationary and unnecessary."

In a letter released today by Sen. Vance Hartke, D-Ind., author of the revised GI Bill, Nixon said the 7 million war-era veterans did not need the proposed improvements in student loans, tuition and subsistence grants to "prepare themselves for productive lives."

The bill, which passed the Senate by a 91–0 vote in June would provide 18 percent increases in monthly living allowances for GIs attending college, and also would provide tuition grants up to $720 a year.

In the letter, mailed July 30, Nixon complained that the improvements in the bill would add at least $1.3 billion to the cost of educating veterans because it would induce many more veterans to take advantage of the program.

The President told Hartke he should rewrite the bill to limit any extension of benefits to cost-of-living increases.

Nixon's opposition to Hartke's bill was no secret when the Senate passed it two months ago. Representatives of the Veterans Administration and the Office of Management and Budget had stated the White House position in testimony before Hartke's Veterans Affairs Committee.

But the letter received by Hartke today is by far the strongest expression of disapproval to date.

Hartke's aides believe that the letter could herald a presidential veto unless Hartke agrees to modify the bill when it goes to conference with House members.

In addition to re-instituting the tuition assistance payment, which was discontinued after World War II veterans finished college, Hartke's bill would make veterans eligible for low-cost education loans up to $2,000 per school year and would extend the period of eligibility from 36 months to 45 months—for veterans who cannot attend school full-time.

So far, 51 percent of the Vietnam veterans have applied for grants under the GI Bill, about the same as the percentage of applicants after World War II.

But Hartke has argued that the percentage of applicants now should be much higher because education has become more necessary and because the Vietnam war drew a far higher percentage of the poor and undereducated into the armed service than World War II did.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, the Senator from Texas is next, but I ask if he would yield 2 minutes on my time. I would like to make some comments on the remarks just made by the distinguished Senator from South Dakota.

Mr. BENTSEN. I yield.

Mr. MANSFIELD. First, Mr. President, I would like to commend the distinguished Senator from South Dakota for what he had to say relative to veterans benefits which the Congress is trying to increase for these veterans who served in a most unpopular war, a tragic war, a war which never should have taken place; these veterans who did not come home as heroes. They ought to be given the same consideration that the veterans of the Second War received, the war in which the distinguished Senator from South Dakota served as a fighting combat pilot.

Why take it out on the Vietnam veterans? After all, what is in large responsible for inflation which now afflicts this country today? The Vietnamese war. It has cost about $130 billion, and before all the payments are through will cost somewhere in the vicinity of $350 billion, extending into the midhalf of the next century.

So why blame them for the inflation caused by the war in which they assumed their responsibilities as citizens and served to the best of their ability? Why is it unnecessary—to use the words which were quoted by the distinguished Senator from South Dakota in relation to someone else—to take care of these people who have given so much, who have received so little? They are entitled to every benefit which a grateful nation can give, regardless of the type of war in which we were engaged. They did their best. It is up to us to do our best. I am wholeheartedly in support of the proposal made by the distinguished Senator from South Dakota (Mr. McGOVERN) who was primarily responsible for getting this increase in benefits, an increase which, I think, the Vietnam veterans are entitled to.

So I commend the distinguished Senator, and I am with him all the way.

Mr. McGOVERN. I thank the Senator for his eloquent remarks. I am sure they will be very helpful in winning support for this proposal.

Mr. President, I yield the floor.

Mr. HATHAWAY. Mr. President, I wish to commend the Senator from South Dakota (Mr. McGOVERN) for his excellent statement with respect to educational benefits for veterans returning from the war in Vietnam.

I wish to add to the remarks he made that history has shown us that an investment of this sort in educational benefits has inured very greatly to the benefit of the country. Not only do we have better trained people occupying the many jobs we have throughout the country, and not only do we have a better informed citizenry, but, also, looking at it from a practical, business point of view it has turned out to be an excellent investment.

I recall in hearings before the House Education Labor Committee back in 1970, testimony was given that we spent approximately $12 billion on educational benefits for veterans returning from World War II, and that since that time we have received back into the Federal Treasury approximately $100 billion. This amount represents simply the increase in taxes that returning veterans have been able to pay as a result of furthering their education and getting better paying jobs. I merely wish to call this fact to the attention of the Members of this body.

In closing, I again commend the Senator from South Dakota (Mr. McGOVERN) for his excellent statement in this regard. I wish to say to him that I am with him 100 percent and I will do whatever I can to make sure that the veterans of this country receive at least as much as we received. The Senator from South Dakota and I were in the same theater of operations in World War II and we benefited from the GI bill thereafter. I am certainly in wholehearted agreement with him that veterans of every war should receive at least the amount of benefits we received and from which we and the Nation benefited so much.

Mr. MATHIAS. Mr. President, I would like to join my colleagues in urging strong support for all the Senate-passed provisions in H.R. 12628, which is currently still pending in conference. I am particularly concerned that the provision for direct tuition assistance for Vietnam-era veterans be included in any bill on which the conferees finally agree. This is a provision for which I have personally been fighting for more than 3 years, and which I know enjoys broad bipartisan support in this Chamber and in the Nation as a whole.

I recognize that in recent days and weeks, the concept of direct tuition assistance for veterans has come under attack by some members of the other body and even by the President. Their arguments, however, appear to be both shortsighted and, I regret to say, uninformed.

For my own part, Mr. President, I hope our Nation will honor its commitments to Vietnam veterans rather than offer a program which is so inadequate that it frustrates veterans from trying to use it—especially since studies have conclusively shown that the GI bill is one of the best investments we can make in the economic future of our country.

The men and women who fought an unpopular war in Vietnam should not be shunted aside at home, when they seek no more than the same chance to finish their education that veterans of my generation were given after World War II.

The tuition payment plan which was included in the bill passed by the Senate by a vote of 91 to 0 is the most significant step we can take toward readjusting the levels of educational benefits to match the rapid growth in tuition costs at colleges nationwide. If benefits remain so low that a veteran must have outside income to supplement them, he may be forced to pass them up altogether.

In his letter to Chairman HARTKE, President Nixon argued that this tuition provision was "unnecessary." Yet at the same time, he argued that these added benefits would present an excessive burden on the Federal budget precisely because they would allow hundreds of thousands of veterans who now cannot take advantage of the GI bill to do so. It seems to me that this merely proves how necessary these added benefits are, if so many veterans can not now afford to go to school at the existing level of benefits.

The President has also contended that the tuition provision would unfairly discriminate against veterans attending public institutions while favoring those attending more high-cost private institutions. Quite the contrary. The Senate-passed measure is necessary precisely because the tuitions at public institutions in many States—such as Maryland—are rising so rapidly that veterans often can no longer afford to attend even their State schools.

For these reasons, Mr. President, I am confident that support for the tuition provision will remain strong in this Chamber and among members of the conference committee. The Senate has won the full support of such broad-based veterans groups as the American Legion, the National Association of Concerned Veterans and Jewish War Veterans on this issue, and I trust we will not let them down. And I have been particularly heartened by the dedicated work on this issue of American Legion National Commander Robert Eaton, a Marylander whose outstanding work at the grassroots level has immeasurably increased support for this legislation across the land.

Mr. HUGH SCOTT. Mr. President, I want to take this opportunity to join my colleagues in urging the conferees on the Vietnam era veterans bill to quickly adopt the strong Senate tuition assistance language. This is the very heart of the Vietnam veterans education package. By striking this section, we would, in effect, be denying hundreds of thousands of veterans the opportunity to get an education under the GI bill.

This would have a particularly deleterious effect in Pennsylvania where extremely high tuition costs have already placed an undue burden on thousands. Pennsylvania ranks third in the Nation in the number of Vietnam-era veteran-residents, but ranks 48th in the percentage of Vietnam veterans attending either a 2-year or 4-year college under the GI bill. The reason for this? Costs are high and the amount currently covered under the GI bill is not enough to make a dent. This is a situation which simply must not be allowed to continue.

I reiterate my urging to the House-Senate conferees on the Vietnam veterans education bill: the needs of the Vietnam veteran are great. Let us assist them in their education by adopting the very best, most equitable provisions in the bill currently in conference.

PAYMENT FOR POSSIBLE PRESIDENT'S SPECIAL IMPEACHMENT COUNSEL

Mr. BENTSEN. Mr. President, in view of the President's disclosures of new evidence in the tape recordings just released the President has conceded it appears probable that the House of Representatives will send Articles of Impeachment to the Senate for trial. I believe we must proceed as though a Senate trial will come before us later this fall. Indeed, we must continue our efforts to resolve the procedural questions involved in the conduct of that trial, for the Senate, no less than the President, will be judged, and the American people must be assured that we will be acting fairly and judiciously.

One of the central issues which confronts us and must be resolved as we develop the ground rules for our actions and the President's defense is the question of whether the President will be compelled by Congress to bear the legal expenses of his defense.

I believe very deeply that Congress should not place the financial burden of a legal defense on the President's shoulders. No President should have to seek charity or call on his wealthy friends to raise his defense funds.

A great deal more is at stake than the fate of a single man. At issue is the ability of our democratic system to preserve our constitutional ideals and to make a reality of our expressed belief in fairness and impartiality in determining guilt or innocence.

Mr. President, the amount of money we are talking about is small when compared to the magnitude of the issue and the constitutional principles we are charged with protecting.

Let us consider whether there should be any limitations on the ability of this President or any President to defend the conduct of his office with the best available counsel.

Quite apart from the question of President Nixon's financial circumstances, let us consider for a moment the prospect of a future President, of modest means, who could not afford to present a thorough and complete defense. Can a Congress, in good conscience, assert that such a President would receive a fair trial? I think not.

We should expect that the prosecutors appointed by the House of Representatives and paid from public funds will be fully competent to present the most forceful case for Senate conviction. We should allow the President no less in presenting his case for acquittal.

The resources of the Congress to present the prosecution's case are virtually limitless; the personal resources of any President are finite and limited.

Charles Black, professor of law at Yale University and an acknowledged expert on the question of impeachment, asks the question, "Do we want the outcome of this most important proceeding ever to be affected by the President's lack of adequate legal help?" Our answer must be in the negative.

The resolution of this matter is independent of one's position on the ultimate question of guilt or innocence. It goes to something fundamental, the right of any defendant to have his best case presented.

I recognize that the impeachment process is not a criminal trial in the strict sense, but it is patterned after a judicial proceeding which depends upon advocacy to develop fully the evidence for those who must sit in judgment—in this instance, the Members of the U.S. Senate. In matters of such grave importance to all of the American people, we cannot depend on anything less than the best possible counsel for the presentation of that evidence.

The guarantee of fairness must be established before the trial begins. That fairness must be reflected in the headlines as well as in history.

Whatever their views on the ultimate disposition of the President's case, I believe the American people want to be assured that he has a defense adequate to the gravity of the issues involved in this matter. Indeed, those now predisposed to a position against the President should be the first to rise and demand that the President have every opportunity to present his most vigorous and thoughtful case. That will be a measure of how resilient is our system of government and how our system of government is able to meet this test.

As final arbiters judging the President's conduct, Members of the Senate should seek the fullest and most competent exposition of the facts, on both sides of this momentous question. We must not be deterred from that goal by vindictiveness or the passions of the moment. We must be thorough and fair.

The General Accounting Office is presently considering the question of whether public funds can be used to provide for the President's defense in the event of an impeachment trial. If it is determined that under present law these funds are not available, I will introduce legislation to make them available.

I remind my colleagues that, in the final analysis, the American people will suffer. Our constitutional processes will suffer. Respect for our system will suffer, if Congress diminishes the President's ability to present his case.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 10212. An act to designate the Veterans' Administration hospital in Columbia, Missouri, as the "Harry S. Truman Memorial Veterans' Hospital", and for other purposes.

H.R. 12367. An act to amend title 38 of the United States Code to correct an inequity in the law relating to the provision of adaptive equipment for automobiles used by disabled veterans and servicemen.

H.R. 13267. An act to authorize Federal agricultural assistance to Guam for certain purposes.

H.R. 13377. An act to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II.

H.R. 15936. An act to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency.

H.R. 16006. An act to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the

armed forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness.

The message also announced that the House agrees to the following House concurrent resolutions, in which it asks the concurrence of the Senate:

H. Con. Res. 507. A concurrent resolution for negotiations on the Turkish opium ban.

H. Con. Res. 564. A concurrent resolution to declare the sense of Congress that Smokey Bear shall be returned on his death to his place of birth, Capitan, New Mexico.

The message further announced that the House agrees to Senate Concurrent Resolution 79, without amendment, expressing the sense of the Congress with respect to the celebration of the 100th anniversary of the birth of Herbert Hoover.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker has affixed his signature to the following enrolled bills and joint resolution:

S. 2296. An act to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the productivity and other values of certain of the Nation's lands and resources, and for other purposes;

H.R. 15074. An act to regulate certain political campaign finance practices in the District of Columbia, and for other purposes; and

S.J. Res. 228. A joint resolution to extend the expiration date of the Defense Production Act of 1950.

The ACTING PRESIDENT pro tempore (Mr. HATHAWAY) subsequently signed the enrolled bills and joint resolution.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, if I have any time, I yield it back.

The PRESIDING OFFICER. The Senator from Montana has used his time.

Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, with the approval of the Senator from West Virginia, I yield back his time.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

HOUSE BILLS REFERRED

The following House bills were each read twice by their titles and referred as indicated:

H.R. 10212. An act to designate the Veterans' Administration hospital in Columbia, Mo., as the "Harry S. Truman Memorial Veterans' Hospital", and for other purposes;

H.R. 12367. An act to amend title 38 of the United States Code to correct an inequity in the law relating to the provision of adaptive equipment for automobiles used by disabled veterans and servicemen; and

H.R. 13377. An act to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II, to the Committee on Veterans' Affairs.

H.R. 13267. An act to authorize Federal agricultural assistance to Guam for certain purposes, to the Committee on Agriculture and Forestry.

H.R. 15936. An act to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency; and

H.R. 16006. An act to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the Armed Forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness, to the Committee on Armed Services.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following House concurrent resolutions were referred as indicated:

H. Con. Res. 507. A concurrent resolution for negotiations on the Turkish opium ban, to the Committee on Foreign Relations.

H. Con. Res. 564. A concurrent resolution to declare the sense of Congress that Smokey Bear shall be returned on his death to his place of birth, Capitan, N. Mex., to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TUNNEY, from the Committee on the District of Columbia, without amendment:

H.R. 11108. An act to extend for three years the District of Columbia Medical and Dental Manpower Act of 1970 (Rept. No. 93-1074).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Richard W. Murphy, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Syrian Arab Republic.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. RANDOLPH, from the Committee on Public Works:

James L. Agee, of Washington, to be an Assistant Administrator of the Environmental Protection Agency, and

Roger Strelow, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

(The above nominations were approved 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. FULBRIGHT:

S. 3880. A bill to repeal certain provisions of law relating to Cuba. Referred to the Committee on Foreign Relations.

By Mr. INOUYE:

S. 3881. A bill to amend the Public Health Service Act to provide for the development of demonstration and evaluation programs to insure the delivery of adequate health services for persons who have recently migrated to the United States. Referred to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY:

S. 3882. A bill for the relief of Miss Thilani Duwearatchi. Referred to the Committee on the Judiciary.

By Mr. HARTKE (for himself and Mr. THURMOND):

S. 3883. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. ROTH (for himself and Mr. HUMPHREY):

S.J. Res. 232. A Joint Resolution to establish the National Commission on Inflation. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FULBRIGHT:

S. 3880. A bill to repeal certain provisions of law relating to Cuba. Referred to the Committee on Foreign Relations.

Mr. FULBRIGHT. Mr. President, I introduce for appropriate reference a bill which would take a few modest steps toward clearing away some of the legislative barnacles that have grown up over the last 12 years on U.S. policy toward Cuba.

I do so, not only because I think the statutes which this bill would repeal are obsolete, but also because this is one way to focus attention on the larger question of United States-Cuban relations.

What I am proposing, Mr. President, is to repeal three pieces of legislation—the so-called Cuban Resolution of 1962; the section of the Foreign Assistance Act relating to assistance to Cuba and to countries trading with Cuba; and the provision of Public Law 480 relating to sales of agricultural commodities to countries trading with Cuba.

Section 1 of the bill would repeal Public Law 87–733. This is the so-called Cuban resolution which in its operative part provides:

The United States is determined—

(a) to prevent by whatever means may be necessary, including the use of arms, the Marxist-Leninist regime in Cuba from extending, by force or the threat of force, its aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability endangering the security of the United States; and

(c) to work with the Organization of American States and with freedom-loving Cubans to support the aspirations of the Cuban people for self-determination.

The Department of State long ago—1970, reaffirmed in 1971—informed the Committee on Foreign Relations that it "neither advocates nor opposes repeal of the resolution." I ask unanimous consent that the Department's letter be included in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. FULBRIGHT. Mr. President, the resolution generally reflects the rhetorical bombast of another era.

The reference in clause (a) to "the use of arms" could possibly be construed as advance authorization for military intervention—though it was not relied on by President Johnson in the Dominican Republic case.

With respect to the reference in clause (c) to the "aspirations of the Cuban people for self-determination," it could be argued that the Cuban people have indeed exercised their right of self-determination and have determined that they want something very much like the government they have got. Although this government lacks constitutional legitimacy, most observers agree that it enjoys solid public support.

Section 2 of the bill would repeal section 620(a) of the Foreign Assistance Act of 1961, as amended.

Section 620(a) deals with prohibitions on assistance to Cuba and to third countries trading with Cuba. It contains the following elements:

First, no assistance shall be furnished to the present government of Cuba. Although the amendment would repeal this prohibition, it would not open the way for assistance to Cuba. Section 620(f) names Cuba among a number of countries to which assistance is prohibited.

Second, no assistance shall be furnished to any country which furnishes assistance to the present government of Cuba unless the President determines such assistance to be in the national interest of the United States. This is a dead letter. It has been neither applied nor waived.

Third, the President is authorized to establish and maintain a total embargo on all trade between the United States and Cuba. Repeal of this provision would not in itself affect restrictions on U.S. trade with Cuba. These restrictions are based on the President's authority under the Trading With the Enemy Act.

Fourth, "except as may be deemed necessary by the President in the interest of the United States," no assistance shall be furnished to any government of Cuba until compensation is paid for expropriated American property. In the unlikely event that Castro were overthrown, this would have the peculiar effect of denying help to his successor.

Fifth, with the same provision for a Presidential exception, Cuba is not to receive any sugar quota "or any other benefit under any law of the United States" until compensation is paid for expropriated American property. With the demise of the Sugar Act at the end of this year, the reference to a sugar quota becomes obsolete. The reference is "any other benefit under any law" is scarcely broader than the prohibition in the Hickenlooper amendment—"assistance . . . under this or any other act"—which would continue in force.

Sixth, no assistance—except for American schools and hospitals abroad—shall be furnished to any country whose ships or aircraft transport anything to or from Cuba. This provision represented an unsuccessful attempt to use the presumed leverage of foreign aid to apply the American economic boycott to third countries.

Section 3 of the bill would delete references to Cuba in section 103(d) of the Agricultural Trade Development and Assistance Act of 1954, as amended, Public Law 480.

Section 103(d) provides that title I sales agreements are to be made only with those countries which the President determines to be "friendly to the United States." "Friendly country" is then defined as not including various categories of countries, one of which is countries trading with Cuba or North Vietnam. A proviso exempts medical supplies and nonstrategic agricultural goods.

This amendment would simply delete the specific references to Cuba.

All other provisions of section 103(d) would remain intact including the prohibition of title I sales for foreign currencies to "any country or area dominated by a Communist government."

The amendment would not apply directly to Cuba, but rather to third countries trading with Cuba.

EXHIBIT 1

DEPARTMENT OF STATE,
Washington, D.C., September 16, 1971.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with your letter of August 3, 1971, the Department of State has carefully reviewed Senate Joint Resolution 146 and is pleased to comment upon it. Senate Joint Resolution 146 would repeal the so-called Cuban Resolution (Public Law 87–733, approved October 3, 1962).

You will recall that repeal of the Cuban Resolution was proposed along with other measures affecting other areas in Senate Joint Resolution 166 of December 8, 1969. The Department's views on this proposal were set forth in a letter to you of March 12, 1970 by Acting Assistant Secretary for Congressional Relations Torbert, and in my letter to you of June 3, 1970. I wish to reaffirm the views expressed in those messages.

Since the Executive Branch is not depending on the Cuban Resolution as legal or constitutional authority for its present policies or contingency plans, the Department neither advocates nor opposes repeal of the Resolution. However, the Department would not wish this position to be misinterpreted. The Cuban Resolution was expressive of a common understanding of the Legislative and Executive Branches at that time of the threat to the peace and security of the Western Hemisphere nations caused by the Castro regime's policy of interference in the internal affairs of these nations through support of subversive activities and by its military ties with the Soviet Union. The history of the actions undertaken by the Organization of American States in response to the threat posed by the Castro regime is well known to the Committee.

In the Department's view, there has been no change in the basic conditions upon which United States Cuban policy has been based in the years since 1962. Therefore, the Cuban Resolution still reflects United States policy toward Cuba.

The Department of State is prepared to cooperate fully with the Committee on Foreign Relations in examining the questions raised by Senate Joint Resolution 146.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely yours,

DAVID M. ABSHIRE,
Assistant Secretary for Congressional Relations.

By Mr. INOUYE:

S. 3881. A bill to amend the Public Health Service Act to provide for the development of demonstration and evaluation programs to insure the delivery of adequate health services for persons who have recently migrated to the United States. Referred to the Committee on Labor and Public Welfare.

Mr. INOUYE. Mr. President, the lack of adequate public health care for the approximately 4 million aliens residing in the United States concerns all Americans.

Immigrants often come from regions where exposure to communicable diseases—some of them rare in this country—is universal. For them, life in the United States, a new country, is made up of emotional and economical stress that complicates their health problems.

Unaccustomed to preventive health services, and painfully aware of the high costs of medical care, many immigrants do not seek aid until health problems have reached crisis proportions. This situation is not only a threat to the immigrants, but also inflicts harm on uncounted thousands of Americans.

I am well aware of the problems arising from inadequate health care for these people. Resident aliens account for well over 6 percent of the population in my State of Hawaii. The rate of immigration in Hawaii as a percent of the population is more than twice as high as any other State.

Moreover, the immigrants and American Samoans represent the highest percentage of residents in Hawaii treated for leprosy, tuberculosis, pediculosis, underweight children, mental health, and congenital malformation.

Mr. President, the bill I am proposing is long overdue. It will bridge the gap that has arisen between the awesome health problems of recent immigrants, and the insufficient health care provided. It will provide health services, and links

to those services, for people who desperately need them. And, by helping them, we help those who are more fortunate to have been here since birth, by maintaining a more healthy general environment.

It is our national policy to allow immigrants into this country. We should not desert them. I hope my colleagues will join me in recognizing the importance of this bill and will act to secure its early consideration and passage.

By Mr. HARTKE (for himself and Mr. THURMOND):

S. 3883. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes. Referred to the Committee on Veterans' Affairs.

VETERANS HOUSING ACT OF 1974

Mr. HARTKE. Mr. President, today I introduce S. 3883, the Veterans Housing Act of 1974. This bill is designed to improve the attractiveness of the GI housing loan program, including the mobile home lending program, to lenders and at the same time to make both programs more responsive to the needs of eligible veterans in the light of prevailing economic conditions in the housing market of this country. The Veterans Housing Act is also designed to further aid paraplegic veterans in acquiring suitable housing especially adapted to their needs. Finally the bill adds several provisions which will facilitate the administration of the housing programs by the Veterans' Administration, as well as eliminating various obsolete programs which still remain on the books in title 38.

I intend to schedule hearings shortly on this bill and other aspects of the Veterans' Administration housing programs which deserve review.

Mr. President, the bill before you will increase the maximum amount of the Government guarantee from $12,500 to $17,500. The last increase in the maximum guarantee under the program was over 6 years ago. The increases in the cost of housing over this period are common knowledge. The increase in guarantee amount will be added protection to the lender's investment and should increase participation in the program by the lending institutions.

A number of amendments are made to the mobile home program. In these days of higher costs one of the most attractive means for younger veterans to house their families is by purchasing a mobile home and placing it on a developed lot in an attractive mobile home park. This bill increases the loan amount which the Veterans' Administration may guarantee in such purchases from $10,000 to $12,500 for a single-wide home and provides for the purchase of double-wide homes at a cost not to exceed $15,000. The bill also adds a provision that a loan may be guaranteed by the Veterans' Administration for the purchase of a developed lot on which to place a mobile home owned by him even though the mobile home was not purchased under one of the Government loan programs. Finally, the bill would make permanent the mobile home loan program and remove the present limiting date of July 1, 1975, as the life of the program. The program has been meeting the needs of younger veterans who need reasonably priced housing. The removal of a limiting date should induce more lenders into participation in this program, thus making more credit available to veterans for the purchase of this type of housing. Lenders are reluctant to enter a program in which they have no previous experience when they note the program will expire in 1 year. Hopefully, the removal of a limiting date will end this reluctance.

Mr. President, except for certain refinancing loans, the present statute precluded the payment by a veteran borrower of any discount or "points" required by a lender to adjust his yield on the lower interest rate loan to be guaranteed under the GI loan program. This is a good provision in the usual purchase transaction because the builder or other seller is in a position to absorb this expense from the profit on the transaction. However, in some unusual cases where refinancing is not involved, the veteran buyer finds that the only way a guaranteed loan can be obtained is by the payment of "points" and he is the only party available to pay them. This bill provides that in certain stated circumstances the veteran may pay a reasonable discount approved by the Veterans' Administration although refinancing is not involved. For example, should a veteran buy an existing house from a trustee and the Veterans' Administration finds that the trustee may not properly pay the discount, the veteran could pay it if the discount was approved as reasonable by the Veterans' Administration.

Many GI loans are made by lenders without the submission of an application to the Veterans' Administration for approval. These so-called automatic loans are guaranteed when made and the lender reports the closed transaction to the Veterans' Administration. Under the law, loans made by any State, or by lending institutions whose operations are subject to examination and supervision by an agency of the United States or of any State can be made on the automatic guaranty basis. This bill would extend the automatic guaranty to other lenders who qualify under standards to be established by the Administrator. What those standards should be will be a subject of our forthcoming hearings. Thus reputable and established lending institutions whose activities are not subject to examination and supervision by any Federal or State agencies could be extended the benefits of this automatic processing if appropriate standards are met. In addition the bill would provide that a veteran need only certify his intention to occupy a property as his home at the time of closing any loan which is automatically guaranteed.

The Veteran's Housing Act would also enlarge the opportunity of veterans to buy in the expanding condominium market. Present law restricts this market to condominiums approved by the Secretary of Housing and Urban Development in which at least one unit has been purchased by a loan insured by the Federal Housing Administration. This provision unduly restricts the veteran in the purchase of a condominium and the bill accordingly eliminates that restriction and permits loans on any condominium unit subject to approval of the unit by the Veterans' Administration.

Many veterans who used their entitlement to buy homes now desire to upgrade their housing. Under present law their entitlement cannot be restored to their use unless the sale can be established as being made "under compelling reasons devoid of fault on the part of the veteran." This bill would remove that restriction and permit the restoration of entitlement if the property has been disposed of and the guaranteed loan has been repaid in full or the Administrator has been otherwise released from liability on the loan, or if the Administrator has suffered a loss on the loan such loss has been paid in full. This will afford many veterans the opportunity to utilize the GI loan benefit in buying a different residence. In addition, in deserving cases the Administration may continue to waive the foregoing requirements and restore the guaranty benefit to the veteran's use.

Under present law some builders and lenders who have been found derelict in meeting their responsibilities in connection with housing programs administered by the Department of Housing and Urban Development and who have been suspended from those programs can still operate in the housing programs of the Veterans' Administration.

This is so because the law now permits the Veterans' Administration to recognize only suspensions made by the Secretary of HUD under section 512 of the National Housing Act. This section is now little used in making suspensions of this type. Consequently, this bill corrects that situation by deleting the specific section 512 requirement and permits the Veterans' Administration to recognize any suspension authorized by the Secretary of Housing and Urban Development.

Mr. President, another provision of the bill is directed to the problem faced by certain veterans who are eligible for grants for housing specially adapted for their needs. These are seriously disabled veterans who are eligible for a grant not to exceed 50 percent of the cost of their special home. In 1948 this grant was limited to the amount of $10,000. In 1969 the grant limit was raised to $12,500. Again in 1972 the grant amount available was increased to the existing limit of $17,500. Bear in mind the grant was from the beginning designed to assist the veteran by giving him not more than 50 percent of the cost of housing specially adapted to his disabilities. The average cost of such housing in fiscal year 1972 was $38,744; in fiscal year 1973 it was $45,155. With the trend of increased construction costs it is inevitable that the average cost of such a house in fiscal year 1974 was at least $50,000, and certainly will be more in the next fiscal year. Consequently to keep pace with the original concept of this legislation and to provide adequate assistance to these

particular veterans whose compensation will generally enable them to qualify for a $25,000 loan we have raised the grant limit in this bill to $25,000.

The remaining provisions of the bill simply eliminate certain parts of the bill which are inoperative such as loans for the purchase of business property, farms and farm equipment, or to refinance delinquent indebtedness.

Mr. President, I ask unanimous consent that the text of the bill be inserted in the RECORD at this point.

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

S. 3883

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 "Veterans Housing Act of 1974".

Sec. 2. (a) Section 1802(b) of title 38, United States Code, is amended to read as follows:

"(b) In computing the aggregate amount of guaranty or insurance entitlement available to a veteran under this chapter the Administrator may exclude the amount of guaranty or insurance entitlement used for any guaranteed, insured, or direct loan, if—

"(1) the property which secured the loan has been disposed of by the veteran or has been destroyed by fire or other natural hazard; and

"(2) the loan has been repaid in full, or the Administrator has been released from liability as to the loan, or if the Administrator has suffered a loss on such loan, the loss has been paid in full.

in clauses (1) and (2) above.

(b) Clause (3) of section 1802(d) of title 38, United States Code, is amended to read as follows: "(3) by any lender approved by the Administrator pursuant to standards established by him.".

(c) Section 1803(c) of title 38, United States Code, is amended by adding at the end thereof a new paragraph as follows:

"(3) This section shall not be construed to prohibit a veteran from paying to a lender any reasonable discount required by such lender, when the proceeds from the loan are to be used:

"(A) to refinance indebtedness pursuant to section 1810(a)(5);

"(B) to repair, alter, or improve a farm residence or other dwelling pursuant to section 1810(a)(4);

"(C) to construct a dwelling or farm residence on land already owned or to be acquired by the veteran except where the land is directly or indirectly acquired from a builder or developer who has contracted to construct such dwelling for the veteran; or

"(D) to purchase a dwelling from a party which is determined by the Administrator to be unable to pay such discount.".

(d) Section 1804(c) of title 38, United States Code, is amended by inserting immediately after the second sentence a new sentence as follows: "Notwithstanding the foregoing provisions of this subsection, in the case of a loan automatically guaranteed under this chapter, the veteran shall be required to make the certification only at the time the loan is closed.".

(e) Section 1804 of title 33, United States Code, is amended by striking out in subsections (b) and (d) "under section 512 of that Act".

SEC. 3. Section 1810 of title 38, United States Code, is amended as follows:

(1) by striking out in subsection (a) (5) the second sentence;

(2) by striking out in subsection (c) "$12,500" and inserting in lieu thereof "$17,500" and

(3) by striking out in subsection (d) "as to which the Secretary of Housing and Urban Development has issued, under section 234 of the National Housing Act, as amended (12 U.S.C. 1715y), evidence of insurance on at least one loan for the purchase of a one-family unit".

SEC. 4. Section 1811 (d) (2) (A) of title 38, United States Code, is amended by striking out "$12,500" wherever it appears and inserting in lieu thereof "$17,500".

SEC. 5. Section 1819 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a) "or the mobile home lot guaranty benefit, or both," immediately after "loan guaranty benefit" each time it appears therein and by striking out "mobile home" immediately before "loan guaranteed" in the second sentence of such subsection;

(2) by amending subsection (b) as follows:

(A) by inserting "(1)" immediately after "(b)";

(B) by redesignating clauses "(1)" and "(2)" as clauses "(A)" and "(B)", respectively; and

(C) by adding at the end thereof a new paragraph as follows:

"(2) Subject to the limitations in subsection (d) of this section, a loan may be made to purchase a lot on which to place a mobile home if the veteran already has such a home. Such a loan may include an amount sufficient to pay expenses reasonably necessary for the appropriate preparation of such a lot, including, but not limited to, the installation of utility connections, sanitary facilities, and paving, and the construction of a suitable pad.";

(3) by redesignating clauses (1) and (2) of the first sentence of subsection (c) (1) as clauses (A) and (B), respectively, and by striking out the word "and" at the end of clause (A), as redesignated, and inserting in lieu thereof "or the loan is for the purpose of purchasing a lot on which to place a mobile home previously purchased by the veteran, whether or not such mobile home was purchased with a loan guaranteed, insured, or made by another Federal agency, and";

(4) by amending the last sentence of paragraph (1) of subsection (d) to read as follows: "In the case of any lot on which to place a mobile home, whether or not the mobile home was financed with assistance under this section, and in the case of necessary site preparation, the loan amount for such purposes may not exceed the reasonable value of such lot or an amount appropriate to cover the cost of necessary site preparation or both, as determined by the Administrator.";

(5) by striking out in subsection (d) (2) all of the paragraph after "exceed—" and inserting in lieu thereof the following:

"(A) $12,500 for twelve years and thirty-two days in the case of a loan covering the purchase of a single wide mobile home only and such additional amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation where the veteran owns the lot, or

"(B) $15,000 for fifteen years and thirty-two days in the case of a loan covering the purchase of a double wide mobile home only and such additional amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation where the veteran owns the lot, or

"(C) $20,000 (but not to exceed $12,500 for the mobile home) for fifteen years and thirty-two days in the case of a loan covering the purchase of a single wide mobile home and an undeveloped lot on which to place such home, which includes such amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation, or

"(D) $22,500 (but not to exceed $15,000 for the mobile home) for fifteen years and thirty-two days in the case of a loan covering the purchase of a double wide mobile home and an undeveloped lot on which to place such home, which includes such amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparations, or

"(E) $20,000 (but not to exceed $12,500 for the mobile home) for fifteen years and thirty-two days in the case of a loan covering the purchase of a single wide mobile home and a suitably developed lot on which to place such home, or

"(F) $22,500 (but not to exceed $15,000 for the mobile home) for fifteen years and thirty-two days in the case of a loan covering the purchase of a double wide mobile home and a suitably developed lot on which to place such home, or

"(G) $7,500 for twelve years and thirty-two days in the case of a loan covering the purchase of only an undeveloped lot on which to place a mobile home owned by the veteran, which includes such amount as is determined by the Administrator to be appropriate to cover the cost of necessary site preparation; or

"(H) $7,500 for twelve years and thirty-two days in the case of a loan covering the purchase of a suitably developed lot on which to place a mobile home owned by the veteran.";

(6) by amending clause (3) of subsection (e) to read as follows:

"(3) the loan is secured by a first lien on the mobile home purchased with the proceeds of the loan and on any lot acquired or improved with the proceeds of the loan;";

(7) by inserting in subsection (f) "and mobile home lot loans" after "loans";

(8) by inserting in the first sentence of subsection (l) "and no loan for the purchase of a lot on which to place a mobile home owned by a veteran shall be guaranteed under this section unless the lot meets such standards prescribed for mobile home lots" after "Administrator";

(9) by inserting in subsection (n) "and mobile home lot loans" immediately after "mobile home loans"; and

(10) by striking out subsection (o) in its entirety.

SEC. 6. (a) Chapter 37 of title 38, United States Code, is amended by deleting sections 1812, 1813, 1814, and 1822.

(b) The table of sections at the beginning of chapter 37 of title 38, United States Code, is amended by striking out the following:

"1812. Purchase of farms and farm equipment.
"1813. Purchase of business property.
"1814. Loans to refinance delinquent indebtedness."

SEC. 7. Chapter 37 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1803(a)(1) "and not more than 50 per centum of the loan if the loan is for any of the purposes specified in section 1812, 1813, or 1814 of this title";

(2) by striking out the first sentence in section 1803(b);

(3) by amending paragraph (1) of section 1803(d) to read as follows:

"(1) The maturity of any loan shall not be more than thirty years.";

(4) by striking out the last sentence in paragraph (3) of section 1803(d);

(5) by striking out the last sentence in subsection 1815(b);

(6) by striking out in section 1818(a) "(except sections 1813 and 1815, and business loans under section 1814, of this title)"; and

(7) by striking out section 1818(c) in its entirety and redesignating subsection (d) as subsection (c).

SEC. 8. Section 802 of title 38, United States Code, is amended by striking out "$17,500" and inserting in lieu thereof "$25,000".

SEC. 9. The provisions of this Act should become effective on the date of enactment except that the amendments made by section 2(b) and section 3(3) shall become effective 90 days after such date of enactment.

By Mr. ROTH (for himself and Mr. HUMPHREY):

S.J. Res. 232. A joint resolution to establish the National Commission on Inflation. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. ROTH. Mr. President, I am today reintroducing along with my distinguished colleague from Minnesota (Mr. HUMPHREY) a revised joint resolution to establish a National Commission on Inflation. The National Commission on Inflation would be composed of all segments of the economy, and would work to formulate a national policy to fight inflation.

The continuing rate of inflation has created an intolerable situation in this country today and a total lack of confidence in the Federal Government. The American people's faith in their Federal Government has deteriorated primarily because of the failure on the part of the administration and the Congress to develop a sound anti-inflation policy.

Two weeks ago, I wrote a letter to President Nixon urging him to establish a high-level commission devoted solely to the problem of inflation. I told the President that a proposal to establish such a commission, coupled with a strong congressional endorsement, would promote the Nation's confidence in the Federal Government's ability to control inflation.

For the past 4½ months I have been fighting for the creation of such a commission to fight inflation. This proposal is long overdue and should have been adopted when the mandatory wage-price control authority expired. Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System, endorsed my proposal 4 months ago. Dr. John Dunlop, former Director of the Cost of Living Council, was the only administration official to actively support my proposal.

Now it appears that the White House is finally supporting a similar proposal to establish a Cost of Living Task Force. The task force proposal is similar to our proposal to establish a National Commission on Inflation in many respects. Both would review industrial supply and demand, encourage price and wage restraint, encourage increased productivity, and monitor the economy as a whole.

But the one very important distinction between the two proposals is that the National Commission on Inflation would be composed of representatives of all segments of the economy and would work for a national policy to restrain inflation.

The Commission would be composed not only of members of the administration, but of Members of Congress and representatives of business, labor, agriculture, State, and local governments, and consumer interests.

Senator HUMPHREY and I believe that it is vitally important for all segments of America to be united in this national effort to reach a common ground on policies to fight inflation.

The Commission will recommend to the President, the Congress, and the American people specific anti-inflation policies and programs it believes to be needed. It would conduct public hearings on the inflation problem, and spotlight any price and wage increases which it determines would substantially contribute to inflationary pressures in the economy.

Our past experience with mandatory wage and price controls has shown us that freezes and phases will not control inflation. But I am fearful that the continuing high inflation, coupled with the upcoming congressional elections, could lead to intense pressures to reimpose strict wage and price controls.

The National Commission on Inflation would not have mandatory control authority, but it would serve to dampen the economy's inflationary expectations and create a climate of joint cooperation between the Government, business, and labor. It would provide an ongoing center of vigilance to promote voluntary restraint, guard against abuses of economic power, and promote the level of confidence in our ability to solve inflation.

The fight against inflation will not be an easy one, especially if we do not all work together. The National Commission on Inflation will enable all segments of the economy to come together and hammer out a unified response to inflation. Inflation is one of the most serious economic problems this country has ever faced, and we cannot afford to overlook the possible benefits of a National Commission on Inflation.

NATIONAL COMMISSION ON INFLATION

Mr. HUMPHREY. Mr. President, consumer prices have exploded 11.1 percent since last June. This is the largest 12-month price surge in 27 years, since 1947.

Alarming as this figure is, it actually understates the real impact of inflation on the income of most Americans. Food, fuel, housing, transportation, and medical care costs, those basics which consume most of the budget of the vast majority of low- and middle-income families, have jumped ahead at extraordinary rates.

Food prices are up 14.7 percent, fuel oil and coal costs are up 62.8 percent, housing costs are up 11.4 percent, gasoline and motor oil costs are up 38.9 percent, medical care costs are up 10 percent, and transportation costs are up 12.9 percent.

But even more discouraging is the fact that wholesale prices rose in the past year by 14.5 percent. These price increases, in many cases, have yet to exact their tribute from the pocketbooks of American consumers.

Uncontrolled inflation is devastating to all our people, but the elderly, the poor, and the young families of our Nation, suffer most in this conflagration.

Uncontrolled inflation eats away at the foundations of our institutions. It makes rational public and private decisionmaking virtually impossible.

Recognizing the dire consequences of unchecked inflation, and the complete failure of the Nixon administration to mount a policy that might deal effectively with it, Senator ROTH and I have today introduced a resolution to establish a National Commission on Inflation.

STRUCTURE AND FUNCTIONS OF NATIONAL COMMISSION

The National Commission on Inflation would be composed of 17 members. The Secretary of the Treasury, the chairman of the Council of Economic Advisers, and the chairman of the Federal Reserve Board, would represent the executive branch. Four Members of Congress, appointed by the bipartisan leadership of both Houses, would represent the legislative branch.

Ten members from the private sector and State and local government would be appointed by the President, in consultation with congressional leaders. No more than five of these members could belong to the same political party. Two members would be appointed to represent each of the following groups—labor, business, agriculture, consumers, and State and local government. Labor representation is critical to the development of a successful anti-inflation policy. Labor has been conspicuous by its absence from recent White House meetings on the economy.

The most urgent function given the Commission is the difficult task of hammering out an anti-inflation policy and program. Their recommendations would be made to the President and the Congress within 90 days of passage of this resolution.

The congressional members of the Commission would introduce its recommendations as a concurrent resolution with prompt action of both Houses agreed to in advance by the leadership.

I believe that this may well be the most critical function of the Commission, that is, to get before the Congress, for its consideration and adoption, a comprehensive anti-inflation policy. In the absence of strong and consistent economic policy leadership from the White House, I believe this exertion of congressional authority is absolutely imperative.

Within 12 months, the Commission would develop and recommend to the President and the Congress policies, programs, procedures, and institutional arrangements to achieve and maintain stability of prices and costs in a growing economy with expanding production and increasing job opportunities.

The Commission would be dissolved within 60 days from the date it issues its fiscal report. In carrying out its mandate, the Commission should draw on the intensive inflation study to be carried out by the Joint Economic Committee under provisions of Senate Concurrent Resolution 93.

ADMINISTRATION'S ECONOMIC POLICY FAILURES

Mr. President, I call for this unusual action because of the increasing evidence that the American economy is in a recession and that the current administration so far has failed to do anything about it. With perfect 19th century logic, the

President and his economic advisers have decided that the way to stop inflation is to decrease economic production and jobs.

But the trouble is that this 19th century economic theory is simply not working. It is driving the economy into crisis and has evoked a sharp alarm among our people. There is a general feeling among business, labor, farmers, and our consumers that things are finally about to become unglued. Yet, all we get from the administration is an exhortation to "tighten our belts"—to "grin and bear it."

The complete collapse of the credibility of the administration on economic matters as to the urgency I would emphasize with my colleagues today. For several years now Dr. Stein and other administration economic spokesmen have concentrated their energies on misleading the American people and Congress about the seriousness of our economic problems—particularly the problem of inflation. First, we were told that inflation was just temporary. Then we were told that, although inflation was significant, Americans were really better off economically than they themselves realized. Most recently we have been told that inflation is serious, and will persist for a long time, but it is the public that is to blame for the inflation.

This last statement indicates that administration spokesmen will go to almost any lengths to avoid responsibility for the disastrous economic situation we face. Harry Truman used to say: "The buck stops here." I think that under President Nixon the buck of responsibility has eroded as fast as the value of the dollar.

This indicates to me that Congress must assume more of the responsibility for managing the Nation's economy. The economic bad news at the end of the second quarter makes my point painfully clear. As the headlines of many papers indicated—including the Washington Star News—"GNP Drop Indicates Recession."

The story that lies behind that headline is one of an economy that simultaneously suffers from soaring prices and a recession in which every major sector is weaker than previously expected and where no signs of healthy economic recovery can be discovered.

Further developments sharply illustrate this harsh reality:

First, the real quantity of goods and services produced in the economy declined at a seasonally adjusted annual rate of 1.2 percent in the April-June quarter, following a 7-percent decline in the first 3 months of this year. In other words, in the first 6 months of 1974, the economy suffered a recession that robbed the American people of about $40 billion in normal economic growth.

Second, consumers spent $10 billion more in the second quarter than the first in a futile attempt to maintain their eroding living standards. In fact, consumers were forced to spend $11 billion more than they received in income in the second quarter, causing their savings rate to decline from 8.9 percent in the first quarter to 7.6 percent in the second quarter. Real per capita income in the same period fell at a 4 percent annual rate.

Third, housing construction expenditures continued to be depressed at a $48 billion level in the second quarter, $9 billion less than the 1973 level.

Fourth, business investment, always touted as the backbone of an economic recovery, only increased by $4 billion in the second quarter, or what amounts to an 8 percent annual rate of increase. This is about half the rate of increase in capital spending that has been forecasted for this year. The bang has gone out of the business boom.

Fifth, and reflecting a serious deterioration in the international sector, net exports fell by about $11 billion in the second quarter.

But this profile of the recession is only part of the tragic story—the figures released on July 18 also indicated that inflation continued to increase at a 9 percent annual rate. Although somewhat less than the 12-percent rise in the preceding quarter—which was the biggest jump in 23 years—the second quarter rate of inflation reflects an economy out of control.

PROGRAM TO RESTORE ECONOMIC STABILITY AND GROWTH

No one has all the answers to our current dilemma—certainly I do not—but we can do much better than the current administration's policy of creating a recession to deal with inflation. I believe that a National Commission on Inflation, under pressure from Congress and the administration to hammer out a compromise set of policies that all would live with, can make workable policy proposals to restore stability and growth to America and eliminate the economic confusion that the Nation finds itself in today.

Such a national anti-inflation policy can provide the stable framework within which sound economic decisions can be made by all of the participants in the economy.

As a member of the Joint Economic Committee, and chairman of its Consumer Economics Subcommittee, I have followed economic matters very closely for the last several years. I have discussed our current economic disarray with administration spokesmen, expert supporters of their policies, and expert critics.

Based on this experience and analysis, I have developed several proposals to counter inflation and recession, that need careful consideration.

I believe that these are a series of policies that, if adopted, would substantially reduce inflation without retarding employment and income growth. I would hope that a National Commission on Inflation would give these suggestions careful consideration in framing its recommendations.

1. TAX REFORM AND TAX RELIEF

The oil depletion allowance, DISC, and ADR should be repealed and the minimum tax strengthened. The $6 billion revenue gain from this tax reform package should be transferred, as a tax cut, to low and moderate income consumers—those hurt most by inflation. This action would not be inflationary. However, it would restore some balance in the distribution of our Nation's economic growth.

2. FEDERAL BUDGET PRIORITIES

Federal spending should be reapportioned through a $6 billion cut in the defense, foreign military assistance, and low priority programs. These savings would be used for public service jobs, housing, energy research, and food production—programs which would both stimulate the economy and promote the general welfare.

3. INFLATION REVIEW BOARD

A permanent Inflation Review Board, responsible directly to the Congress, should be established. It would monitor inflation in the economy, establish guidelines for seasonable wage and price behavior, hold public hearings and make investigations into wage or price increases that appear excessive, and thoroughly review Government actions that increase inflation.

4. NATIONAL INCOMES POLICY

A comprehensive National Incomes Policy should be developed and implemented. Such a policy is essential in assuring that we make steady progress in reducing disparities in income that exist in our society. It is also needed to promote the noninflationary growth of real income in America. We must set National Income goals and develop the machinery to see to it that these objectives are achieved.

5. NATIONAL FOOD POLICY

A National Food Policy should be developed that provides a stable and fair income to farmers, manages food exports so that domestic supplies are not threatened, insures competition in the food distribution and marketing system, and protects consumers from low-quality products and excessive price increases. Such a policy would include a system of strategic reserves of the major grains.

6. LONG-RANGE PLANNING

Long-range planning mechanisms should be developed to assist Congress and the executive branch. They would look at requirements for the balanced growth and development of the American economy, at least 5 years into the future, and make proposals for meeting these needs. Special attention would be given to foreign developments that could seriously affect the U.S. economy. We need to plan today to avoid the repetition of the crises in fuels and food which we have recently experienced.

7. CREDIT ALLOCATION PLAN

We should establish a Credit Allocation Plan to assure the availability of reasonably priced capital for priority uses—housing, small business, municipal finance, productivity enhancing investment, and the like.

Ability to pay high interest rates cannot continue to be the sole means of determining where capital will be used. Capital allocation is too fundamental to the achievement of basic social policy objectives to be left to the bankers to decide.

8. CONSUMER SAVINGS POLICY

Equity requires that our small consumer savers be provided a fair return on savings; they are not getting it today. We should consider raising interest rates payable to small consumers, establishing "inflation-proof" savings accounts and financial instruments for small savers, increasing interest rates on series E bonds, and other measures to promote savings and provide fair treatment to small savers.

9. ANTI-TRUST POLICY

A reinvigorated antitrust enforcement program should be mounted by the Justice Department, and by Congress if new legislation is needed. Economic policies to stem inflation have failed, in large part, because they were designed to operate in a "free market" that today is largely a myth in America.

In the long-run we must break down the "administered price system" that operates in our economy, or face a continued high rate of inflation.

10. "EARLY WARNING SYSTEM" FOR EXPORTS

We should develop an export reporting system. Such a system would serve as an "early warning system," when world demand for American commodities and products threatens the adequacy of these supplies for our own use at home. Agricultural exports and scrap iron are only the most obvious examples of where such a system was sorely missed in the past year. While a free trade policy is in the best interest of all nations, they must anticipate and respond to abrupt changes in supply and demand as responsible members of the world economic community.

11. ENERGY PRICING POLICY

The response of energy production to increased profits and prices warrants a careful review. There is a serious question of whether or not the extraordinary price increases of the past year on domestic energy supplies have resulted in substantial new production.

The price-supply performance of this highly inflationary segment of the economy should be carefully analyzed and pricing recommendations made to Congress and the President.

Mr. President, these are just a few of the major actions that I feel should be incorporated into a comprehensive anti-inflation policy. We need such a policy because the country is in a major economic crisis and the Nixon administration has no program to meet the crisis.

I urge my colleagues to join Senator ROTH and me in supporting the creation of a National Commission on Inflation to present to the Nation a workable proposal for national economic growth and stability.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

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

S.J. RES. 232

Whereas it is the policy of the United States to reduce the rate of inflation, improve the Nation's competitive position in world trade, promote full employment, protect the purchasing power of the dollar, and encourage expansion of the Nation's industrial capacity;

Whereas the persistence of inflationary pressures has not been effectively moderated by the Government's current economic policies and programs;

Whereas there is a national need to promote voluntary wage and price restraints and to promote confidence in the Nation's ability to moderate the rate of inflation; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT

SECTION 1. There is hereby established the National Commission on Inflation (hereinafter referred to as the "Commission").

MEMBERSHIP

SEC. 2(a) The Commission shall be comprised of 17 members selected as follows:

(1) The President shall designate the Secretary of the Treasury, who shall be the Chairman of the Commission, the Chairman of the Council of Economic Advisers, and the Chairman of the Board of Governors of the Federal Reserve System as members of the Commission.

(2) The President of the Senate, after consultation with the majority and minority leaders of the Senate, shall appoint two Senators to be members of the commission and the Speaker of the House of Representatives, after consultation with the majority and minority leaders of the House of Representatives, shall appoint two Representatives to be members of the Commission.

(3) The President, in consultation with the majority and minority leaders of the Senate and the majority and minority leaders of the House of Representatives, shall appoint 10 private members not more than five of which shall be from the same political party as follows:

(a) two from among persons who represent labor;

(b) two from among persons who represent business and industry;

(c) two from among persons who represent agriculture;

(d) two from among persons who represent State and local governments;

(e) two from among persons who represent consumer interests.

(4) Any vacancy in the commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES

SEC. 3. (a) The Commission shall—

(1) develop and recommend to the President and the Congress policies, mechanisms and procedures to achieve and maintain stability of prices and costs in a growing economy;

(2) promote the consistency of price and wage policies with fiscal, monetary, international and other economic policies of the United States;

(3) provide information to the public, agriculture, industry, labor, and State and local governments concerning the need for controlling inflation and encourage and promote voluntary action to that end;

(4) review the programs and activities of Federal departments and agencies and the private sector which may have adverse effects on supply and cause increases in prices and make recommendations for changes to increase supply and restrain prices;

(5) review industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraints;

(6) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining wages and prices;

(7) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage wage and price restraint;

(8) focus attention on the need to increase productivity, savings, and investments in both the public and private sectors of the economy; and

(9) monitor the economy as a whole, by requiring, as appropriate, reports on wages, productivity, prices, sales, profits, imports, and exports.

(b) To further promote voluntary wage and price restraints and to promote the level of consumer and international confidence in the Nation's ability to moderate the rate of inflation, the Commission shall—

(1) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

(2) report to the President, the Congress, and the public, when appropriate, on any decisions, actions, or price and wage increases which the Commission determines would substantially contribute to inflationary pressures in the economy; and

(3) within 90 days from the date of passage of the Resolution, report to the Congress and to the President specific anti-inflation policies and programs it believes to be needed. These recommendations shall be offered as a Concurrent Resolution by the Congressional members of the Commission for consideration by Congress. The leaderships of both Houses shall require that this Resolution be reported to the floor by the committee to which it is referred within 30 days of such referral.

(4) transmit to the President and the Congress within twelve months of the date of enactment of this resolution a final report on its findings and recommendations. Sixty days after the submission of its final report, the Commission will cease to exist.

POWERS

SEC. 4. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission shall have the power to—

(1) hold such hearings, sit and act at such times and places, administer such oaths, and require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records and other documents as the Commission may deem advisable;

(2) appoint and fix the compensation of an executive director and such additional staff personnel as the Commission may deem necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title; and

(3) procure temporary and intermittent services to the same extent as is authorized by 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

(b) In the case of contumacy or refusal to obey a subpoena issued under subsection (a)(1) by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, the district court, at the request of the Commission, shall have jurisdiction to issue such a person an order requiring such person to appear before the Commission or a Committee or member thereof, there to produce evidence if so ordered, or then to give testimony touching the matter under inquiry. Any failure of any such person to obey any such order of the court may be punished by the court as a contempt thereof.

(c) In exercising its duties, the Commission—

(1) may consult with such representatives of industry, labor, agriculture, consumer, State and local governments, and other groups, organizations, and individuals as it deems advisable to insure the participation of such interested parties;

(2) shall to the extent possible, use the services, facilities, and information (including statistical information) of such other Government agencies as the President may direct as well as of private agencies and professional experts in order that duplication of effort and expense may be avoided;

(3) shall hold regional and industry-wide conferences to formulate ideas and programs for the fulfillment of the objectives set forth in section 3; and

(4) may establish subcommittees to provide advice concerning special considerations that tend to contribute to inflation in any particular sector or industry in the economy.

COMPENSATION

SEC. 5. A member of the Commission who is not otherwise an officer or employee of the United States shall be entitled to receive $125 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated such sums, not to exceed $1,500,000 as are necessary to carry out the provisions of this joint resolution.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3305

At the request of Mr. CLARK, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 3305, the National Huntington's Disease Control Act.

S. 3383

At the request of Mr. MCGOVERN, the Senator from South Dakota (Mr. ABOUREZK), the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. CASE), and the Senator from Kentucky (Mr. COOK) were added as cosponsors of S. 3383 to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans.

S. 3775

At the request of Mr. BUCKLEY, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 3775 to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act.

S. 3807

At the request of Mr. TUNNEY, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3807, the Student Loan Protection Act of 1974.

S. 3840

At the request of Mr. BUCKLEY, the Senator from Idaho (Mr. CHURCH), the Senator from Illinois (Mr. STEVENSON), the Senator from Utah (Mr. BENNETT), the Senator from Missouri (Mr. SYMINGTON), the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Nebraska (Mr. HRUSKA), the Senator from Wyoming (Mr. HANSEN), and the Senator from Tennessee (Mr. BROCK) were added as cosponsors of S. 3840, to amend the National Traffic and Motor Vehicle Safety Act of 1966 with respect to certain seatbelt standards under such act.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 104

At the request of Mr. BIBLE, the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Utah (Mr. BENNETT), the Senator from Utah (Mr. MOSS), the Senator from Idaho (Mr. CHURCH), the Senator from Wyoming (Mr. MCGEE), the Senator from Wyoming (Mr. HANSEN), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of Senate Concurrent Resolution 104, relating to the availability of unleaded gasoline and related equipment.

FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1974—AMENDMENT

AMENDMENT NO. 1780

(Ordered to be printed and referred to the Committee on Post Office and Civil Service.)

Mr. CLARK submitted an amendment, intended to be proposed by him, to the bill (S. 3357) to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, and for other purposes.

HATCH ACT REFORM

Mr. CLARK. Mr. President, I am joining Senator BURDICK today as a cosponsor of legislation (S. 3357) to restore to Federal civilian employees their right to take part in the political life of the Nation.

The bill will permit Federal employees a greater level of participation in the democratic process—a long overdue step to correct the inequities of the Hatch Act.

It has been estimated that some 11 million Americans are affected, directly or indirectly, by the strict prohibitions of the Hatch Act. Three million of these men and women are employees of the Federal Government; 8 million are State, county, or municipal employees dependent upon Federal funds.

Under the Hatch Act, none of these 11 million citizens can contribute to the party or candidate of his choice; none can volunteer to work in a political campaign; none can run for public office; many are so intimidated by the sanctions of the Hatch Act that they do not vote at all. It is ironic that the very group of citizens who execute our country's laws and administer its programs are discouraged by law from helping to choose its leadership.

There have been enough speeches made in Congress in recent months on the need to restore faith in our institutions of government by ridding them of corruption. That need is overwhelming and obvious. But it is not enough for us to clean up the political process; we must open it up as well. The deterrents against "politicizing" the civil service provided in S. 3357 are as great as those in the Hatch Act. But the opportunities provided civil servants to participate in legitimate political activity are immeasurably improved.

While it is only right to open up the political process to Federal employees, it must be done carefully.

We must take care not to destroy the essential characteristics of a system in which employment is based on merit alone, or else we will threaten the quality and integrity of government service. But this bill contains nothing that would threaten the civil service system.

Permitting civil servants and postal workers to participate in politics does inevitably expose them to the possibility of political pressures from their employers or colleagues. S. 3357 provides strong sanctions against improper solicitations of contributions and misuse of official positions, but in my judgment, it does not go far enough in protecting the Federal employee from discrimination in hiring, promotion, firing, or in the performance of his or her official duties as a result of political activities.

We must safeguard the status of Federal employees as nonpartisan civil servants as we protect their political rights.

That is why, while joining as a cosponsor of S. 3357, I am also introducing an amendment to the bill designed to prevent on-the-job partisan discrimination. With this amendment, S. 3357 will go a long way toward opening up the political process to millions of partially disenfranchised Government workers, while preserving the integrity of Federal service.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD at this point.

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

AMENDMENT NO. 1780

On page 4, strike out lines 6 and 7 and insert in lieu thereof the following:

SEC. 3. (a) Section 7326 of title 5, United States Code, is amended to read as follows:

"7326. Prohibiting discrimination against individuals in the competitive service and the Postal Service engaged in authorized political activities.

"(a) Discrimination against an individual is prohibited with respect to any personnel action including his appointment or promotion in, or removal from, the competitive service or the Postal Service, or his official duties while in the competitive service or Postal Service, as a result of that individual (1) freely and voluntarily making a contribution of money, services, or materials to any candidate for public office or to support or further those activities, as authorized by section 7323 of this title, or (2) voting as he chooses, expressing his opinion on political subjects and candidates or taking an active part in political management or political campaigns, as authorized by section 7324 of this title.

"(b) The Civil Service Commission shall prescribe regulations necessary for the administration of this section, including the Postal Service, and such regulations shall authorize the use of equal employment act appeal procedures or negotiated grievance procedures where available to the employee concerned.

(b) The analysis of chapter 73 of such title

5 is amended by striking out items 7326 and 7327 and inserting in lieu thereof the following:

"7326. Prohibiting discrimination against individuals in the competitive service and the Postal Service, engaged in authorized political activities."

RAIL PASSENGER SERVICES ACT—AMENDMENT

AMENDMENT NO. 1781

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

Mr. STEVENSON (for himself and Mr. TAFT) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3569) to amend the Rail Passenger Service Act of 1970, and for other purposes.

INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1975—AMENDMENT

AMENDMENT NO. 1782

Mr. NELSON. Mr. President, tomorrow I intend to call up an amendment to the Interior appropriations bill which would prohibit the use of herbicides 2,4,5–T on any lands within the U.S. National Forest System. Should this bill pass without this restriction, the U.S. Forest Service will be using 2,4,5–T on 61 national forests in 23 States in this country. This activity has come under question by scientific experts and concerned citizens throughout the Nation.

As you may recall, 2,4,5–T was used in the U.S. military defoliant, Agent Orange, in Vietnam until scientific evidence about its harmful effects was discovered in 1969. In 1970, EPA cancelled all uses of 2,4,5–T around the home and garden, in recreational areas, and where water contamination could occur. EPA has further announced its intentions to reexamine the registration of 2,4,5–T for forest, pastureland, and rights of way use.

Scientists have continued to raise questions about the harmful effects of 2,4,5–T and its deadly contaminant, TCDD, dioxin. Dioxin is the world's most lethal synthetic substance—so lethal that only 6 parts of dioxin per 10 billion parts—bodyweight—was lethal in laboratory tests on guinea pigs. There is significant evidence indicating that the TCDD dioxin contaminant in 2,4,5–T bio-magnifies. If so it could become a serious contaminant in the food chain.

The question remains how serious is the health hazard and environmental damage that may be caused in areas—like our national forests—where 2,4,5-T is used. The evidence is not yet conclusive and requires further research. But no one can state with any degree of certainty that using 2,4,5-T is safe. And until we are sure it is safe, we should not be releasing this substance into the environment.

The Environmental Protection Agency has pledged to conduct a full monitoring program and exhaustive scientific tests to ascertain what the dangers of 2,4,5-T are. Until the Environmental Protection Agency can develop adequate tests, then it seems to me the height of folly to have another arm of the Government, the Forest Service, routinely spraying the national forests.

The idea of using 2,4,5-T in the national forests, which are a multiple use natural resource, is particularly questionable since there is a 4-year-old ban on 2,4,5-T in recreation areas and hundreds of thousands of people enter the forests for purposes of recreation.

Sound public policy dictates restraining all use of potent and toxic agents such as 2,4,5-T until adequate safety tests are conducted. This policy should particularly apply to agencies of the U.S. Government.

In this regard, it should be noted that the national forests' planned use of 2,4,-5-T in two national forests in Wisconsin has been halted by the Federal court of the eastern district of Wisconsin. The Wisconsin State Department of Natural Resources claimed in court that the U.S. Forest Service had not prepared an adequate environmental impact statement; this claim may well have validity in the cases of 59 other operations planned in the 23 States where the U.S. Forest Service is requesting appropriations in this bill to spray 2,4,5-T.

Mr. President, I ask unanimous consent to have the list of national forests in the 23 States concerned entered in the RECORD at this time; and I further ask unanimous consent to have the amendment printed in the RECORD.

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

LIST OF NATIONAL FORESTS IN THE 23 STATES CONCERNED

The forests by state are:

Arkansas: Ozark.

California: El Dorado, Klamath, Lassen, Mendocino, Modoc, Plumas, San Bernardino, Sequoia, Shasta-Trinity, Sierra, Six Rivers, Tahoe.

Idaho: Boise, Salmon, Sawtooth, Targhee.

Illinois: Shawnee.

Indiana: Wayne-Hoosier.

Kentucky: Daniel Boone.

Louisiana: Kisatchie.

Michigan: Huron-Manistee, Ottowa.

Minnesota: Chippewa, Superior.

Mississippi: All national forests.

Missouri: Clark, Mark Twain.

New Hampshire: White Mountain.

Ohio: Wayne-Hoosier.

Oregon: Mt. Hood, Rogue River, Willamette, Winema, Siuslaw, Umpqua.

Pennsylvania: Allegheny.

Tennessee: Cherokee.

Texas: All national forests.

Utah: Fishlake, Manti-LaSal, Uinta, Wasatch.

Virginia: Jefferson, Geo. Washington.

Washington: Mt. Baker, Olympic, Snoqualmie, Gifford Pinchot, Wallowa-Whitman.

W. Virginia: Monongahela.

Wisconsin: Chequamegon, Nicolet.

Wyoming: Medicine Bow*. (*2,4,5–TP [Silvex]).

AMENDMENT NO. 1782

On page 47, between lines 3 and 4, insert a new section as follows:

SEC. 303. None of the funds appropriated by this act may be used for the purpose of applying the herbicide 2,4,5–T to any lands within the United States National Forest System.

One page 47, line 4, strike out "sec 303" and insert in lieu thereof "sec. 304".

ADDITIONAL STATEMENTS

WYOMING PARTNERS PROGRAM

Mr. McGEE. Mr. President, as a longtime advocate of the Partners of the Americas program, it is with a deep sense of pride that I note how active this program is in my State of Wyoming.

Recently, it was announced that Ken Rochlitz, basketball coach at Western Wyoming Community College at Rock Springs, will conduct a series of basketball clinics for players and coaches in the state of Goias, Brazil. Goias has a partnership with Wyoming, and Ken is traveling to Brazil as part of the Inter-American Sports Exchange program of the Partners.

I take this opportunity to commend the Wyoming Partners program for the invaluable contribution it continues to make to its sister state of Goias in Brazil. I wish Ken the best and I know that he will benefit from his experience this summer as much as the players and coaches in Goias will benefit from having him conduct the clinic.

Mr. President, I ask unanimous consent that the article appearing in the July 23 Rock Springs Daily Rocket-Miner announcing the selection of Ken Rochlitz to conduct the clinic be printed in the RECORD.

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

ROCHLITZ TO CONDUCT CLINICS IN BRAZIL

Ken Rochlitz, basketball coach at Western Wyoming Community College, has been selected to conduct basketball clinics to players and coaches in the state of Goias, Brazil, as part of the Inter-American Sports Exchange program of Partners of the Americas.

Partners of the Americas is an organization committed to fostering a closer relationship and understanding between the people of the United States and the people of Latin America through involvement in self-help projects.

A Partner's committee is formed which links a state in the United States to one in Latin America like Wyoming and Goias. Created in 1964, 84 Partner committees are active today—41 in the United States and 43 in 18 Latin American countries.

Coach Rochlitz will leave for Brazil on July 31 and return around August 27.

A VISIT WITH HENRY KISSINGER

Mr. YOUNG. Mr. President, not long ago I accompanied Secretary of State Henry Kissinger and Foreign Minister Hans-Dietrich Genscher of West Germany on a trip to North Dakota at which time they visited the big Grand Forks SAC Air Force Base and Minuteman wing, and the Safeguard antiballistic missile site in North Dakota.

Secretary Kissinger was exceptionally well received. I have never known of anyone who got such a warm and enthusiastic reception.

Blanche Denison, editor of the Towner County Record-Herald, a weekly newspaper in Cando, N. Dak., wrote a very interesting editorial concerning this visit. I thought her observations would be of interest to everyone. I request that this editorial be printed as a part of my remarks.

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

A VISIT WITH HENRY KISSINGER

Ordinarily being "star-struck" about famous people is not an ailment we are afflicted

with, but the fascinating saga of Henry Kissinger has been a drama from the time of his early childhood when he fled Hitler's Germany with his Jewish parents. Only because they chose America as a refuge have we been able to watch his astounding success as this nation's representative in the worldwide quest for peace.

Uniquely fitted for his mission, he had been making preparations for his entire professional life. As a college professor he organized a 40-student summer seminar for eight years where young people considered by their own nations to be possible future leaders, were invited to the campus to study together for better understanding. Above all, he made friends with them and now they often greet him, as a friend, in their own nations in positions of power.

His understanding that each nation must be allowed to save face and "yield as well as demand", is considered to be the key to his success. So far nothing has been hopeless in overcoming prejudice even with the Jews and Arabs.

Therefore, last Thursday morning when we were informed of our clearance by security to meet Secretary of State Kissinger at Concrete when he was escorted through the installation by Senator Milton Young, the temptation was too great. The editor was tied up with a meeting but we enjoyed the trip with Gene and Connie Nicholas and it was an exciting experience.

As ranking member of the Appropriation Committee, Senator Young was probably the best informed government official possible to show the Secretary the ABM site, he had been negotiating over in Russia last week. As they stepped from the helicopter, though on a very tight schedule, they shook hands and spoke to each of us. Showing deference to the weekly press, Senator Young invited Howard Doherty, Cavalier County Republican editor and I to have our pictures taken with them and we needed no coaxing.

Secretary Kissinger was charming and interested in the fields of grain to feed the world—which surrounded him. It brought home to us quite forcibly that though we expect our leaders to be miracle men, somehow greater than life, they are no different than the folks we visit with on Main Street everyday. Gifted—dedicated—talented, all those things, but a friendly "good Joe" with a keen sense of humor, too.

One thing we have noticed for some time is that the only place the uniform blue or gray suit with the stripe tie and white shirt is seen daily in mens attire, is on those engaded in world wide diplomatic travels or on high government officials. All the folks on the Kissinger tour including the German prime minister and the diplomatic corp accompanying them from Germany were wearing the "uniform" though it was a blistering hot day.

Even the smaller helicopter which carried Senator Young, Secretary Kissinger and the German dignitaries was without air conditioning and furnished only with the customary benches along the side, so a light summer sports coat would most certainly have been more comfortable.

We decided that men in top government posts dressed this way because wherever they go in the world, they need have no concern that their clothing is too plain or too fancy. One has to wonder though when these well groomed men, hair always neatly cut and in place, have time to be prepared for the public eye even on the North Dakota prairies.

The only group that seems to have a "uniform" look anymore is the 15–21 year olds where the boys look like the girls and girls look like boys and they all don a pair of jeans and seem determined not to look different. Their reason may be the same as the diplomats and politicians, that they never need to worry if their peers will be wearing something different to make them feel out of place.

In our everyday world men are proud as peacocks to be sporting bright coats, plaid slacks, pretty shirts, turtle necks, anything to make them comfortable and attractive. Gone is the concern that they must look "masculine" and fabrics are soft and eye-catching. It's a morale builder for the older man who feels younger in sharp outfits and the young man feels more interesting. In these times attaining this is cheap at any price.

SENATOR ABE RIBICOFF

Mr. JACKSON. Mr. President, for more than a decade it has been my privilege to serve in the Senate and the House with ABE RIBICOFF of Connecticut. As a former Governor and Cabinet officer, Senator RIBICOFF has been able to bring an unusual range of understanding and experience to the work of the Senate. He continues to be an important leader on major foreign and domestic problems.

I would like to call the attention of my colleagues to an article about Senator RIBICOFF which appeared in a recent edition of the New York Times. I ask unanimous consent that the article, by Martin Tolchin, be printed in the RECORD.

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

RIBICOFF'S CHARMED LIFE FROM POVERTY TO POWER

(By Martin Tolchin)

WASHINGTON.—From the very beginning, he was something special.

Abraham A. Ribicoff was born with a caul, which his poverty-ridden Orthodox Jewish family considered a sign of great fortune. Although the family lived in a New Britain, Conn., tenement, his parents believed the child would lead a charmed life and reach great heights. From earliest childhood this belief was instilled in the boy, along with the necessity to preserve the caul, a membrane which is now protected in tissue paper in Senator Ribicoff's Watergate apartment.

The caul, apparently has continued to work. At Hartford's Bushwell Memorial Hall, Mr. Ribicoff was nominated July 20 for a third term in the United States Senate, and became an almost prohibitive favorite for re-election. In January, he is widely expected to become a major power in the Senate by gaining the chairmanship of the Government Operations Committee.

Last weekend, the Connecticut Republicans selected James H. Brannen, a black state legislator, to oppose Mr. Ribicoff in November. A Republican poll two weeks ago found that Connecticut voters gave Mr. Ribicoff a 77.9 per cent favorability rating. The Senator expects to spend most of the fall attending President Nixon's trial in the Senate should the House vote impeachment.

Mr. Ribicoff, over the years, has led a charmed life politically, one marked by an almost uncanny ability to anticipate issues, from safety to consumer protection, and to forge strategic alliances—with John M. Bailey, Connecticut Democratic chairman; the Kennedys; the late Senator Richard B. Russell and Senator John C. Stennis of the Senate's power structure.

Mr. Ribicoff's career also owes much to an instinct for the dramatic gesture—a tour of flood-stricken cities while Governor, a confrontation with Chicago's Mayor Richard J. Daley at the Democratic National Convention in 1968, a Congressional hearing on the plight of the cities, and another hearing during the energy crisis when he questioned oil company executives.

This talent seems almost out of character for Mr. Ribicoff, an intensely private man, a humorless, distant man who carries himself with the patrician bearing of one who never seriously doubted his success. He is a man of handsome elegance, always meticulously dressed, given to smoothing his wavy graying hair, his lips downturned in an expression of perpetual, vague distaste.

"I'm not a backslapper," Senator Ribicoff concedes. "I'm not gregarious. I'm not hail-fellow-well-met. But everyone calls me Abe."

"Abe is the most instinctive politician I have ever seen in my life," says Wilbur J. Cohen, whose basis of comparison includes having worked for Presidents Kennedy and Johnson. Mr. Cohen, a former Secretary of Health, Education and Welfare, served as assistant secretary in 1961, when Mr. Ribicoff headed the agency.

"Abe is the kind of man who feels in his guts almost instantaneously, and then gives you the intellectual and political justification," Mr. Cohen said.

"I once asked Abe why he became the first prominent political figure to support John Kennedy for President," Mr. Cohen continued, "Abe said, 'I had the reaction that every woman would like him to be her husband, and every mother would like him to be her son.' There were no political reasons, no ideology, no other justifications."

THE RIBICOFF ISSUES

A Senate colleague called Mr. Ribicoff "a very calculating politician" who had an instinct for creating with the waves of popular issue. Through the years, Mr. Ribicoff has championed auto safety, pollution control, health care, aid for the aged, help for the plight of the cities and now, consumer protection. In fairness, however, it must be said that Mr. Ribicoff also identified and dramatized those issues.

In evaluating fellow politicians, Senator Ribicoff divides them into two groups: wholesalers, whom he admires, and reailers, whom he disdains.

"Wholesalers undertake the big issues, the big picture and the big problems, while retailers devote their lives to all the petty things—door-to-door salesmen who cultivate the political vineyards, back-slapping, greeting, doing minor retailing."

The 64-year-old Senator, who acquired a fortune in real estate during his 35 years in public life, worked his way through public schools and the University of Chicago Law School in an assortment of jobs that included paper boy, caddy, milkman's helper, gasoline pumper, construction worker, and Midwest sales representative of a zipper company. He remains counsel to his brother's law firm, Ribicoff and Kotkin, which paid the Senator $15,000 last year. The Senator and his wife reported a total joint personal income of $125,443 last year.

SCOPE OF CAREER

Mr. Ribicoff's public career, always abetted by Hartford's Jewish community, began with two terms in the Legislature and included six years as Hartford municipal judge, six years as New England's first Jewish Governor, two years as Secretary of Health, Education, and Welfare and twelve as United States Senator.

The cornerstone has been a relationship with John Bailey, with whom Mr. Ribicoff's fortunes have been entwined.

"We were two young lawyers with offices on the same floor," Mr. Bailey recalled. "I helped elect him to the Legislature in 1938. I gave him the nomination for United States Senate in 1952, which he lost, and I supported him for the Governorship in 1954 which he won."

"I thought he would be the strongest candidate," Mr. Bailey continued. "I feel that Connecticut is a very sophisticated state, and you aren't going to win unless you have good candidates."

The two men spotted another comer, John F. Kennedy, who rewarded Mr. Ribicoff with the H.E.W. post, which he grew to hate because decisions he had to make were often politically unpopular. Mr. Bailey became Democratic National Chairman.

Mr. Bailey and Mr. Ribicoff insist that, from the outset, that they enjoyed a division of labor, with Mr. Ribicoff running the state and Mr. Bailey, running the politics.

"I never wanted to be a power broker," the Senator insists. "I never sought to build a political machine."

Some political observers believe, however, that it is impossible to separate from politics, the record suggests, moreover, that at various key junctures in their mutual careers, it was Mr. Ribicoff who wielded the power and Mr. Bailey who took the orders.

In 1958, for example, when he sought and won a second term as Governor, Mr. Ribicoff selected as his running mate his executive assistant, John N. Dempsey, over the objections of Mr. Bailey, who had supported Henry Altobello. Mr. Ribicoff had the political muscle, and Mr. Dempsey moved into the Governor's Mansion in 1961, when Mr. Ribicoff resigned to go to Washington. Mr. Dempsey was elected Governor in his own right in 1962.

In 1970, Mr. Ribicoff refused to accept the Democratic State Convention's selection of Alphonsus Donohue—a Bailey protege—as the party's nominee for United States Senate, and instead supported a primary race by Joseph Duffey, who won the nomination but lost the general election in a three-way race.

This year, although Mr. Ribicoff and Mr. Bailey had remained outwardly neutral in the contest for the Democratic nomination for Governor, many of Mr. Bailey's lieutenants supported the nomination of Robert Killian, the state's Attorney General, leading Connecticut Democrats to believe that Mr. Killian had Mr. Bailey's blessing.

Mr. Ribicoff, on the other hand, telephoned the state Democratic leaders and quoted the polls, which favored Ella T. Grasso, who won the nomination and is regarded as the frontrunner in the general election.

"It was like the Lord quoting the facts," said Nicholas Carbone, Hartford's Democratic Chairman, who interpreted the Senator's telephone campaign as an indirect endorsement of Mrs. Grasso.

"DOESN'T MUSCLE"

"Abe works with the party in a quiet way," Mr. Carbone continued. "I've never known him to tell anybody to do anything. He very seldom asks, and never tells anyone, yet, in the final analysis he's very effective. He doesn't muscle anyone. It's not his style. He doesn't leave fingerprints."

The low-key style also characterizes Mr. Ribicoff's work in Washington, where he is regarded as impeccably liberal but occasional victim of "legislative fatigue," in the words of one close Ribicoff-watcher.

Ralph Nader, the consumer advocate whom Senator Ribicoff gave his first Congressional forum during the auto-safety hearings, said that when public-interest people think of starting an idea moving in the Senate, Mr. Ribicoff is "clearly one of the 10 Senators you'd go to."

"Unfortunately, he's not much of an advocate toward other Senators," Mr. Nader said. "He doesn't like to persuade other Senators to vote with him. . . . He seems chronically reluctant to use the power he has."

In the Senator's present campaign for a consumer protection agency, for example, "unlike Senator Allan Cranston, of California, he's tempermentally incapable of buttonholing Senators and saying, 'Vote for this bill,' " Mr. Nader said.

Mr. Ribicoff, aware of this criticism, replies that "I am reluctant to push people against the wall" and adds that "I'm not a wheeling-dealing Senator."

A METICULOUS MAN

From Mr. Ribicoff's earliest days in politics, several threads have run through his career. One is attention to details. "Nothing is sloppy," said Gloria Schaffer, Connecticut's Secretary of the State. "He's meticulous in the way he looks, and that's exactly what's going on inside."

It was this meticulousness, and a gift for political survival, that led Mr. Ribicoff to initiate a year-long series of Connecticut brunches in 1973 in all sections of the state, attended by all Democratic officeholders. "They led to the united Democratic party that you see today," Mr. Ribicoff said.

Mr. Ribicoff also has a well-defined public relations instinct, and enjoys excellent relations with the working press. As Governor, he held two press conferences daily.

During the 1954 campaign for Governor, Mr. Ribicoff dramatically confronted an anti-Semitic whispering campaign by going on television and declaring: "Any boy, regardless of race, creed or color has the right to aspire to public office. It is not important whether I win or lose. The important thing is, ladies and gentlemen, that Abe Ribicoff is not here to repudiate the American dream, and I know that the American dream can come true."

His most dramatic confrontation, however, came at the 1968 National Convention, when he threw away his prepared speech nominating Senator George McGovern of South Dakota and instead assailed Mayor Daley and "Gestapo tactics on the streets of Chicago." The Mayor replied with obscenities on live television.

ATTACK ON JAVITS

In 1971, in a dramatic Senate debate with Jacob K. Javits, New York Republican and the only other Jew in the Senate, Mr. Ribicoff supported an amendment sponsored by Senator Stennis, the Mississippi Democrat, to extend school desegregation legislation to the north.

DR. OLAF C. SOINE

Mr. HUMPHREY. Mr. President, after serving nearly 30 years as a soil surveyor in the Red River Valley, Dr. Olaf C. Soine has retired from the University of Minnesota and from the Soil Conservation Service.

Many people have and will continue to benefit from the work he has done developing and testing significant crop and soil practices in northwest Minnesota.

Dr. Soine has had a distinguished career as a scientist. He has taught soils and agronomy classes at the Northwest School of Agriculture, and has been head of applied research studies in soils and agronomy at the Northwest Experiment Station. He has also pioneered the Land Grant College sugarbeet research work in the Red River Basin.

Dr. Soine should also be recognized for his great contributions as an active citizen. He has served as mayor of the city of Crookston, and also as the president of the Red River Valley Development Association for 18 years.

In the Northwest Experiment Station News, Dr. Soine reflects over his past 29 years in soil research. This is an interesting and informative article about agricultural change.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

REFLECTIONS OVER THE PAST 29 YEARS

(By Olaf C. Soine)

This will be my last official article for the quarterly as I will retire on August 1, after a tenure of 32 years with the University of Minnesota—three years at St. Paul and 29 years at Crookston.

Many agricultural changes have taken place during this short period of time in the Red River Valley area.

The biggest change has been from horse power to the big air-conditioned, radio hookup, hydraulic-operated tractors of today. When I first came to this Experiment Station in 1945, two teams of horses were still used for farm operations. Tractors of that date were smaller, not well equipped, and farms were much smaller and required more manual labor.

Crop yields have almost doubled during this period, but are still dependent on weather conditions in this area. Spring wheat yield records for 1942 to 1945 for varieties like Thatcher and Pilot yielded 28 to 31 bushels per acre compared to present day varieties like Era which has a three-year average of 64 bushels per acre. Present day wheat varieties have higher yield potential and, with proper fertilization, can achieve greater yields.

Barley varieties have not increased in yield as much as wheat. For example, Mars and Kindred averaged 53 bushels for 1943 to 1945 compared to Cree and Larker which have averaged 79 to 81 bushels for the 1971 to 1973 period.

Oat yields have not increased as much when you consider that Mindo and Bonda yielded 70 to 75 bushels per acre during 1943 to 1945 while Otter and Lodi yielded 97 and 107 bushels per acre for the period 1971 through 1973.

Some of the early chemical weed control work was conducted here at this station in 1947. Experiments with three different formulations of the chemical 2,4-D were applied to barley plots infested with wild mustard, sow thistle, and wild buckwheat. The results were dramatic, and pictures show complete control of these weeds on the treated plots versus the untreated plots. This was the beginning of extensive research with chemical weed control, and today we can see the results of these early trials on all of our crops here in the Valley. In the near future you may see chemicals being used to thin and control weeds in sugarbeets. Weed control has been one of the obstacles for maximum crop yields in the past; but with our present day knowledge of chemical weed control, this problem is being solved.

Oil producing sunflowers were first introduced to the Red River Valley in 1947 when trials were conducted here at the station. These dwarf type sunflowers which were developed in Canada showed good yielding ability and produced high quality oil. Fertilizer trials conducted here in 1947 showed increases of 500 to 600 pounds per acre over untreated plots. Commercial sunflower production started in the spring of 1948 in the Red River Valley of Minnesota and North Dakota when approximately 8,000 acres were seeded. This crop has now emerged into a major farm enterprise.

The first sugarbeet research work at the station was started in 1956 when a rotation study was set up in cooperation with the Department of Soil Science, University of Minnesota, St. Paul. This early work led to some interesting results with crop rotations and their effect on sugarbeets. Since that time numerous studies have been conducted on various phases of sugarbeet production, including chemical weed control, simulated hail damage to sugarbeets, various fertilizer trials and using sugarbeet tops for silage. My work will be concluded this year with an eight-year study on the effect of six different

rotations on the yields and quality of sugarbeets. Many of these experiments were carried out on farmers' fields throughout the Red River Valley area where actual field conditions were observed. Today there is a large group of researchers working on all aspects of sugarbeet production here in the Valley.

Last, but not least, is the wonderful cooperation that I have had with students, teachers, farmers, and many other groups of people here in the Red River Valley area. I will miss these wonderful associations but know that it is time to step aside and let others carry on the work here at the Northwest Experiment Station.

IMPEACHMENT—A FAIR TRIAL

Mr. GOLDWATER. Mr. President, in this time of preparation by the Senate for the eventuality of a possible impeachment trial, I believe it is more essential than ever for the Members of this body to hold fast to the principles of fairness and justice upon which our American institutions are based—fairness to the Senate, fairness to constitutional processes, and fairness to the President.

In this regard, I trust that any decisions which the Senate collectively will make as to the manner in which it shall conduct a trial will be made upon the highest principles of American justice and fairness. As one of our admired former colleagues, Senator John Sherman Cooper, stated recently in his commencement address at the Georgetown University Law Center:

Justice and fairness are not generalities. They are embedded in many provisions of the original Constitution, in its Bill of Rights, and its later Amendments.

The prescriptions of "due process," "the equal protection of the law," are familiar phrases. They are more—they are substantial and fair—for their purpose is to protect the right of every individual against arbitrary or unequal action by the government or by the people—majorities or minorities—in judicial, legislative or administrative proceedings.

Senator Cooper added:

It has been said that while these terms are difficult of definition, they represent an inherent belief of individuals that in a free and democratic government, they can rely on rules and standards—not dictatorial—which assure that they will be accorded equal treatment in their relationships with the government and each other.

Mr. President, while he did not say so, I might observe that the words of Senator Cooper parallel the view of Supreme Court Justice Story, who in his scholarly work, "Commentaries on the Constitution of the United States," wrote:

The doctrine, indeed, would be truly alarming that the common law did not regulate, interpret, and control the powers and duties of the court of impeachment. What, otherwise, would become of the rules of evidence, the legal notions of crimes, and the application of principles of public or municipal jurisprudence to the charges against the accused? It would be a most extraordinary anomaly, that while every citizen of every State, originally composing the Union, would be entitled to the common law, as his birthright, and at once his protector and guide; as a citizen of the Union, or an officer of the Union, he would be subjected to no law, to no principles, to no rules of evidence.

From his readings of the meaning of the American ideal of fairness, Senator Cooper advised the law graduates of his belief that—

The President is entitled, in the full range of Watergate proceedings, to the Constitutional rights of "due process, the equal protection of the law, and the presumption of innocence" which are the rights of every individual, even accorded to noncitizens in our country.

The same conclusion was reached by Judge Alexander Simpson, Jr., who wrote the first book-length exploration of Federal impeachments in 1916. In a book marked by the quality of scholarship and historical research, Judge Simpson finds on the basis of the resolutions and debates of the Constitutional Convention of 1787, the English practice of impeachment, and the precedents in the Senate, that this body, when sitting for the trial of an impeachment, "has the attributes of and proceeds like a court." From this fact, Judge Simpson believes it necessarily follows that the defendant in impeachment trials is protected by the same constitutional rights and privileges as those which are guaranteed at the trial of ordinary offenses, excepting only the right of trial by jury, since the Senate itself sits as both judge and jury.

Also, Mr. President, we find evidence, that each impeachment tried by the Senate is in its nature a judicial one, in the provisions of the Constitution itself, which again and again refers to impeachment in the technical language of criminal law, such as: "To try," "convicted," "pardons for offenses except impeachment," "the party convicted," "conviction of treason," "the trial of all crimes, except impeachment." These terms appear at several places in the Constitution, including article I, section 3, clauses 6 and 7; article II, section 2, clause 1; article II, section 4; and article III, section 2, clause 3.

With this background, I wish to make some observations about suggestions for proposed revision of the Senate rules in impeachment trials which have been offered by various Senators. I make no final judgment on the matters which I am about to discuss, but I do wish to raise some serious questions which I believe it is incumbent upon each Senator to consider for himself during the course of our exploration of this subject.

Among those recommendations for revision which I believe to have inherent problems of a constitutional or fairness nature are the following:

First. The standard of evidence required to convict. It has been suggested that the Senate determine guilt or innocence on the basis of "clear and convincing evidence." This is offered as being a possibly higher standard than a mere "preponderance" of evidence, but I would note that it falls short of providing a defendant in an impeachment of proof of his guilt "beyond a reasonable doubt," which appears to be a mandate of "due process."

Second. Is a defendant entitled to "a presumption of innocence" Again, I would believe that fundamental American justice would argue so, but this principle is not included in any of the proposed rule revisions which I have seen.

Third. It is recommended that the power to vote on questions of evidence and other preliminary motions be denied to the Chief Justice, sitting as the Presiding Officer in the trial of a President. Yet, I submit that there are at least three sound constitutional reasons for upholding the right of the Chief Justice both to vote and to make initial rulings upon motions and questions during an impeachment trial.

First, in the trial of President Andrew Johnson, this very question was put to the Senate, which thereupon defeated a resolution that the Chief Justice had no right to vote, by a vote of 22 to 26. The Senate also defeated by a vote of 20 to 30 a resolution to the effect that the Chief Justice had no privilege of ruling on questions of law.

Second, one reason the framers of the Constitution provided that in the trial of a President the Chief Justice should preside is because the usual Presiding Officer, the Vice President, would have a direct, personal interest in the result. There is no implication in this that the Chief Justice should not retain the same privileges as the Vice President ordinarily has as the Presiding Officer. In fact, it would seem natural, since the Chief Justice succeeds to the position of the Vice President, that the Chief Justice also succeeds to all the rights and privileges that the Vice President has, which includes the right to vote and make rulings on initial questions of law.

Third, an important additional reason the Founding Fathers would have meant for the Chief Justice to have the power to vote on matters of law is so the President would not be exclusively dependent on the legislature. I would remind my colleagues that in the debates of the Federal Convention of 1787, when the subject of impeachment was discussed, many delegates on both sides of the issues expressed the fear that the President would be put too much in the power of the legisature.

For example, Mr. Gouveneur Morris declared—

That he was against a dependence of the Executive on the legislature, considering the legislative tyranny to be apprehended. . . .

James Madison objected to a trial of the President by the Senate alone because he feared the President would be "made improperly dependent." Madison argued that he "would prefer the Supreme Court for the trial of impeachments, or rather a tribunal of which that should form a part."

Thus, Mr. President, it may be argued that the Founding Fathers assumed a power in the Chief Justice to cast votes on questions of law, at the trial of impeachments, as one additional safeguard, connected with the requirement of a two-thirds vote for conviction, which would protect against the President becoming what James Wilson called, "the minion of the Senate."

Fourth. The present rules allow appointment of a committee of 12 Senators to receive evidence and take testimony in

the case of impeachment trials. It has been suggested that this rule be revised to allow the appointment of panels of Senators of any size and for any purpose. I would ask Senators to examine this suggested change most carefully. What else is it suggested that panels of Senators may do except take evidence and testimony? Why should not all Senators be able to be present at every stage of an impeachment trial?

Fifth. The new rules I have seen, like the old rules, restrict the right of individual Senators to ask a question or series of questions of a witness, to written questions only. But, I would ask whether this does not inhibit a Senator from propounding followup questions? By having to wait until he has time to write out each new question that a witness' testimony may lead into, time will be lost and a Senator may simply not attempt to go through the process of writing out question after question as the ideas may come to mind. I think a careful study of how this practice has worked in the past would prove a useful guide to the Senate.

Sixth. Among the revisions suggested is a rule that would specifically permit attorneys for the Senate to ask leading questions of witnesses. Once again, I would ask whether this runs counter to fundamental principles of American justice and fairness?

Seventh. The same question may be asked about another proposed revision of the rules which would allow hearsay to be used to convict. Is this the essence of a "trial," a word which the Supreme Court has ruled to have a meaning of its own?

Eighth. One set of proposed rules revisions would abolish the right of asserting a confidentiality for "state secrets." But in the historical, recent decision relative to the claim of executive privilege, Chief Justice Burger, writing for a unanimous court, expressly found that "the protection of the confidentiality of Presidential communications has constitutional underpinnings."

Speaking specifically of the three categories of "military, diplomatic or sensitive national security secrets," the Supreme Court quoted favorably from two of its earlier decisions which had held that the courts must show "the utmost deference" to a President's claim of privilege on the ground of military or diplomatic secrets.

One of the decisions quoted approvingly in Chief Justice Burger's opinion is United States against Reynolds, in which the Court said that—

When there is a reasonable danger that compulsion of the evidence will expose national security secrets which should not be divulged, "the court should not jeopardize the security which the privilege is meant to protect by insisting upon an examination of the evidence, *even by the Judge alone, in chambers.*" (Italics added.)

Accordingly, if there should be any information or materials of this nature among any of the documents which may be subpenaed by the Senate, the President's interest in preserving these "state secrets" would appear to be constitutionally based upon a unanimous holding of the Supreme Court, which would leave any assertion of a higher claim to such material by the Senate resting on dictatorial grounds.

Ninth. Included in the suggested rules changes is authority for the Senate to bar the presence of the defendant's lawyers at any stage of an impeachment trial, upon the vote of the Senate. I do not know if this purpose is intentional, or the result of clumsy drafting, but I would seriously suggest that it is in violation of "due process."

Tenth. It has been suggested that the Senate impeachment rules should be rewritten to permit the Senate to "impose reasonable limitations on opening and closing arguments." Now I wonder, if a majority of the Senate should vote that 5 minutes is a reasonable time for these major arguments, whether this would satisfy the essentials of a fair trial? If we are going to alter the Senate rules in this respect, it may be that we would wish to nail down a minimum time for the major arguments of at least half an hour.

Eleventh. Another proposed revision would provide for an automatic disqualification from any future office upon a vote of conviction, unless the Senate orders otherwise. Here again, I think there is much evidence to the effect that the Constitution anticipates, and a fair trial necessitates, a separate vote on the matter of barring from future office.

Twelfth. Several Senators have suggested that the rules should be altered so that the Senate may authorize the leadership to permit the televising of an impeachment trial. Yet, the Supreme Court has held that the televising of a criminal trial is inherently invalid under the due process clause of the Constitution, even without a showing of prejudice or a demonstration of the connection between an eventual conviction and the televising. I would remind my colleagues that in this case, overturning the conviction of Billie Sol Estes, Chief Justice Warren wrote that the televising of his trial was a return to "frontier justice."

Similarly, the American Bar Association's Canons of Judicial Ethics prohibits the televising of court trials, rule 53 of the Federal Rules of Criminal Procedure prohibits the "broadcasting" of trials, and the Judicial Conference of the United States has unanimously condemned televised trials.

Chief Justice Earl Warren based his conclusion that it violates due process for criminal trials to be televised, on the ground "that the televising of trials diverts the trial from its proper purpose in that it has an inevitable impact on all the trial participants."

Whether they do so consciously or subconsciously, all trial participants—

And I would interject that this includes Senators—

act differently in the presence of television cameras. And, even if all participants made a conscientious and studied effort to be unaffected by the presence of television, this effort in itself prevents them from giving their full attention to their proper functions at trials.

Justice Harlan, the swing judge in this case, concurred by saying:

Courtroom television introduces into the conduct of a criminal trial the element of professional "showmanship" and extraneous influence whose subtle capacities for serious mischief in a case of this sort will not be underestimated by any lawyer experienced in the elusive imponderables of the trial arena.

As to the contention that there is discrimination as between the television and radio reporter, and the newspaper reporter, Chief Justice Warren answered:

So long as the television industry, like the other communications media, is free to send representatives to trials and to report on those trials to its viewers, there is no abridgement of the freedom of press.

Mr. President, I am not announcing any final judgment on the matters which I have discussed, nor am I in the slightest sense indicating how I would view any of the facts and arguments that may be presented at a possible impeachment trial. The impeachment process necessarily involves an extraordinary degree of wisdom and care on our part if we are to keep faith with the best of American principles of fairness and justice, and I have merely undertaken in this statement to lay the basis for what I hope will be a thoughtful focusing of attention and consideration by all Senators on the way in which we can best serve the Senate, the Constitution and the American people.

AN ARTICULATE CASE FOR A GRAIN RESERVE

Mr. McGOVERN. Mr. President, drought-induced uncertainty about the adequacy of our grain supplies over the coming year will intensify the debate over the need for the United States to establish a rational grain stocks management policy.

As one who advocated creation of a grain reserve apart from the surplus-depressed grain market of the sixties, I find particularly appealing the arguments put forth by our distinguished colleague from Iowa (Mr. CLARK) in a recent article in the New York Times.

Senator CLARK has served ably and well on the Committee on Agriculture and Forestry these past 2 years. Without question, he is emerging as one of the most effective spokesmen for the family farmer to sit in the Congress.

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

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

[From the New York Times]

FOR A GRAIN RESERVE

(By Dick Clark)

WASHINGTON.—Advocates of a grain reserve have been around for a long time. Joseph had the first published proposal—in the Old Testament—and since then many people have talked of the importance of establishing an "ever-normal granary." A reserve of essential feed grains to protect people and nations against crop failure and famine always has been a sound idea, but the case for one is especially strong today.

The very real threat of a serious worldwide food shortage is the most important reason for a reserve, and it alone should be incentive enough for the United States and

other major agricultural nations to take immediate action. A growing world population, combined with shortages of energy, water, fertilizer and land have convinced many experts on world food problems that widespread famine and starvation are possible in many parts of the world.

Other experts dispute these predictions, but the famine in sub-Sahara Africa is indisputable and so is the possibility of continued and increased world food shortages. Given all of this, it is difficult to understand objections to a grain reserve that would save and stockpile a small fraction of annual grain production to prevent starvation.

A world in which some nations are affluent while others starve is not likely to be a peaceful one. So, there are both humanitarian and political reasons to encourage the developed nations to commit themselves to a significant effort to fight hunger and starvation, and a grain reserve is an indispensable part of that commitment. As the major surplus grain producer in the world, the United States should take the first step by establishing its own grain reserve.

However compelling the reasons for a grain reserve, they probably will not be sufficient to push the necessary legislation through Congress. The Senate Agriculture and Forestry Committee recently held hearings on two grain reserve bills and there was little consideration of world food problems. Instead, the discussion centered on domestic food prices and domestic farm income .

The primary objection to a grain reserve is the fear that it will hurt farmers by keeping grain prices artifically low. In the past, Government-held supplies have been used to depress prices, but the current grain reserve proposals provide new protection for the farmer. They insure that grain can be sold from the reserve only when there is a shortage and only at a price that provides the farmer a profit.

Opponents of grain reserves frequently attempt to belittle the proposals, asserting that a Government grain reserve would lead to Governments reserves of other products such as cars and television sets. This is nonsense. There are significant differences. An inadequate automobile supply means inconvenience. But food is essential, and an inadequate food supply means starvation.

Agriculture is unique in other respects. It is characterized by instability that drives farm prices up one year and down the next, and hurts both farmers and consumers in the process. A grain reserve would establish a greater degree of price stability because the Government would purchase grain when the price is too low and sell from the reserve when the price is too high.

The experience of the last few years provides convincing evidence of the potential for a grain reserve. A worldwide grain shortage drove the price of grain up sharply. This led to higher prices for other farm products, and consumers suffered—while, in the short run, farmers benefited.

But soon, the inevitable happened. Livestock producers were hurt by high feed prices and consumer reaction to high meat prices. The high farm prices of 1973 encouraged farmers to purchase more land, equipment and supplies for the coming year. As they did, the prices paid by farmers escalated. In the past few months, grain prices have fallen in anticipation of record harvests this year, and many farmers face the possibility of selling their grain for prices below the cost of production. Everyone would have been much better off had there been a grain reserve to keep prices from rising so much last year and to prevent them from falling too low this year.

A good grain system will help combat inflation in this country by providing additional supplies when grain prices start rising rapidly. It will help farmers achieve a degree of stability they have never known and it will make a substantial contribution to preventing starvation in various parts of the world.

SENATOR B. EVERETT JORDAN

Mr. ERVIN. Mr. President, our former colleague and friend, B. Everett Jordan, passed into the great beyond on Friday, March 15, 1974.

A last tribute was paid to him by hundreds of his friends and neighbors in the little Methodist Church at Saxapahaw on Sunday, March 17, 1974, followed by interment in the cemetery at Burlington, the county seat of his home county of Alamance.

Everett Jordan had been my friend since the days when as teenage boys in my hometown of Morganton, we had played baseball and gone swimming together.

Everett was a successful businessman, a dedicated citizen, a loving husband and father, and possessed to a preeminent degree that characteristic which we call an understanding heart. As a consequence, he was loved by all who had the privilege of knowing him well.

I shared with Everett Jordan the privilege of representing North Carolina in the U.S. Senate from April 19, 1958 to January 2, 1973—a period of 14 years, 8 months and 14 days. I am sure that no Member of the U.S. Senate ever had a finer colleague than I had in Everett Jordan. During the period of our joint service in the Senate our friendship ripened and deepened. He and I never had a single disagreement during our long service together in respect to any matters which directly concerned North Carolina and North Carolinians, and mighty few disagreements in respect to nationwide programs which effected the entire United States.

Everett was survived by his devoted wife, Katherine McLean Jordan, his charming daughter, Rose Ann Gant, and two splendid sons, John and B. Everett Jordan.

During the years of our joint service in Washington, a friendship developed between Katherine McLean Jordan and my wife, Margaret Bell Ervin, similar to that which had existed throughout the years between Everett and me.

When I think of the happy and, I trust, useful years which Everett and I spent together in the Senate, I am reminded of these words of the poet:

Green be the grass above thee,
Friend of my better days,
None knew thee but to love thee,
Nor named thee but to praise.

Mr. President, I ask unanimous consent that the comments concerning Everett Jordan which appeared in various newspapers at the time of his passing be printed in the RECORD.

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

[From the Asheville Citizen, March 16, 1974]

NORTH CAROLINA, NATION MOURN THE PASSING OF EX-SEN. B. EVERETT JORDAN

SAXAPAHAW, N.C.—Former North Carolina Sen. B. Everett Jordan, whose last campaign ended in defeat after he admittedly failed to take his opponent seriously, died Friday.

Jordan, 77 had waged a months-long battle against cancer that had sent him under the surgeon's scapel twice in the last three years.

Quiet-spoken and couretous in the manner of the traditional Southern gentleman, Jordan had spent his last two years in semi-retirement at his home in central North Carolina.

He was at home when death occurred Friday morning.

Jordan served in the Senate from 1953 until January 1973, when Republican Jesse Helms succeeded him. Helms, North Carolina's first Republican senator elected in this century, had defeated the man who ousted Jordan in the 1972 Democratic primaries—former Rep. Nick Galifianakis of Durham.

The 1972 campaign was disastrous for Jordan, who had announced for re-election after surviving the first of his two abdominal operations only a few months earlier. Running on his record, Jordan admitted later he did not consider Galifianakis a serious threat until the first primary ended with Jordan as a runnerup.

Galifianakis went on to win the nomination but lost to Helms in the general election.

Jordan, stepping up his campaign in the closing weeks of the primary, began an extensive public appearance schedule that took him to shopping centers and other business areas.

One handshaking tour of a Raleigh shopping center was shattered by the violence of a gunman who shot and killed four persons and wounded seven others before killing himself.

Jordan had barely cleared the doors of the shopping center mall when the gunman, Harvey Glenn McLeod, started firing at passersby in the parking lot. Jordan's executive secretary, Wes Hayden was at the door of the mall, talking with friends before following Jordan, when the bullet slammed into him.

Galifianakis, who is making another bid for the Senate, said he mourned Jordan's death. "I remember our close association in Congress and the deep affection which existed between us despite the campaign of 1972," he said.

Funeral services are scheduled for Sunday at 3 p.m. at Saxapahaw Methodist Church. Dr. Howard Wilkerson, president of Greensboro College, The Rev. Murray DeHart of Saxapahaw Methodist Church and Dr. Mike Jordan, the senator's brother, who is a retired Methodist minister, will officiate. Burial will follow in Pine Hill cemetery in Burlington.

Jordan is survived by his widow, Katherine McLean Jordan; and three children, Benjamin Everett Jordan and Mrs. Roger Gant of Burlington, N.C., and John Jordan of Saxapahaw. He is also survived by a brother and sister and two grandchildren.

Evangelist Billy Graham issued the following statement from his office in Montreat, N.C.

"Sen. Jordan was a long-time personal friend and neighbor. He had considerable influence as a Christian statesman among his fellow senators. He was also active in the various Christian movements in Washington. As a political leader, he had a combination of courage and compassion. North Carolina has lost a great citizen."

Rep. Roy A. Taylor, who was attending a Democratic function in Raleigh, referred to Jordan as a "lovable person with a rich, positive personality and a strong faith in his friends, his country and his church."

Jordan entered public office amid a storm of controversy. He was appointed by Gov. Luther Hodges to succeed Sen. W. Kerr Scott who had died in office. Jordan had held no major public offices and his appointment brought charges that Jordan was a seat-

warmer who would step aside for Hodges in the coming election.

The Raleigh News and Observer ran a Page One editorial accusing Hodges of using the appointment "to serve his Senatorial ambitions." Hodges never sought the seat, but became Secretary of Commerce in the Kennedy Administration when his term as govenor ended in 1961.

The soft-spoken Jordan's long career in the Senate was as mild as his manner and colleagues learning of his death praised him as a gentleman.

Sen. Ernest Hollings, D-S.C., said, "he was a fine United States Senator and a gentleman in every sense of the word. It was my pleasure to work with him in the Agriculture Committee, and in the Senate generally, on matters of common interest to the Carolinas."

Helms, the freshman who moved into the veteran's seat, said Sen. Jordan was first, last and always a gentleman. He was a beloved member of the Senate, always cheerful, always helpful, always ready with an anecdote.

Former Gov. Terry Sanford, who is now president of Duke University, said, "Sen. Jordan believed in North Carolina and its people and he had the rare ability to translate the belief into legislation and a way of life. He once said his greatest satisfaction was in 'doing the little things many wouldn't think about for people.'

"As a successful businessman and public servant, Sen. Jordan lived what he believed and added distinction to an already distinguished family. Duke University, particularly, is in his debt and is proud and grateful for the opportunity it had to be associated with him as trustee and benefactor."

Jordan was a member of the conservative wing of the Democratic Party, but left the fold of Southern Democrats to oppose the Vietnam War. In 1970 he voted in favor of the Cooper-Church amendment to the defense appropriations bill, which limited the President's power to extend U.S. participation in the war.

He came into the national spotlight in 1963 when, as chairman of the Rules Committee, he presided over the investigation of the Bobby Baker case.

Although a surprise appointment to the Senate in 1953, Jordan, a textile industrialist, was not a newcomer to politics. He had served as chairman of the state Democratic party and was a Democratic National Committeeman from North Carolina from 1954–1958.

Sen. Sam J. Ervin Jr., D-N.C., who served with Jordan during his entire tenure in the Senate, recalled Friday that he and Jordan had been friends since they were teenagers in Ervin's hometown of Morganton where Jordan's father was a Methodist minister.

"We played baseball together," Ervin recalled.

"I had the rare privilege of serving with him for 14 years in the Senate and we never had a disagreement of any kind in respect to matters relating to North Coralina.

"Everett rendered great service to North Carolina and the nation, especially in the fields of agriculture, industry and the development of rivers and harbors," Ervin said in a statement.

"Everett deserves the thanks of North Carolina and the nation for his public services, and I shall never cease to miss him," he added.

North Carolina Democratic Party Chairman James Sugg said Friday, "He made an outstanding contribution to North Carolina and the nation in political, civic and religious life. The Democratic party will always be grateful to him because when he was chairman, the first permanent party headquarters were opened."

North Carolina Secretary of State Thad Eure, a longtime close friend of Jordan's said, "His services as chairman of his political party and as U.S. Senator will be appreciated and remembered for a long time."

Gov. Jim Holshouser, the first Republican elected to the state's top executive post this century, sent a telegram to Mrs. Jordan. "We are deeply saddened by the loss of Sen. Jordan," it read. "He will be long remembered and appreciated by the people of North Carolina for his able and distinguished public service and for his many contributions to our state. Our thoughts are with you and your family in this time of sorrow."

[From the Burlington (N.C.) Times-News, March 16, 1974]

JORDAN MADE PLACE IN BUSINESS, POLITICS . . . HE BUILT BRIDGES FOR THOSE WHO FOLLOW

(By Bill McBride)

The life of Sen. B. Everett Jordan was an example of a long-cherished American ideal—the successful man who rose from humble beginnings.

The son of a Methodist circuit preacher, he was known for a mild manner, a keen business sense and an inordinate capacity for hard work. Those attributes combined to carry him to national prominence as a political, industrial, educational and civic leader.

B. (Ben) Everett Jordan was born Sept. 6, 1896, at Ramseur in Randolph County, the son of the late Rev. Henry Harry and Annie Elizabeth Sellers Jordan.

As a circuit preacher, the Rev. Jordan and his family lived in several communities around the state, including the Henrietta-Caroleen community in Rutherford County, Kernersville, Walkertown, Marion, Lenoir and Morganton.

Jordan left home when his family was living in Morganton and attended Trinity College, now Duke University. In 1915, he left the school to look for a job and ended up in Kansas working in an uncle's jewelry store.

When World War I broke out, he joined the tank corps of the U.S. Army and served with occupation forces in Germany. After the war, he returned to the Kansas jewelry store briefly before coming back to North Carolina.

START IN TEXTILES

The young Jordan rejoined the family in Gastonia. It was there that he got his start in textiles, a field in which he was destined to become enormously successful.

But the 22-year-old Jordan didn't start at the top. His first assignment was as a sweeper in the Flint Mill, one of the Graysepark Mill Group.

Several promotions followed. Three years later, he was superintendent of Myrtle Mills, and in three more years be came superintendent of Gray Mills in Gastonia.

In 1925, he married the former Katherine McLean, a Gastonia school teacher.

Meanwhile, Jordan's uncle, Charles V. Sellers, a Burlington merchant, and other members of the Sellers family bought an old Alamance County mill that had fallen into bankruptcy.

The mill, the old White-Williamson Company of Saxapahaw, was one of the pioneer operations in the South, having been founded in 1844 by John Newlin and his sons.

The original buildings were constructed with slave labor from bricks made of the orange-red clay in the area. The power supply had been an overshot water wheel supplied by a three-foot high dam across the Haw River.

The Newlins operated the mill until 1873, when they sold out to Edwin Holt. The company's name was changed to Holt, White and Williamson and Co., which was incorporated in 1906 as White-Williamson and Co.

The White-Williamson Co. built a new water turbine and generator power plant to replace the old overshot wheel and line shaft system. But after World War I, the market for the company's cheap cotton ginghams and tubing vanished, and, burdened with obsolete equipment, the company went bankrupt.

Charles Sellers picked Everett Jordan to revive the mill, and the newly-incorporated Sellers Manufacturing Co. elected him secretary-treasurer and general manager.

MOVE TO SAXAPAHAW

In 1927, Jordan and his wife and son, Ben E. Jr., moved to Saxapahaw.

The mill had been idle for three years when the Jordans arrived on the scene, and the village had the appearance of a ghost town.

Forty-five years later, the former U.S. sentor recalled in a newspaper interview the condition of the village when he and his wife arrived.

"The village was in weeds, the lights were out in many of the houses, and in general it left a lot to be desired," he said.

"My wife said, 'You take the mill, and I'll take the village and we'll work on it.' "

The biggest problem the mill faced was the repair of the old wooden dam which was its power source. Jordan personally helped cut the timber and carry the logs to the dam where they were lashed into place.

Jordan and directors of the company decided that ginghams and tubing were no longer going to be in demand and, instead, initiated an ambitious expansion program.

They decided that a more profitable venture would be to supply the area's growing hosiery industry with fine combed cotton yarns.

In 1930, Sellers Manufacturing brought a new industry to Alamance County when it installed a warp mercerization process for producing combed yarns.

During the depression, several area textile firms folded or operated on a curtailed basis. But Sellers Manufacturing Co. ran full time.

In 1938, the company built a concrete dam across the Haw River and installed a new powerhouse system.

MILLS ACQUIRED

The company bought the Sapona Cotton Mills at Cedar Falls in 1939, which was renamed the Jordan Spinning Co. Sellers also took over Ideal Mercerizing Co. in Burlington and acquired in 1945 the Royal Cotton Mills Co. at Wake Forest.

The company later moved into synthetic fibers, including blended yarns. It now owns copyrights to a number of such specialty constructed yarns.

As the mill village prospered, Jordan took an active interest in local politics. The first statewide political race he became involved in was the gubernatorial campaign of the late Gov. and Sen. Clyde R. Hoey in 1936.

Later, Jordan also worked in the 1944 gubernatorial campaign of Gregg Cherry. When Cherry was elected, he named the Saxapahaw industrialist as a member of the Peace Officers Pension and Retirement Fund, the Medical Care Commission and as president of the North Carolina Railroad.

Jordan also helped raise funds in 1948 for the gubernatorial campaign of his neighbor from Hawfields, the late W. Kerr Scott.

A year later, he was selected for a six-year term as chairman of the N.C. Democratic Executive Committee. In 1954, he was named Democratic National Committee man from North Carolina.

ENTERS SENATE

Sen. Jordan's legislative career began on a note of shrill controversy. He was appointed in April of 1958 by former Gov. Luther Hodges to fill the unexpired term of the late Sen. Kerr Scott, who had died in office.

The appointment brought cries that Sen. Jordan was simply a "seat-warmer" for two years until Hodges himself could run for the Senate.

But Sen. Jordan disproved the critics by seeking and winning re-election late in 1958,

and in 1960 and 1966. He led the state ballot in two of these elections.

During his 15 years in the Senate, Jordan earned a reputation as a behind-the-scenes worker who seldom sought publicity or indulged in oratory.

"Speeches don't win votes on the Senate floor," he maintained.

The former state party chairman left the flashier issues—like those concerning the Constitution—to his senior colleague, Sam J. Ervin. Instead, he concentrated on administrative matters and winning public works projects for his home state.

Some referred to Jordan as the "service senator" who quietly worked to see that his state got its share of federal programs and assistance and that its agricultural and commercial interests were protected.

That emphasis grew in part out of his committee assignments. He chaired the Senate Committee on Rules and Administration and alternated with his House counterpart as chairman of the Joint Committee on the Library of Congress and on Printing. In addition, he sat on the Agriculture and Forestry Committee and the Public Works Committee. He chaired the Public Works subcommittee on rivers and flood control.

His other duties included chairmanship of Lyndon Johnson's and Richard M. Nixon's (first term) inauguration committee, membership on the Senate Office Building Commission, and trustee of the U.S. Capitol Historical Society.

As chairman of the Rules Committee, he was in many respects the chief custodian of the Senate. His responsibilities included overseeing operation of the Senate restaurants, room assignments and parking spaces.

Through his seat on the Public Works Committee, Sen. Jordan was credited with winning approval for numerous federal projects in the state, including the New Hope Dam and Reservoir in Chatham County, the W. Kerr Scott Reservoir in Wilkes County, the falls of the Neuse Reservoir planned for Wake County, the Cape Lookout National Seashore Park, and harbor channel improvements at Wilmington and Morehead City.

DAM NAMED FOR HIM

The New Hope Dam was later re-named the B. Everett Jordan Dam in honor of the role the senator played in obtaining necessary funds for the project.

Sen. Jordan also played key roles in passage of such legislation as the tobacco acreage-poundage law, tough inspection laws for meat products, water and air pollution control, federal aid to education and libraries, rural development, elimination of the two-price cotton system, creation of the Office of Technology Assessment, extension of Hill-Burton funds for hospital construction, and in resolutions calling for an early end to American involvement in Vietnam.

Sen. Jordan first received significant national attention in 1963 when, as chairman of the Rules Committee, he led the investigation into the Bobby Baker case.

Baker, a legislative secretary to Senate majority leader, was accused and later convicted of contempt of Congress. The information brought out in the investigation was later used by the Justice Department to convict Baker of other criminal offenses for which he spent time in a federal penitentiary.

Sen. Jordan's voting record generally followed the moderately conservative pattern shared by most Southern senators. But on the issue of the Vietnam War, he abruptly broke ranks in 1970 with his colleague Sam Ervin and voted in favor of a resolution that imposed a time limit on getting troops out of Cambodia.

Vowing support for the resolution, Sen. Jordan was quoted as saying it was "certainly the hardest decision I have faced in my life."

BOLD MOVE

It was a bold move that shocked the rest of the state's delegation, which had followed Sen. Ervin's lead as a staunch supporter of Nixon on war policy.

But Sen. Jordan told friends that he was beginning to sense the tremendous surge of discontent with Vietnam.

"I just heard from thousands of people, substantial people whose judgment I respect," he later told reporters, "I got letters mailed to my apartment, big bundles sent from Saxapahaw."

"There just didn't seem to be any prospect of getting out. There was a coffin here, a coffin there, coming back from over there. Taxes were running high, and the problems at home were not settled," he said.

When Jordan said at the University of North Carolina at Chapel Hill in May of 1970 that he was prepared to back something similar to the Cooper-Church resolution, the students broke into loud and prolonged applause.

On other issues, Jordan joined other Southern senators in opposing the busing of school children to achieve racial balance, and he often expressed genuine concern about the racial isolation busing was designed to alleviate.

"People of the same race tend to gather together, and it's going to take a long time to disperse them," he said. "I don't think a black person ought to be denied the right to move where he wants to, and eventually that will break up the isolation.

"But busing just frustrates them (the children)," the senator said. "It's disrupting our school system and causing turmoil and strife."

Foreign trade and economic problems also received priority from Sen. Jordan. He made frequent trips to Europe as head of the American delegation to the Interparliamentary Union.

While in Europe, Sen. Jordan played the salesman for American products, especially tobacco and cotton. He also pushed for import quotas to protect American manufacturers from cheaply made foreign products.

Sen. Jordan supported some of President Johnson's Great Society programs, but he opposed President Nixon's revenue sharing plan and welfare reforms. He also consistently voted against foreign aid.

Jordan—as a self-made millionaire—was reputed to be one of the wealthier men in the Senate, an assertion he frequently brushed off. "I have plenty, but you've never seen me display a great amount of wealth." He attributed his business successes to the fact that he was "raised hard and a nickel was a nickel."

His industrial posts included top level positions in Sellers Manufacturing Co. in Saxapahaw, Sellers Dyeing Co., and Royal Cotton Mill Co., and Jordan Spinning Co.

HEALTH CONCERNS

The veteran legislator was plagued on two occasions with poor health while in the Senate. In 1967, he had his gall bladder removed. In February of 1971, he again entered Duke Hospital in Durham where doctors removed a section of his large intestine on which they found a malignant tumor.

Despite his age, he recovered rapidly from the cancer operation. But just as rapidly, rumors began to fly that he would retire in 1972 because of poor health.

That speculation proved to be without basis, however, when on March 5, 1971, the senator, wearing pajamas and a bathrobe, called reporters to the hospital to announce that he would run in 1972 despite the operation.

At the same time, his doctors said he had made "an excellent recovery" and was already on a normal diet. The doctors also pointed out that they had been able to find no other signs of malignancy.

The veteran senator had been away from Washington for three weeks for the operation. But he had not missed a roll call vote and had kept in touch with his office constantly.

ELECTION PRIMARY

It was inevitable, though, that the health and age issue would emerge in the primary election, since the senator's chief opposition came from the 43-year-old Nick Galifianakis. Also in the race were Dr. Eugene Grace, a Durham physician, and Joe Brown of Greensboro, head of a local anti-busing group there.

Galifianakis, a former Duke law professor, was in his third term as representative of the Fourth District. He had also served in the General Assembly.

There was little philosophical difference between the two men. Both had taken moderate anti-war stances, and their votes on other issues were not far apart.

Sen. Jordan was able to effectively dispel the rumors about his health by waging a vigorous campaign that relied on the numerous political contacts he had built up across the state in his more than two decades in North Carolina politics.

The senator emphasized his experience and his several committee assignments that grew out of his seniority.

Galifianakis also waged a fast-paced campaign, actively seeking to portray himself as youthful and energetic in contrast to the aging senator. The Durham legislator centered his person-to-person campaign in the populous Piedmont areas.

Few, if any, substantive issues developed in the campaign.

There was some indication that the Jordan organization never took the Galifianakis threat seriously, and the youthful-looking congressman was able to capture slightly less than 50 per cent of the vote.

The Jordan camp waited a few days before calling for a run-off primary election to be held June 3.

The campaigns in the runoff were generally simply extensions of the themes of age versus youth that were sounded in the final primary.

But the second primary was marked by a bizarre incident and a close brush with death for Sen. Jordan.

RALEIGH SHOOTING

On May 29, five days before the second primary election and two weeks after an assassination attempt on Alabama Gov. George Wallace, Sen. Jordan stepped from his car at North Hills Shopping Mall in Raleigh to shake a few hands.

The senator had planned to move immediately from his car into the shopping center but stopped to greet a few voters before entering.

He had just stepped inside when he saw a woman whose hand he had just shaken pitch forward. "I thought she had tripped," he said later.

The senator turned to get help but was held back by an aide who told him "they're shooting out there."

Outside, a sniper, armed with a .22-caliber rifle, was coolly firing at anything that moved. The sniper, 22-year-old Harvey Glen McLeod, killed three people and wounded eight before killing himself.

One of those wounded was Sen. Jordan's press secretary, Wes Hayden, who was shot in the back. He responded to treatment and was able to leave the hospital a week later.

Investigators were never able to find any connection between McLeod's shooting spree and the fact that Sen. Jordan was campaigning nearby.

DEFEATED

Sen. Jordan was defeated in the runoff election. Galifiananski went on to be de-

feated in the general election by Republican Jesse Helms.

Typically, the veteran public servant accepted the defeat gracefully and refused to be bitter. He also refused to give Helms a jump on seniority by resigning early, saying he still had much work to do on the Rules Committee. He worked up until the day he was officially to leave office.

Before resigning, Sen. Jordan was given one more assignment by his congressional colleagues. Majority Leader Mike Mansfield named the Saxapahaw legislator as the United States representative to a meeting of the North American Treaty Organization in Bonn in November of 1972.

Throughout his career, the senator had received numerous tributes and was called upon to serve in many public capacities. He was awarded an honorary LL. D. degree from Elon College and served as a trustee for Duke University, American University, and Elon College.

He was a Burlington Rotarian, a Shriner, and was awarded the Silver Beaver Boy Scout Award in 1966. He also was a Methodist Bible School teacher since 1927 and served as chairman of the Board of Trustees of the Alamance County Hospital from its beginning.

He was retired as a director on the general board of Wachovia Bank & Trust Co.

THE JORDAN FAMILY

Those interests were consistent with the tradition of the Jordan family. The senator had three brothers and two sisters, all recognized for significant contributions in a wide range of fields.

The late Dr. Henry Jordan was a dentist-turned-industrialist and politician. He was chairman of the State Highway Commission during the administration of Gov. W. Kerr Scott.

The late Dr. Charles Jordan was an educator and vice president of Duke University.

The Rev. Frank Jordan followed in his father's footsteps and became a prominent Methodist minister. He now is retired and is living in Lake Junaluska.

The senator's youngest sister, Margaret, married Dr. Henry C. Sprinkle. She worked with him for 15 years in New York City while he served as editor of the World Outlook, a Methodist missionary magazine. They now live in Mocksville.

His other sister, Lucy, was until her death the wife of the Rev. George Way, who was for many years the secretary of the South Carolina Methodist Conference.

AWARDS AND TRIBUTES

Sen. Jordan continued to receive awards and tributes even after he had retired from active involvement in public affairs.

He served as chairman of the North Carolina Cancer Fund Drive for 1972 to 1973.

In December of 1972, county school officials renamed the Saxapahaw Elementary School the B. Everett Jordan Elementary School.

On January 7, 1973, the Burlington-Alamance County Chamber of Commerce presented a plaque to the former senator for his outstanding statesmanship and leadership in the Senate.

Last month, the North Carolina Chapter, Cystic Fibrosis Foundation, named him the second recipient of the North Carolina Public Service Award in a Raleigh ceremony attended by some 400 people from across the state.

Just this month, Elon College trustees announced that they had named the gymnasium in the new physical education building the B. Everett Jordan Gymnasium.

In still other recognitions, several higher education institutions recently had announced sizable gifts from Sen. Jordan. These included the Cherokee Boy Scout Council, with a facility at the camp being named in his honor.

BUILDER OF BRIDGES

On July 21, 1973, the former senator again entered the hospital for what was diagnosed at the time as diverticulitis, an intestinal ailment. Instead, surgeons found an area of inflammation in the colon and a tumor. What doctors described as a "rather extensive section of his large and small intestine" was removed.

In discussing his guiding philosophy of life, Sen. Jordan has often referred to a comment made by his circuit-riding Methodist father, whose work resulted in his family moving from town to town.

"Son, I want to leave this town a better place than when I found it," the senator recalls his father saying when they arrived in a new town.

That remark had a profound effect on the young Jordan:

"I was taught all my life to try to do something that was worth something. If a man just lives, eats and dies, he's made the same contribution as a pig. He lives, eats and dies, but what good has he been to the world?

"But a man could make a contribution to one who follows after. He can build a bridge."

"If you build a bridge for somebody, he doesn't have to wade through the creek."

[From the Burlington (N.C.) Times-News, March 18, 1974]

The church is not a dormitory for sleepers, it is an institute for workers; it is not a rest camp, it is a front line trench.—Billy Sunday, American evangelist.

SENATOR B. EVERETT JORDAN

Former Sen. B. Everett Jordan of Saxapahaw, whose rites were held yesterday, established one of the more respected careers in private and public service identified with any North Carolinian in current history.

He primarily was appraised for his 15 years in the U.S. Senate and in his role as chairman of the Senate Rules Committee, as well as in the strong influences he had in shaping policies in agriculture, flood controls and education.

Yet, in the Senate he also was recognized as a sincere and dedicated gentleman who had an almost humble approach in his opportunity to serve his fellowman with understanding, encouragement and friendship. This, indeed, is the way he also was known in the village of Saxapahaw, in Alamance County, in our state and in the many contacts he made in and through government, at home and abroad. His colleagues saw him as a person of gentle nature, but they also saw that in gentleness he drew a strength which reflected on his superior ability to accomplish.

The story has been told often of how the senator and Mrs. Jordan decided to move to Saxapahaw from Gastonia in 1927 where he would continue the textile career which later was to have him strongly identified nationally for what his leadership meant to the industry. The dam serving Sellers Manufacturing Co. would break on occasions, and he would be with others in the river to make repairs. He would do any type of work, seek to understand every type of problem and learn to make his adjustments, and this meant that he, indeed, did succeed in his primary endeavor of that day. Sellers Manufacturing Co. began thriving, and many people began benefiting from its growth as new jobs and opportunities were created.

His efforts in textile, in turn, reflected in his many other interests throughout his life. He applied the same hard work in his lifetime associations with his church, in using his own resources to further the cause of public and higher education, and in the political career which began developing more prominently on a statewide and national level in the late 1940s.

Certainly he applied the principle of hard work and strong desire to serve during his years in the Senate. He and his staff long held the identity as one of the strongest and most dedicated organizations in Congress.

Through all his many interests, however, he never allowed himself to really leave his Saxapahaw home and the feeling for home which remained strongly with him while he was in Washington. He and Mrs. Jordan returned as often as his responsibilities would permit, and he would be refreshed by being reunited with family, neighbors and other friends, and by seeing the village of Saxapahaw itself and what it had meant to him through the years. Regardless of where the levels of his various responsibilities took him, their value and meaning seemed to be judged by him on what they meant to people—to the progress and the ambitions and the hopes of people—as he had matured himself in this philosophy in a community setting.

It is significant that in recent weeks the various announcements have been made of his generosity to several higher educational institutions, as well as to the Cherokee Boy Scout Council. Carrying out his lifetime interest, he was sharing his resources with these institutions which, to him, represented values. It also is proper that before his passing his name was being placed on buildings, as well as the B. Everett Jordan Dam which represents his longtime effort through the Senate in water resources. Only recently, also he was named North Carolina's top citizen of the year in public service by the Cystic Fibrosis Foundation.

Just as these physical plants hold to his name and serve under it, so will the many people hold onto the respect and admiration which he earned in tribute during his lifetime and now in memory.

He was defeated in his bid for reelection to the Senate in 1972 through a combination of circumstances which, to us, were not centered in any way as a reflection on his service.

Yet, one of the unchanged tributes to him was that he continued to be recognized, and greeted, as a senator. This was the work he loved and to which he had given of himself in his later years. It meant more to most people to call him senator than the mere formality it represented. This was a tribute which was placed upon the man himself and the highest prospect which it could reflect.

And, of course, he also carried in this identity the role of churchman, educator, gentleman, and a friend of mankind and of dedication to values. He was a part of a family which reflected these values from the beginnings in a Methodist minister's home.

We, in Alamance County, have known and will remember a good friend who served with much feeling and compassion. North Carolina and the nation will treat him well in its records of citizenship and public service.

And he, indeed, leaves much with us as his life and his effort will be held in our memory. His legacy of good work and good deeds will remain, by example, a foundation on which the causes to which he gave himself will continue to serve into our future.

[From the Daily Times-News, Burlington, (N.C.) March 18, 1974]

OVERFLOW CROWD HONORS SENATOR JORDAN

(By Don Bolden)

SAXAPAHAW.—B. Everett Jordan left this little Alamance County community for the last time yesterday.

In the past, he had left many times—off to Washington to serve his state as a United States senator, or off to the capitals of the world as a representative of his nation. But he always returned to the banks of Haw River to be a part of his community and to

play a leading role in Sellers Manufacturing Co.

But yesterday, he left in death, the flag in front of the Saxapahaw Post Office hanging at half-staff in final tribute to Saxapahaw's leading citizen.

But he did not go alone.

The great and the not-so-great filled the little white Saxapahaw Methodist Church to overflowing, with the church yard holding the sizable overflow and many people remaining in their cars. There were senators and congressmen, along with workers from the mill just across the river. And they had one thing in common on this windy March afternoon—they had lost a friend.

Sen. Jordan died Friday morning at the age of 77, losing a long battle to cancer.

His funeral service yesterday was a simple one.

Following the 23rd Psalm, Dr. Howard Wilkerson, president of Greensboro College and former chaplain at Duke University, delivered the eulogy.

Standing behind the flag-draped coffin, he said "a great tree has fallen in God's forest".

He said that when a person dedicates himself to God, it is good, but when many band together, the impact is greater.

Such an impact was felt, he said, from the family of Annie and Henry Jordan, who had six children.

"Never has there been a family which had such an impact in religion, higher education, government and agriculture. No family has ever served the state and nation, with more impact than those children and their spouses."

Dr. Wilkerson noted several lessons to be learned from Everett Jordan's life.

"Everett Jordan was regarded as a friend all over. We think of the headlines and overlook the personal element. The lesson we can learn is that we too can be a friend.

"He trusted the Heavenly Father with an almost childlike faith, and don't knock that childlike faith," he added.

Another lesson comes from Everett Jordan's belief in young people, he said. He said Jordan had sought to influence the young through his support of the Boy Scouts and higher education.

"He listened to young people", Dr. Wilkerson said.

Four years ago, while he was a chaplain at Duke University, he said the young people there were ready "to write off the older generation". Concerned, Dr. Wilkerson sent some of those youngsters to Washington to see Sen. Jordan.

"He talked to them and listened to them.

"He turned them around in their thinking. He always listened, but he did not always agree".

The speaker noted an entry by one of the senator's colleagues in the Congressional Record—"Everett Jordan was always ready to listen to new ideas and to grow".

He concluded, "These lessons make us better citizens and friends. We can be glad we had such a teacher as Everett Jordan".

After the brief church service, in which the Rev. Murray L. DeHart, church pastor, participated, a funeral procession more than three miles long accompanied his body to Pine Hill Cemetery in Burlington.

There, again, simple rites were conducted, with his brother, Dr. Frank Jordan, participating. There was a scripture reading, followed by the Lord's Prayer. Four scouters from Troop 65, a troop the senator organized in Saxapahaw, folded the flag over the coffin. Members of the troop served as an honor guard.

Scoutmaster Ben Bulla of the troop then presented the flag to Mrs. Jordan, saying "On behalf of the President, this is a symbol of a grateful nation."

A floral tribute from President and Mrs. Nixon stood at one end of the grave. Nearby was a floral replica of the American flag, sent by employes of Sellers Manufacturing Co., the textile mill which Sen. Jordan reopened from bankruptcy in 1927 and saw it move to prosperity.

The senator was buried in a plot with his parents and brother, Dr. Henry Jordan.

Sen. Jesse Helms, who now holds the Senate seat once occupied by Sen. Jordan, was the official representative of the President.

Also present was Sen. Sam J. Ervin Jr. and Mrs. Ervin. Sen. Ervin was a boyhood friend of Sen. Jordan.

Former Gov. Luther Hodges and his wife also were present. It was Gov. Hodges who appointed Jordan a senator in 1958 at the death of Sen. W. Kerr Scott.

The list of dignitaries read like a "Who's Who" in North Carolina politics.

Gov. and Mrs. Hodges and Sen. and Mrs. Ervin were with the family at the funeral.

Among others attending were Supreme Court Justice Dan Moore, Lt. Gov. Jim Hunt, Rep. Richardson Preyer of the Sixth District, Rep. David Henderson of the Third District, State Treasurer Edwin Gill, Commissioner of Agriculture Jim Graham, Insurance Commissioner John Ingram, Labor Commissioner Billy Creel, Atty. Gen. Robert Morgan, SBI Director Charles Dunn, former Congressman Horace R. Kornegay of Washington, Consolidated University President William Friday, Federal Judge Eugene A. Gordon, and former Congressman Paul Kitchen.

Ten members of the former senator's Washington staff also attended, led by William Cochrane, Wes Hayden and Hugh Alexander.

Also attending were Nick Galifianakis, who defeated Sen. Jordan in the 1972 campaign, along with Sen. Ralph Scott, Rep. Jim Long and numerous Alamance County officials.

Assisting in the arrangements at the rites were members of the Sheriff's Department, the State Highway Patrol, and the Eli Whitney Fire Department.

But just as prominent in the crowd outside the church, braving a stiff March breeze which came off Haw River, were the plain people, the people who live in the little white houses of Saxapahaw, the people who work in the mill across the river. They, too, were friends of the senator.

[From the Burlington (N.C.) Daily Times-News, March 19, 1974]

FROM AN EARLIER DAY TO THE PRESENT: A SETTING DRAWS AN OBSERVATION

President William Friday of the Consolidated University of North Carolina, walking to his car after the funeral of former Sen. B. Everett Jordan in Saxapahaw Sunday, had made an observation.

He said, in effect, that there was a lesson to be remembered by the setting of the funeral itself.

There was a small church, something which is representative of the nation's foundations in its religious expression. There was the river, which was needed badly in the past and present for what water and water power meant in development of a community and an industry.

Then, across the river from Saxapahaw Methodist Church was the textile plant which Sen. Jordan had reopened from bankruptcy in 1927 to lead it in its growth to a highly successful operation.

Then, too, there was the smaller village, Saxapahaw itself, and the people who found much strength together as they related to the textile plant, to the churches, to one another.

It was a setting, and a meaning, that is not often found by many people as they must spend more time in larger settings and as a part of the growth experienced in passing years.

The countryside, the community, still holds its place, however, and that is what President Friday had seen and as he reflected upon it.

It was this type of setting which many others certainly could feel. There are several roads leading into the village, but they were not built to accommodate the flow of traffic which they had to handle Sunday.

The church itself seats approximately 150 people. Much of the sanctuary was reserved for the family, and the remaining portion could not accommodate the crowd. The available seats began filling shortly after 1:30 p.m. for the 3 p.m. service, and this meant that many people remained outside the church and followed the service on the speakers installed there. Among those seated there was Rep. Richardson Preyer, whose close friendship with the senator was highly noticeable through the years.

It was Rep. Preyer who expressed what many of the state's congressional delegation said was the feeling held by all. His comments, therefore, are added to those which we previously have presented:

Said the congressman:

"He did not seek the headlines, but he was very effective."

"Some people are boxers and some are sluggers. The sluggers get the headlines, but the boxers get more results.

"Sen. Jordan was a boxer. He got results by the force of his integrity and character and by the respect in which he was held by his fellow senators, rather than by the headlines he created."

He added that Sen. Jordan's contributions to the state in improvements to the rivers and harbors "will probably never be equalled."

At the funeral, Dr. James Davis of Burlington sang "Others," which had been requested. This was the theme which many felt most represented the senator.

The two hymns in the service also had been used in rites for other members of the Jordan family in the past. They were favorites of the family from earlier days, apparently inspired in the home of the Rev. and Mrs. Henry Jordan.

In the sanctuary, there was not enough room for all the family. As the seats became filled just as Sen. and Mrs. Ervin were approaching their pew, they returned to the back. It was then that Sen. Jesse Helms and former Congressman Horace Kornegay gave their seats to Sen. and Mrs. Ervin. Sen. Ervin then gave his seat to Mrs. Paul Kitchen of Wadesboro, wife of the former congressman.

At the cemetery, Sen. Jordan's grave plot was beside his parents and his brother, Dr. Henry Jordan. The parents, with the Rev. Jordan as a Methodist minister, never really had a home which they claimed above all others. Mrs. Jordan was a Sellers of the Alamance County family, so they had selected Burlington for their resting place.

Later, Lt. Gov. Jim Hunt was commenting on the role of the Methodist minister. He said that as his father, of Wilson, was with him at the rites, he had learned for the first time that his great grandfather is buried in Pine Hill. He also was a Methodist circuit rider.

Sen. Jordan had a long career, indeed, which was reviewed in the minds of many people, going back to those early days in Saxapahaw and leading to Sunday at the church, then to Burlington's Pine Hill Cemetery.

It was a career which had touched the lives of many people.

[From the Charlottte News, March 19, 1974]

B. EVERETT JORDAN

In his gracious personal manner and his avuncular appearance, former Sen. B. Everett Jordan looked like the people's senator he was. In his 14 years in Washington, he built a record as an able, effective senator, if not

a dashing one. His death last week at age 77 closed a career of dedicated service.

B. Everett Jordan had the kind of background a politician might like to invent. The son of a Methodist (and therefore itinerant) minister, he grew up in modest circumstances; his business career began with a sweeper's job in a textile mill. By the time he was appointed in 1958 to the Senate seat vacated by Kerr Scott's death, he was a millionaire textile-mill owner and a Democratic Party patriarch.

It was a background that served him well. He knew his state, and its people. He knew something of the arts of persuasion, and used them to good advantage in securing for North Carolina the federal projects and federal policies he felt the state needed. His low-key approach did not make him one of the senators studied in political science courses, but it did win him respect at home and in the Senate.

He did move into the spotlight on occasion, principally as chairman of the Senate's investigation into the sordid and tangled affairs of Bobby Baker. It was an investigation surely tempered by partisan protectiveness, and obviously moderated by a widely felt desire in the Senate to do no damage to the "club." While the probe could have been both deeper and wider, one should remember that it did produce a condemnation of Baker, that it was followed by indictment and conviction and that Senator Jordan did stand up to tell his fellow senators to put their house in order.

He was a man who understood the central duties of a United States senator and who strove to perform them. He did his job conscientiously and—as when he spoke out after the Baker investigation, as when he turned around to question the Vietnam War—courageously. His death is a loss to the state he served faithfully and well.

[From the Charlotte Observer, March 16, 1974]

CANCER KILLS EX-SENATOR JORDAN, 77

SAXAPAHAW.—B. Everett Jordan, the former North Carolina senator who preferred tending the home fires for his constituents to the political spotlight of Washington, died at his home Friday. He was 77.

Jordan, a soft-spoken textile millionaire, died of the cancer that had plagued him for several years.

Jordan, a Democrat, was appointed to the Senate in 1958 at the death of Sen. W. Kerr Scott and served until 1973.

He lost his bid for a third term when he was defeated, in 1972 by former United States Rep. Nick Galifianakis in a hard-fought Democratic primary race.

The primary campaign was marred by a Raleigh shopping-center shooting which killed four persons. Jordan had been shaking hands in the shopping center and barely missed being shot.

Republican Jesse Helms later defeat Galifianakis in the general election.

Jordan underwent surgery for cancer of the colon three years ago and had been in declining health for the past nine months. His daughter, Mrs. Roger Gant Jr., said he "slipped quietly away" about 10:45 a.m. Friday. His wife, Katherine, was at his bedside.

The funeral will be at 3 p.m. Sunday in Saxapathaw Methodist Church, with burial in Pine Hills Cemetery in Burlington. The family has requested that memorials be given to the North Carolina Chapter of the American Cancer Society or to a charity of the donor's preference.

In his 15-year career as a senator, the only elective office he ever held, Jordan devoted most of his time to North Carolina needs rather than national issues. He quietly sought support for bills to aid the state's agriculture and textile industries, federal funds for dams throughout the state, and he once said, to "do the little things, many of them which people wouldn't think about, for people."

In 1954, however, he was thrust into the headlines when the Senate Rules Committee, of which he was chairman, was assigned to investigate the activities of former Senate Democratic secretary Bobby Baker.

Baker, the $19,600-a-year aide who had built a $2-million fortune, was found by the committee after 18 months of hearings to have committed "gross improprieties."

Republicans accused Jordan of staging a cover-up, claiming that the hearings did not go deeply enough into alleged sex scandals. But Baker was convicted in 1966 of income-tax evasion, larceny and fraud and sentenced to three years in prison. He was paroled in 1972.

Jordan's main strength on the Rules Committee, though, was his meticulous attention to the unspectacular, but very necessary housekeeping chores of the Senate.

He also worked hard for tobacco acreage and poundage controls, considered vital in North Carolina where tobacco is a $1-billion industry.

On the public works side, he was the principal sponsor of the act that created the Cape Lookout National Seashore. And he came across with funds for the W. Kerr Scott Reservoir in Wilkes County, the New Hope Dam and the Falls of the Neuse Reservoir.

An early backer of involvement in Vietnam, Jordan changed his mind in 1971 and criticized the American role in Southeast Asia.

"The longer the thing drew on, the more disillusioned I became with the handling of it," he once said. "All we were doing was bombing the hell out of everybody's rice paddies and killing people—Americans and thousands of natives."

Jordan, born at Ramseur, moved with his wife to Saxapahaw, near Burlington, in 1927 to become head of a textile mill that had been closed four years. The mill prospered and made him a millionaire.

He recalled that when he moved to Saxapahaw, "the village was in weeds, the lights were out in many of the houses and in general it left a lot to be desired.

"My wife said, 'You take the mill, I'll take the village and we'll work on it'."

Jordan built the mill into a modern plant with air-conditioning and his wife directed a cleanup campaign that produced flowers, shrubs and trees decorating what is now a small, attractive town.

Once the mill, organized as Sellers Manufacturing Co., became a thriving enterprise, Jordan turned his energies to Democratic Party affairs.

He worked tirelessly, serving as state chairman and as national committeeman from North Carolina, a post he was occupying when he was appointed to the Senate in 1958.

Jordan's appointment by then Gov. Luther Hodges, was widely criticized.

Critics said Jordan would be only a "seat-warmer," and that Hodges himself would seek election to the seat. But Hodges did not run and Jordan was elected later in 1958 to a two-year term.

He was reelected in 1960 and 1966 with only token opposition. He reported in 1966 that in October, the month before the election, his only campaign expense was $25.75 for rental of a typewriter.

But in 1972 he was challenged by Galifianakis, a 44-year-old Durham lawyer serving his third term in Congress. Galifianakis campaigned vigorously—pointing to Jordan's age of 75 and calling for a change—and defeated him in the primary.

Jordan had counted heavily on the seniority, that had made him the third ranking member of the Agriculture Committee and the second ranking member of the Public Works Committee. He was shaken by the defeat.

And he had been badly shaken during the runoff campaign when a man went berserk at a Raleigh shopping center where he was campaigning and shot four persons to death and wounded several others, including Jordan's press aide, Wes Hayden.

Jordan himself had walked out of the line of fire only seconds before the shooting started.

Sen. Sam Ervin, D-N.C., a boyhood friend of Jordan's and for 14 years his Senate colleague, said of his friend, "Everett rendered great service to North Carolina and to the nation, especially in the fields of agriculture, industry and the development of rivers and harbors. . . .

"Everett deserves the thanks of North Carolina and the nation for his public service and I shall never cease to miss him."

And. Sen. Ernest F. Hollings, D-S.C., called Jordan "a gentleman in every sense of the word. . . ."

His gentlemanly demeanor and his gracious personality will long be remembered in the halls of the Senate along with the many concrete legislative accomplishments of his career."

In addition to his wife and daughter, Jordan is survived by two sons, Ben and John.

[From the Charlotte Observer, March 16, 1974]

SENATOR DIDN'T DISPLAY HIS WEALTH—SENATOR DID MUCH FOR STATE

(By Paul Clancy)

WASHINGTON.—B. Everett Jordan, a sturdy man with craggy features and powerful hands appeared to be hewn out of rough hardwood.

Yet he had a gentle, almost grandfatherly disposition, a beaming smile that lit up his face and an easy, earthy sense of humor that made him quickly approachable.

In the Senate, where political clout and oratorical skill are considered essential, Jordan used his folksy ways to gain powerful friends and accomplish the countless favors and projects that meant little to the rest of the nation but much to North Carolina.

Jordan served in the Senate for 14 years and in his foxy, frequently plodding way, placed himself in a position where he could help individuals—the farmers with their tobacco and cotton, the textile-mill operators with their import problems, the cities and towns with their watersheds and the coastal and river-valley people with flood and erosion control.

He was not much of a speaker and frequently said, almost boasting, that he had rarely made a speech on the Senate floor.

But he worked quietly in his many committees—he was chairman of more than a dozen committees and subcommittees—to help both the little man and the state's powerful businesses.

It was this unusual ability to keep on the good side of the wealthy and the working people that made Jordan a unique political force in the state. He could not, until age and sickness overtook him, be beaten.

After major surgery in the spring of 1972, Jordan seriously considered stepping down from the Senate. But he thought—and his close aides did not discourage him from the idea—that he had almost God-given responsibility to stay in the Senate as long as he could.

Jordan did his best during the 1972 campaign to demonstrate that he had not only recovered from his bout with cancer but that he had never felt better or friskier.

But, unexpectedly, he lost the Democratic primary in a hard-fought and sometimes bitter campaign with young, aggressive Nick Galifianakis, who left his House seat to take on Jordan.

Although it must have been a blow to him, Jordan was never heard to express bitterness over the loss.

He and his wife, Katherine (he called her "Momma"), kept their apartment in Washington. But, because of his recent illnesses, they spent most of their two remaining years together in their Saxapahaw home.

The way he said that name was wonderful: "Saxapaw", the last syllable rolling out through the nasal fog in his voice.

He and his wife had a huge, but unpretentious home overlooking the Haw River in that Alabama County town which, with her money and his textile mill, they built up from the dark days of the depression.

In April of 1972, when the dogwoods and buttercups were blooming in his yard, he stood gazing at his home and told Marlyn Aycock, an aide in his campaign, "You can see why Momma doesn't like to sit up there in that apartment in Washington."

Jordan was born in the equally tiny town of Ramseur in 1896, the son of an itinerant Methodist minister. Because his father was always being sent to a new parish, Jordan literally grew up in dozens of North Carolina towns—and had friends and memories in each.

He got his first job pushing a broom in a Gaston County mill, became superintendent of another mill in Alamance County and, when it went broke, bought it and made it prosper.

He bought another failing business in Cedar Falls and turned it into a small fortune known as the Jordan Spinning Co.

He was—or at least the saying had it—one of the wealthiest men in the Senate, but he shunned the ways of the rich. "I have plenty," he said in an interview during that long campaign, sipping bourbon in a Shelby motel. "But you've never seen me display a great amount of wealth."

One of the reasons for his success: "I was raised hard and a nickel was a nickel."

One of the many small towns in which Jordan spent his boyhood was Morganton, home of Sam Ervin, his equally aged Senate colleague. Ervin and he held fond memories of the days spent playing sandlot baseball and swimming together.

But Ervin and Jordan couldn't have been further apart in their interests and ideas.

It was often said of the two that Jordan took care of the state's bread-and-butter needs while Ervin worried about the loftier stuff of the Constitution. And it was true.

While Ervin made his mark on the Senate Judiciary Committee and earned a reputation as a battler for constitutional rights, Jordan stuck with the Agriculture and Public Works committees. He was chairman of the Senate Rules Committee, which although important to other members of the Senate, had little to do with major legislation.

[From the Charlotte Observer, Mar. 17, 1974]

EVERETT JORDAN—HE KNEW HIS STATE'S NEEDS

When B. Everett Jordan was appointed to succeed the late Kerr Scott in the United States Senate in 1958, many North Carolina Democrats were outraged. They saw Mr. Jordan, a millionaire textile manufacturer, as a representative of the state's oligarchy, hardly the man to replace Sen. Scott as the "people's man" in the Senate.

Sen. Jordan, a kindly, avuncular man who, as the son of a circuit-riding Methodist preacher, had known sacrifice and hard times, never complained to those misjudgments, but he spent the rest of his life trying to live them down. He, too, had loved and followed Kerr Scott, and he wanted to do all that he could to carry out the Scott program: one that was grounded in a knowledge that this is a poor state in need of help from an activist federal government. That may seem elemental, but it has been forgotten by many who have represented North Carolina in Washington.

He appointed Sen. Scott's key aides, William Cochrane and the late William Whitley, to his own Senate staff, and depended upon their experience and counsel. He maintained close ties with Scott leaders throughout the state, including Kerr Scott's widow, "Miss Mary," his brother, Ralph Scott; and his son, Robert, who became governor. He also was close to Terry Sanford, the inheritor of the Scott political organization.

In the Senate, Mr. Jordan carried out the Scott program for aiding North Carolina farmers with roads, price supports and agricultural experiment stations. He also pressed on with the Scott plan for systematically harnessing the rivers through eastern North Carolina—the Cape Fear, the Neuse and the Tar—to provide water for irrigation, lakes for recreation, and attractions to industry.

A MODERATE PROGRESSIVE

Sen. Jordan tended to be more moderate and progressive in his views than most other members of the conservative North Carolina contingent in Washington. He voted for education and anti-poverty bills, as well as other major pieces of social legislation that many of Carolina's congressmen opposed. He worked for the small farmers of this small-farm state; he opposed, for instance, the nomination of Earl Butz to be secretary of agriculture, regarding him as a spokesman of big agribusiness interests. Ultimately he opposed the Vietnam war, not a small turnaround for a man of his age.

The fact that he was a member of the state's textile elite helped him accomplish his goals. He served the textile industry, sometimes in ways more advantageous to owners than to employes. But his connections with that industry helped him to become a bridge between the liberal and conservative wings of the state's Democratic Party, a man both factions depended upon to get things done for them in Washington.

HE WON TRUST

That Jordan role was all the more important because the state's other senator, Sam J. Ervin Jr., cared little about political fence-mending back home. Though the two men liked and admired each other, they often voted on opposite sides.

Sen. Jordan was neither a good speaker nor a backroom strategist. He was simply a man senators learned to trust, and he constantly put himself in positions to do favors and collect favors in return. In the Senate he was chairman of the Rules Committee, a housekeeping group that oversaw the budgets of all other offices He also served on the Agriculture and Public Works Committees, which handled "pork-barrel" legislation of interest to all senators.

His defeat in the Democratic primary two years ago came as a bitter blow. It must have seemed to him a rejection of all his efforts in behalf of both the big and the little people of the state. We did not see it that way. His age stood against him; he would have been 81 years old by the end of another term, and he already was suffering from an experience with cancer. He was not as alert as he had been in earlier times. Many of his friends of the past simply thought it was time for him to retire.

Sen. Jordan was never among the biggest men of the Senate, but he worked humbly and with dedication for the state. His death Friday left a great many North Carolinians sad and appreciative of his unstinting service.

[From the Charlotte Observer, Mar. 24, 1974]

JORDAN WANTED TO STAY IN THE SENATE

(By Paul Clancy)

He had been told by his doctors at Duke University Hospital that the malignancy had been neatly removed and that he was, as far as a man of 74 could be, good as new. It was January, 1972, a year after his operation.

Benjamin Everett Jordan liked being in the U.S. Senate, more than he liked making money as owner of textile mills. Amidst the posturing and ego-tripping in that institution, there was room for a quiet man who cared about his friends and the little people who came to him for help. Whether it was the challenge to win one last election or the fear that, somehow, the physical end would follow the political finis, Jordan wanted eagerly to run again.

He had been through all the arguments: the operation would give him the image of a sick old man, especially in a race with a young, aggressive opponent, and he would have to go out of his way to show that he was still frisky and tough; yet he was at the height of his power and usefulness in the Senate and had recently begun to receive recognition as a leader, a man whose mind was alive to the possibilities of change. They even said he was with it.

It had been an important 14 years for North Carolina and the South, a time of change so revolutionary that the ones who closed their eyes in 1958 would not recognize their world if they happened to open them in 1972. The war, the civil rights movement, the birth and death of an era so assuredly benevolent it was called the Great Society. A man who thought in terms of people, who considered himself a practical idealist, had something to contribute.

Jordan's seemingly innocuous habit of supporting federal education bills, hospital construction aid, food stamps and other programs of broad social consequence was almost radical for a Southerner in those days. And he kept growing. When the Vietnam war at last seemed to him senseless and unconscionably brutal, he turned against it.

Bill Cochrane had agreed, after the death of Sen. Kerr Scott, to stay as administrative assistant to the new senator long enough to help him get started. Loving the man like his father, Cochrane wound up staying 15 years, and knew Jordan as well as anyone.

"His hallmark was his genuine interest in the other fellow and his problems," Cochrane said the other day in his new hideout in the Senate Rules Committee. "It sounds trite, I know, but not after seeing it day after day for 15 years. He liked people and he treated the lowliest person in as friendly a way and with as much dignity as anybody I ever saw in my life." That image of kindliness has rarely, if ever, been disputed.

Jordan gambled on his health, but the voters were not willing to gamble with him and he lost the Democratic primary. It was a harsh blow, but in his unruffled way he displayed little bitterness, supporting and even contributing later on to his former opponent.

Still feeling chipper and perhaps dreading the idea of breaking away from the power and privileges of the Senate, Jordan decided to stay in Washington, hoping to open an office near the Capital where he could offer his services as a consultant. But he never got around to it.

Jordan's last campaign was not for political office. He accepted the job as president of the North Carolina Cancer Society and spent much of 1973 touring the state, making speeches and raising money to fight the disease that was again creeping up on him.

He went back to Duke twice more for operations. While he had felt strong as an ox after the first, the second left him drained and weak. When Cochrane last saw him on Feb. 28, he knew it wouldn't be long, and yet—because the man had bounced back so often—thought there was always a chance.

Jordan spent his last weeks at home. Mercifully, he was not in a great deal of pain and did not require the kind of drugs that kill you before the disease does. He had a

long quiet talk with his wife Thursday night and on Friday he died as he had lived—with patience and dignity.

[From the Durham (N.C.) Morning Herald, March 16, 1974]

B. EVERETT JORDAN

In the death of B. Everett Jordan, North Carolina has suffered the loss of a leader who was known for many accomplishments in business and industry, in politics, in the civic and church life of his state.

But he will be remembered perhaps best as a man who worked his own way up and retained the common touch with his fellow man throughout his long and notable career. The doors to his office were never closed to those who brought problems and concerns—or who simply wanted to talk.

Long active in North Carolina politics, Mr. Jordan reached the peak of his political career when he was appointed by Gov. Luther Hodges to the U.S. Senate seat vacated by the death of W. Kerr Scott in 1958 and later won two full terms. Just as he was gracious in victory, he was uncomplaining in the 1972 loss of the Democratic nomination to Nick Galifianakis, who was subsequently defeated by Republican Jesse Helms.

In his Senate career, Mr. Jordan worked for numerous projects in the state, including the New Hope Dam and Reservoir project (which now appropriately bears his name), protection of coastal areas and waterways, and improvements to benefit farmers.

Although he was firm in his beliefs, he was amenable to change when convincing arguments were presented. The best example is his break with Southern hawks in 1970 over the conflict in Southeast Asia.

Mr. Jordan, the son of a Methodist minister, was a member of a distinguished family of brothers. One, Dr. Charles E. Jordan, who died last month, was a longtime vice president of Duke University before retirement. Another, Dr. Henry Jordan, was a former chairman of the State Highway Commission. A third brother, Frank Jordan, followed his father's footsteps and became a Methodist minister.

In his many activities, as U.S. Senator, as a textile manufacturer at Saxapahaw, as a champion of many North Carolina projects, as a good friend and neighbor, B. Everett Jordan served his state well. His death yesterday at age 77 is a loss to the state and the nation.

[From the Sun, Durham (N.C.), Mar. 16, 1974]

LEFT HIS MARK IN STATE AND NATION

Seldom, if ever, has North Carolina had a more respected and effective United States senator than B. Everett Jordan, who died at his home at Saxapahaw yesterday after long years of service to the state and its people.

Although active in Democratic party politics, he never had held an elective office until he was appointed to the Senate in 1958. But he moved up rapidly in seniority, prestige and influence. And when he left the Senate he was one of its most highly regarded members.

Amiable, easy-going, soft-spoken and mild, he rarely raised his voice; but he could get things done. He was a folksy and friendly man—a man who liked to be liked by everyone, and who usually was.

He started out in life by sweeping floors in textile mills and ended up by owning them. A friend of education, he gave away much of his money to schools; but almost never would talk about it. In whatever job he set out to do—in the Senate or out—he sought results, not recognition. He usually got them.

During his political career, he always kept foremost in his mind the needs of North Carolina, as well as those of the nation. His influence in Congress, the White House and various government agencies brought to his state many benefits, and his role in quietly obtaining them sometimes has gone unsung.

He was a diligent senator. He also, in his quiet way, was an effective politician—one who shook hands and kept up with his friends and acquaintances, not just as a means of getting votes but because he was a man of warmth and one who had a real interest in his fellow man.

A true statesman has passed. So also has a friend.

[From the Fayetteville Times, March 18, 1974]

JORDAN—LIVING UP TO THE MOTTO OF THE STATE

The record of B. Everett Jordan was in the solid tradition of the better side of North Carolina politics. He was, to put it bluntly, a rather dull public servant. But as a longtime leader of public affairs in North Carolina—Democratic Party chairman, political fund-raiser, and U.S. senator—he brought three admirable qualities to his service.

One, rectitude, or moral integrity. Jordan had his political favorites and his views. He was business-oriented, cautious, and stolid. But he was honest and imbued with the Methodist moral backbone of his family. For instance, he took on the task of directing the Senate investigation of a former business associate—Bobby Baker of South Carolina—and set the stage for the criminal indictment and conviction of that inestimable South Carolina wheeler-dealer on charges of influence-peddling.

Two, he was loyal, to party, to state, to Nation, to friends. For instance, he stuck by the Democratic banner when others were scurrying for cover, and in that measure helped strengthen the two-party system.

Three, he was courageous in his attitudes toward significant public issues. He led the way among North Carolinians in Congress in asserting that it was time to get out of Vietnam. He parted ways with conservative southerners and with his senior colleague, Sam Ervin Jr., by backing a consular convention with the Soviet Union, indicating his understanding that a new day had dawned in international relations. He backed significant "Great Society" programs recognizing that the seething racial discontent of the 1960s reflected deficiencies of equal opportunity which those programs sought to correct.

Finally, he showed personal courage in his fight against the illness which finally brought on his death Friday. He was a gentle, avuncular man, whose kind is rare in the politics of any era. North Carolina was fortunate to have him and his contributions in the first half of the 20th Century. He lived her motto: "To be, rather than to seem."

[From the Greensboro (N.C.) Daily News, March 16, 1974]

EX-SENATOR JORDAN DIES AT HOME IN SAXAPAHAW

SAXAPAHAW.—Former Sen. B. Everett Jordan died at his home here Friday morning at the age of 77, a victim of cancer. He had been seriously ill for several weeks.

Funeral services will be held at 3 p.m. Sunday in Saxapahaw Methodist Church. Burial will be in Pine Hill Cemetery.

Jordan served as the junior senator from North Carolina from 1958 to January, 1973.

He was appointed by Gov. Luther Hodges to complete the term of Sen. W. Kerr Scott who died in office.

As he sought successive terms in the Senate, he easily disposed of challengers in both the Democratic primaries and the general elections until the primary of 1972 when he was defeated.

He is survived by Mrs. Jordan, the former Katherine McLean of Gastonia; two sons, Ben E. Jordan Jr. of Burlington, and John M. Jordan of Saxapahaw; one daughter, Mrs. Roger Gant of Burlington; one sister, Mrs. Henry Sprinkle of Florida; one brother, Dr. Frank Jordan, a retired Methodist minister, also of Florida; and ten grandchildren.

Officiating at the services will be Dr. Howard Wilkerson, president of Greensboro College; The Rev. Murray DeHart of Saxapahaw Methodist Church, and the senator's brother.

The body will be at the Rich & Thompson Mortuary in Burlington from 12 noon today. The family will receive there from 7 to 9 p.m.

Memorial contributions may be made to the N.C. Chapter of the American Cancer Society, or to a charity of the donor's choice.

Until his appointment to the Senate, Jordan had never held a major public office.

A gentle, soft-spoken man, he came to national prominence in 1963 when, as chairman of the Senate Rules Committee, he presided over the investigation of the Bobby Baker case.

He was well known and beloved by fellow members of the Congress.

Sen. Margaret Chase Smith spoke for many of them when, in 1972, Jordan failed in an effort to gain re-election. She said:

"He was not only a fine Senator, but above all, he was a wonderful human being, and the kindest man I have ever known."

William M. Cochrane, administrative assistant to Sen. Jordan through his entire senatorial career, described him as "a warm and generous spirited man of deep compassion for his fellowmen. Their problems were of genuine personal interest to him.

"This was the key to his greatness as a man and as a U.S. Senator. He was an unusually effective senator, whose judgment and friendship were valued by his colleagues. He was equally at home with cabinet members and his Saxapahaw neighbors."

In North Carolina he was perhaps best known for his work in agriculture, and for the extensive water resources developments he sponsored over the state.

These included the New Hope Dam in Chatham County, part of a flood control and water recreation project on the upper reaches of the Cape Fear River Basin.

Last October, the Senate honored Jordan by changing the project name to B. Everett Jordan Dam and Lake. He was known to consider this one of his highest honors. It was his hope to attend dedication ceremonies for the dam this spring.

Jordan was less well-known as a philanthropist, but he gave generously to educational institutions all over the state. In recent weeks he donated sizeable amounts to Greensboro College, Elon College, Duke University. Methodist College, and Brevard College.

He also contributed $35,000 to the capital campaign of the Cherokee Council of the Boy Scouts of America, for use in building a dining hall at the Cherokee Scout Reservation in Caswell County.

Jordan was honored as North Carolina Distinguished Citizen of the Year at a testimonial dinner held Feb. 20 in Raleigh by the State Cystic Fibrosis Foundation. It was the foundation's second annual public service award.

More than 400 people paid a minimum of $25 each to the foundation to attend the banquet. Jordan, himself was too ill to be there, but through a special telephone hookup to his Saxapahaw home, he was able to hear many distinguished Tar Heels pay tribute to his lifelong dedication in service to fellowmen.

He was recognized as one of the first North Carolina members of Congress to espouse the cause of federal aid to education.

He helped to pass the Cancer Bill in 1971, the most far-reaching law on cancer research ever to come out of Congress.

He was a sponsor of the first sickle cell anemia bill in the Senate.

Last year, Sen. Jordan served as chairman of the Cancer Drive in North Carolina.

He served as a trustee of Duke University, Elon College and American University in Washington.

Jordan had a reputation as a hard worker. He once said work was his hobby, and that he had done "just about everything to make a nickle."

He was born Sept. 8, 1896, at Ramseur, the son of a Methodist minister. He worked his way from mill superintendent as a young man to become one of the wealthiest textile industrialists in the state. He owned mills at Cedar Falls and Wake Forest which grossed more than $15 million a year.

He was graduated from Trinity College, now Duke University, in 1916, and served in the U.S. Army from 1918 to 1919, spending the last year with the Army of Occupation in Germany.

During his Senate career, Jordan served as chairman of the powerful Rules Committee, vice chairman of the Joint Committee on the Library of Congress, chairman of the Joint Committee on Inaugural Ceremonies and as a member of the committees on agriculture, public works and printing.

Of the controversial Bobby Baker Case, Sen Jordan said, "We did a good, conscientious job. We turned all of our evidence over the grand jury which indicted him. I don't know what else any committee could have done."

The committee hearings were an inquiry into influence peddling charges against Robert G. Baker, one-time secretary to the Senate Democratic majority.

Sen. Jordan was considered a member of the conservative wing of the Democratic party, but he was also known as a dove on the issue of the Vietnam War.

In 1966 he was expressing deep regret that the United States had become involved in the conflict, and at one time said, "I am anxious for us to get out as quickly as possible on an honorable basis."

In 1970 he broke ranks with other Southern Democrats to vote in favor of the Cooper-Church Amendment to the defense appropriations bill. The amendment was passed, limiting the President's power to extend U.S. participation in the war.

When Gov. Hodges named Jordan to the Senate, it was widely speculated that the new Senator was serving only as a seat warmer for the governor. The Raleigh News and Observer said as much in a front page editorial.

But when Hodges' term as governor expired, he became Secretary of Commerce to President Kennedy.

Sen. Jordan lost his bid to remain in the Senate in 1972 when Nick Galifianakis defeated him in the Democratic primary, Republican Jesse Helms went on to win the seat in the general election.

Sen. Jordan left the Senate "with no regrets."

Of his position toward the Democratic party, which did not fair well in the 1972 general elections, he said, "I live in a small village (Saxapahaw). We've had a lot of preachers to come and go. I didn't like some of them, but I never thought once about leaving the church.

"That's the way I feel about the Democratic party."

[From the Greensboro (N.C.) Daily News, March 16, 1974]

DELEGATION MOURNS DEATH OF JORDAN

(By Jack Betts)

WASHINGTON.—The death of former U.S. Sen. B. Everett Jordan, D-N.C., Friday caught many of his old Capitol Hill colleagues en route to their home states, but North Carolina's congressional delegation paused to mourn the loss of the gentleman from Saxapahaw.

Sen. Sam J. Ervin, Jr., D-N.C., said, "I am distressed by the passing of my long time friend and former Senate colleague, B. Everett Jordan. We have been friends since we were teen-agers in my home town of Morganton, where his father was a Methodist minister. We played baseball and went swimming together.

"I had the rare privilege of serving with him for 14 years in the Senate and we never had a disagreement of any kind in respect to matters relating to North Carolina.

Ervin said Jordan had rendered "great service" to the state, especially in agriculture, industry and the development of rivers and harbors.

"Everett deserves the thanks of North Carolina and the nation for his public services and I shall never cease to miss him," the senior senator said.

Sen. Jesse Helms, Republican from Raleigh who claimed Jordan's seat after former Rep. Nick Galifianakis won the Democratic primary in 1972, said, "Senator Jordan was first, last and always a gentleman. He was a beloved member of the Senate, always cheerful, always helpful, always ready with an anecdote."

Recalling their friendship of more than three decades, Helms said. "He was a great American. He loved his country and he understood the principles that made America great.

"Mrs. Helms and I extend our deepest sympathy to his wonderful family and assure them that their loss is shared by countless thousands of their other friends everywhere," Helms said.

The dean of the delegation, Rep. L. H. Fountain, D-N.C., of Tarboro, said, "We in the North Carolina delegation have lost a close personal friend, and the state and the nation have lost an able, faithful and dedicated public servant and one of its finest citizens."

In North Carolina, Gov. James Holshouser, the first Republican elected to the state's top executive post this century sent a telegram to Mrs. Jordan. "We are deeply saddened by the loss of Sen. Jordan," it read. "He will be long remembered and appreciated by the people of North Carolina for his able and distinguished public service and his many contributions to our state. Our thoughts are with you and your family in this time of sorrow."

North Carolina Democratic Party Chairman James Sugg said Friday, "He made an outstanding contribution to North Carolina and the nation in political, civic and religious life. The Democratic party will always be grateful to him because when he was chairman, the first permanent party headquarters were opened."

North Carolina Secretary of State Thad Eure, a longtime close friend of Jordan's said, "His services as chairman of his political party and as U.S. Senator will be appreciated and remembered for a long time."

Former Gov. Teddy Sanford, who is now president of Duke University, said, "Sen. Jordan believed in North Carolina and its people and he had the rare ability to translate that belief into legislation and a way of life. He once said his greatest satisfaction was in "doing the little things many would think about for people.

"As a successful businessman and public servant, Sen. Jordan lived what he believed and added distinction to an already distinguished family. Duke University, particularly, is in his debt and is proud and grateful for the opportunity it had to be associated with him as trustee and benefactor."

North Carolina Att. Gen. Robert Morgan, now a senatorial candidate, said, "Sen. Jordan had a distinguished record of service to North Carolina as a business leader, Democratic party figure and United States Senator."

Jordan's career was distinguished by integrity and dedicated service to his constituents, Morgan continued. "He certainly left his mark on the state and his friends will miss him."

Lt. Gov. Jim Hunt said Jordan's personal character and long life as a public leader in the state "have been matched by few persons in our history.

"In the U.S. Senate he was an effective spokesman for North Carolina agriculture and industry. Our state is a better place because he was our Senator and worked so diligently for North Carolina," Hunt said.

Republican Rep. James T. Broyhill of Lenoir, reached at his offices there, remembered Jordan as "a good friend of mine. He was most helpful to me during our joint service in the Congress. He served his state in many ways, and though he was a loyal Democrat he always stood up in a bipartisan way in what he believed was right for North Carolina."

Sixth District Democrat Richardson Preyer of Greensboro recalled Jordan as "a great gentleman and a fine legislator."

Preyer said, "He did not seek the headlines but he was very effective. Some people are boxers and some are sluggers. The sluggers get the headlines but the boxers get more results.

"Senator Jordan was a boxer. He got results by the force of his integrity and character and by the respect in which he was held by his fellow senators, rather than by the headlines he created."

Preyer said his contributions to the state in improvements to the rivers and harbors "will probably never be equalled . . . we will all miss him very much."

Rep. Wilmer (Vinegar Bend) Mizell, Republican of Midway, said, "Mrs. Mizell and I deeply mourn the death of Sen. B. Everett Jordan. When I first came to Congress, the senator was one of the first to offer his assistance to me. He was a man who could be considered exemplary in the life he led of honesty, courage and integrity. These values, along with his strong Christian beliefs served him well, especially in the last period of his life."

First District Democrat Walter B. Jones of Farmville said, "I want to express my sorrow to Senator Jordan's family and to remember with deep appreciation his contributions to the state of North Carolina. His death is a tragic blow and he will be sorely missed by the people of North Carolina."

Rep. Charlie Rose, Fayetteville Democrat, said, "North Carolina has lost a great friend. Everett Jordan gave his life to trying to make our state and our country a better place to live. I think he did."

[From the Greensboro (N.C.) Daily News, March 18, 1974]

SENATOR JORDAN

Former Senator B. Everett Jordan, who died March 15, at the age of 77, was one of the few North Carolinians who have combined successful careers in business and national politics. He came to elective office relatively late in life. But he started at the top—through appointment to the U.S. Senate in 1958—and stayed there until 1972 when he lost his bid for renomination.

His rise in the business world was not as sudden, yet he had a long and profitable career in the textile industry before going to the Senate. There was nothing about him to suggest the hard-driving businessman and public official. In looks and manner he fitted more nearly the traditional American idea of the calm, patient and kindly small town minister. And in fact he was the son of a Methodist minister and grew up in various parsonages in the state.

He was, however, a highly effective senator for his constituents in North Carolina. He looked after the interests of the state's two biggest industries, tobacco and textiles, but he also found time to do small favors for the uninfluential, and he had few rivals in the Senate when it came to getting federal appropriations for his state. Among his successes were dozens of beach, harbor, river and watershed projects, and a huge environmental health center for the Research Triangle Park.

The senator's appointment to fill the unexpired term of the late Sen. Kerr Scott in 1958 stirred considerable controversy. Some critics of the appointment said Gov. Luther Hodges had only picked Sen. Jordan to warm the seat until the 1960 election. It turned out they were wrong. Sen. Jordan ran and won.

His years in the Senate were in general more peaceful than his entry had been. He was soon at home in the Senate's clubby atmosphere and eventually became chairman of the powerful Senate Rules Committee, where he soon found himself in the spotlight because it fell to him to head the Senate investigation of Bobby Baker. Although some Republicans accused the investigators of doing a whitewash job, the committee actually found that Mr. Baker had "committed gross improprieties." It recommended a number of reforms designed to prevent future irregularities by Senate employes. Largely as a result of the committee's findings, Mr. Baker was later indicted and then convicted of fraud and income tax evasion and sent to prison.

Sometimes Sen. Jordan disagreed with his party's policies, particularly some of its more liberal ones, but he never broke with it or attempted to disassociate himself from it. He once compared his feeling about the Democratic Party with his feeling for the church. "I live in a small village," he said. "We've had a lot of preachers come and go. I didn't like some of them, but I never thought once about leaving the church."

He was generally associated with the conservative wing of the party, but Sen. Jordan modified some of his views as time passed. He was capable of admitting he had been wrong when the evidence persuaded him that was the case. Originally he supported U.S. policy in Southeast Asia, but in 1971 he came out against the war in Vietnam. Further, he was a co-sponsor of the war powers bill which limited the President's power to extend American participation in the war. He also went in the opposite direction from most of his Southern Senate colleagues when he voted for gun control legislation and against U.S. development of a supersonic plane.

But although he could and did change with the times, Sen. Jordan remained to the end faithful to this state's perhaps fading traditions of government by "progressive plutocracy." His character and integrity are attested to by the fact that he also remained true in a rude and turbulent time to his own ideals of decency and civility in his private life and his public role.

[From the Greensboro (N.C.) Record, March 19, 1974]

SENATOR B. EVERETT JORDAN

Capably and quietly, B. Everett Jordan represented North Carolina in the United States Senate for 14 years. Ever alert to the needs of his constituents, attuned to the problems of tobacco and textiles, Senator Jordan, who died Friday, kept the common touch although he rose to a position of prominence in the clubby atmosphere of the Senate.

His brush with the national spotlight came with the Bobby Baker investigation conducted by the Senate Rules Committee. Chairman Jordan presided carefully and calmly. The committee's findings that the former Senate aide had been guilty of "gross improprieties" preceded his conviction for income tax evasion, larceny and fraud. For the most part, Senator Jordan's activities were aimed at service to his constituents, a task at which he became adept and which is appropriately honored in the renaming of the New Hope dam as the B. Everett Jordan Dam.

Assailed by cancer three years ago, Senator Jordan underwent major surgery and recovered enough to campaign in 1972 for re-election. His health and age—he was then 75—told against him, as did the flamboyant campaigning style of his opponent, Nick Galifianakis who refused to use the obvious issues of health and age against the senator. Senator Jordan lost, as did Galifianakis in that year of the Nixon landslider. Republican Sen. Jesse Helms succeeded Jordan, who was given just over a year of retirement before his death.

Senator Jordan's conservatism stemmed from his North Carolina background. In his case it was touched with humanity and sympathy for the unfortunate, as evidenced by the senator's lifelong interest in education and philanthropic projects. Senator Jordan had been active in the Democratic Party, chiefly as a fund-raiser and behind-the-scenes adviser, but never as an elected official when Gov. Luther Hodges named him to fill the unexpired term of former Gov. W. Kerr Scott. He proved adept as a vote-getter. He played a key role in passage of the acreage-poundage program for tobacco, and his skill at winning federal projects for the state was notable. His turn against the Vietnam War, clearly evident by 1971, showed his ability to change his mind and to respond to the views of his constituents.

North Carolina received devoted service from Senator Jordan. The sorrow by his graveside at Burlington, and the tributes paid him by a variety of public figures, were obviously both heartfelt and sincere.

[From the Greenville, (N.C.) Daily Reflector, March 19, 1974]

SAD OCCASION FOR ALL OF NORTH CAROLINA

The death of former Sen. B. Everett Jordan was a sad occasion for all North Carolina.

Jordan died at his home in Saxapahaw Friday. He had been appointed to the U.S. Senate by Gov. Luther Hodges in 1958 after the death of Sen. W. Kerr Scott.

Jordan served from the time of his appointment until the end of last term in 1973. He had sought reelection in 1972 but was defeated by Nick Galiafanakis in a campaign which centered on Jordan's age and general health.

Galiafanakis was subsequently defeated by Republican Jesse Helms and Helms succeeded the genial Sen. Jordan in 1973.

Sen. Jordan was known as a hard worker and in 1963 he presided over the Senate investigation of the Bobby Baker case.

Sen. Jordan visited Pitt County a number of times during his career in the U.S. Senate and he made many friends in this area. He will be missed.

[From the Hickory (N.C.) Daily Record, March 16, 1974]

B. EVERETT JORDAN

The advice and counsel of B. Everett Jordan will no longer be available to help guide North Carolina along a path of progress.

He died Friday in the Saxapahaw home he loved so much.

The name B. Everett Jordan became a household word in North Carolina during the more than 14 years this softspoken gentleman served as a U.S. Senator.

Jordan was an extremely successful businessman who had been active in the Democratic party for years but had held no major elective office prior to his appointment to the Senate in 1958. There was a good deal of controversy surrounding the appointment—many people claimed he had been named by Gov. Luther Hodges as a seat-warmer and would step aside for Hodges in the next election. This proved untrue and Jordan went on to be elected to fill out the unexpired term of W. Kerr Scott and to win election to two successive full terms in the Senate.

Jordan carried his traditional Tar Heel values and way of accomplishing things by effective but mild-manner leadership to the Senate with him. He worked hard and when he spoke his fellow senators knew that he had researched his position and wasn't just "shooting from the hip."

During his years in the Senate he served on or chaired several different committees, but he first came to national prominence when he presided over the Bobby Baker investigation in 1963. Several years later, his anti-Vietnam war stand again gained him a good deal of attention.

To understand B. Everett Jordan one had to realize that even though he was a U.S. senator, he was something that our nation needs more of in Congress—a person who was much more businessman than politician.

Further, Jordan was in the best sense of the word a true Tar Heel, a man close to the needs and dreams of the people of his state, a man who never turned his back on the people at home.

There are many things that could be said about B. Everett Jordan as an industrialist, as a senator, as a husband and father, as a leader in our state.

We feel, however, that the most befitting epitaph is that he was a man whose integrity could never fairly be questioned.

[From the Morganton (N.C.) News Herald, Tuesday, March 19, 1974]

EVERETT JORDAN HAD LOCAL TIES

The death of B. Everett Jordan at his home at Saxapahaw brought a keen sense of sorrow in Burke County, for he had ties here far deeper than that of a former United States Senator.

His was a unique link with Morganton, coming about as a result of the fact that four major years of his boyhood were spent here while his father, Rev. Henry Harrison Jordan, was minister of the First Methodist Church.

Rev. Mr. Jordan was appointed in 1910 to the Morganton charge by the Western North Carolina Conference and was reappointed by the next three consecutive sessions, for the maximum four-year tenure then allowed.

This meant that young Everett Jordan made his home here from about the age of 13 to 17, gaining some of life's most unforgettable impressions and experiences. On almost every visit here after manhood, he grew reminiscent, telling with considerable gusto of fights and other antics in which he engaged while in Morganton, some of which were not the sort of conduct that clergymen expect of their sons.

Sen. Jordan attended Rutherford College in 1912–1913 (while the family resided in Morganton) and entered Trinity College (now Duke) in 1914 after the family moved from Burke. As an alumnus he maintained a lively interest in Rutherford College as long as this institution was operated by WNC Methodists and continued sentimental ties after it was closed by merger in 1933 and continued his link with fellow alumni.

During his 14 years in the U.S. Senate, Morganton boasted of the distinction of having one Senator—Sam J. Ervin Jr.—and a proprietary stake in the junior Senator—Mr. Jordan—hailing from Morganton. The two senators had played sandlot baseball together and were lifelong friends.

He was North Carolina's junior senator while he served in Washington, but he was

actually 19 days the senior of the senior senator and friend, Sam Ervin.

Mr. Jordan was born Sept. 8, 1896, and Sen. Ervin was born September 27.

Senator Jordan entered the textile business early and was often referred to as "a textile millionaire." He was interested in politics as a sideline diversion and had served as state Democratic chairman and later Democratic National committeeman for North Carolina before Governor Luther H. Hodges appointed him to the Senate in 1958 to fill a vacancy created by the death of Senator W. Kerr Scott. He served until 1973, having been defeated for renomination in 1972 by Congressman Nick Galifianakis.

Much could be said about his service in the Senate, including the chairmanship of the Senate Rules Committee which heard the case of Bobby Baker, Senate Democratic secretary whose activities came up for scrutiny. The quest for justice by the Senate group was slower than the grinding of the mills of the gods but in the course of time, steered by the Tar Heel, the committee found Baker guilty of "gross improprieties."

The Jordan Senate record has come in for extensive review since his death last Friday at the age of 77 and his accomplishments are a matter of common knowledge.

It was appropriate that Dr. Eugene Poston, president of Gardner-Webb College and Democratic national committeeman, delivered a eulogy on Senator Jordan before giving the invocation at the annual Jefferson-Jackson Day dinner in Raleigh Saturday night and the 900-plus Democrats stood a moment in silent prayer.

Before introducing Sen. Henry (Scoop) Jackson, Sen. Ervin praised Mr. Jordan and Sen. Jackson did likewise during his speech. Both said Jordan played an important role in the affairs of the nation although he chose not to be in the limelight.

The special concern here stems from his boyhood years in the Methodist manse at Morganton. He continued through the years to maintain communication with political friends here as well as friends in the textile industry with whom he had become acquainted as the head of his mill in Saxapahaw.

Stirred also are memories of the Jordan family whose stamp on the state has been indelible. Powerful genes from "Preacher Jordan" and Mrs. Annie Elizabeth Sellers Jordan showed themselves in their offspring, both male and female. Take the sons, for example. Dr. Charles E. Jordan became a high ranking administrator at Duke University at Durham. Dr. Henry Jordan received a dental education but withdrew from practice to enter industry, and he matched brother Everett's non-elected political record, sometimes seeming to surpass it as in the case of maintaining strong ties with Governor W. Kerr Scott when brother Everett lost his role as close advisor and confidant. Rev. Frank Jordan followed his father into the Methodist ministry and filled some of the largest and most influential charges in the Western North Carolina Conference. And these were in addition to Everett Jordan who became a wealthy textilist before serving with distinction in the U.S. Senate.

The people of Burke County have missed him as a Senator and they will now miss him as a friend of longstanding. Most especially they will miss his visits and his recollections of experiences here during his boyhood. They had enjoyed especially his tale, told with eyes sparkling, about a fist-fight he had with another youth of the town. With each telling, he seemed to make his boyhood foe larger in size and more bullying by nature until somebody once kiddingly told him that his story was taking on the tone of a David-and-Goliath encounter instead of a couple of rather awkward teenage lads.

There was a warmth about Everett Jordan that seemed to reach out and call everybody his friend and he turned on that warmth to a high level when he was visiting or speaking of Morganton. And this community reciprocated.

[From the Raleigh News & Observer, March 16, 1974]

FORMER SENATOR JORDAN DIES

SAXAPAHAW.—Former U.S. Sen. B. Everett Jordan of North Carolina died Friday morning at his home in Saxapahaw after a 37-month battle with cancer. He was 77.

Jordan, a Democrat, was appointed to the Senate in 1958 by then-Gov. Luther Hodges after the death of Sen. W. Kerr Scott. He held the seat until 1973.

His bid for a third term was turned back in 1972 in an upset by U.S. Rep. Nick Galifianakis in a runoff primary. Republican Jesse Helms won the seat in the general election.

A funeral service will be held at 3 p.m. Sunday at Saxapahaw Methodist Church. Burial will be in Pine Hill Cemetery in Burlington.

Jordan underwent an operation for cancer of the colon on Feb. 15, 1971. His health had deteriorated steadily since last summer.

He was unable to attend a recent Raleigh banquet in his honor and became critically ill a week ago. He died at 10:45 a.m. Friday with his wife, Katherine, at the bedside.

He "slipped quietly away," said a daughter, Mrs. Roger Gant Jr.

TRIBUTES POUR IN

Tributes from national and state figures, including some one-time political opponents, poured in Friday. Gov. James E. Holshouser Jr. ordered flags at state buildings flown at half-staff in mourning.

Aside from his chairmanship of an investigating committee in the early 1960s, Jordan's years in the Senate were generally as calm as his appointment was turbulent.

Jordan's appointment by Gov. Hodges was greeted with protests by associates of the late Sen. Scott. They charged that Jordan was a "temporary senator," who would be a seat-warmer for Hodges until the next election.

Hodges became secretary of commerce under President Kennedy in 1961 and Jordan went on to a long career in the Senate.

Jordan had been a Scott ally in his successful 1948 gubernatorial campaign when he upset Charles Johnson, the candidate of the party's conservative wing.

Scott rewarded him with the state party chairmanship but later they parted political ways over the 1952 gubernatorial primary. Jordan backed the winner, William B. Umstead, and was appointed Democratic national committeeman.

The Senate seat was the only elective office ever held by the textile millionaire, although he was a behind-the-scenes politico for years prior to his appointment.

BAKER INVESTIGATION

In 1964, the Senate Rules Committee which Jordan chaired investigated the activities for former Senate Democratic secretary Bobby Baker.

A main focus of Jordan's office was in backstage work to obtain federal appropriations for North Carolina projects.

His string of successes included a major environmental health center in the Research Triangle Park and a score of river, beach, harbor and watershed projects.

Jordan was a major influence behind the New Hope reservoir and dam project in Chatham County which now bears his name.

In addition, he faithfully looked after the interests of the state's huge tobacco and textile industries.

Jordan made no apologies for such legislative efforts:

"That is the kind of legislation that promotes the welfare of all the people," he said.

Jordan's strong conservative bent changed somewhat in his final Senate years when he voted to limit presidential warmaking powers, restrict firearms sales, and curtail federal subsidies for supersonic transport development.

He signaled his change of heart on the Vietnamese war from hawk to dove when he flashed the peace sign before thousands at the state Democratic convention in Raleigh in 1971.

Jordan's age and health, although not discussed, by Galifianakis, became an issue in the 1972 campaign.

Jordan campaigned in a leisurely fashion, much as he had in brushing aside earlier foes, while the exuberent Galifianakis, 30 years younger, crisscrossed the state at a frantic pace.

Jordan was shaken in the waning days of the campaign when a young Raleigh man shot and killed four persons at North Hills shopping center. Jordan was campaigning at the shopping center but stepped inside a store just before the gunfire erupted.

His close aide and friend, Wes Hayden, was seriously wounded before the gunman took his own life as police closed in.

Jordan, son of a Methodist clergyman, was a hard-driving businessman, a facet of his personality often obscured by a generally placid nature.

He worked his way from mill superintendent to become a wealthy textile industrialist. He owned mills that grossed more than $15 million a year. When he took over Sellers Manufacturing Co. here it had been closed for four years after going bankrupt.

He was born Sept. 8, 1896, at Ramseur, a small town in Randolph County. Jordan graduated from Trinity College, now Duke University, in 1915 and served in the U.S. Army in World War I.

Jordan married the former Katherine McLean of Gastonia on Nov. 29, 1924. They had three children, Benjamin Everett Jordan and Mrs. Gant of Burlington and John Jordan of Saxapahaw.

Sunday's funeral service will be conducted by Dr. Howard Wilkerson, president of Greensboro College; Dr. Edward Elson, chaplain of the U.S. Senate; the Rev. Murray DeHart, pastor of Saxapahaw Methodist Church, and the Rev. Michael Jordan, Jordan's brother, who is a retired Methodist minister.

Jordan's death brought expressions of sympathy from leading Tar Heels, who praised his dedication to the state and nation.

Hodges said his death is "a great loss for North Carolina. We will miss him greatly. He was a valued personal friend and I was proud of his record."

Sen. Sam J. Ervin, Jr., D-N.C., recalled that he and Jordan had been friends since they were teenagers in Ervin's hometown of Morganton.

"We played baseball and went swimming together.

"Everett deserves the thanks of North Carolina and the nation for his public service, and I shall never cease to miss him," Ervin said.

Former Gov. Terry Sanford, now president of Duke University, said Jordan "believed in North Carolina and its people, and he had the rare ability to translate that belief into legislation and a way of life."

Galifianakis, now running for the seat being vacated by Sen. Ervin, said, "I mourn his death with memory of an affectionate association which I enjoyed when I was in the Congress.

"I also salute and pay the highest tribute to his dedication to the state and country."

Gov. James E. Holshouser Jr., a Republican, said in a telegram to Mrs. Jordan:

"We are deeply saddened by the loss . . . He will be remembered and appreciated by the people of North Carolina for his distinguished public service and many contributions to our state."

Sen. Jesse Helms, R-N.C., said, "Sen Jordan was first, last and always a gentleman.

He was a beloved member of the Senate, always cheerful, always helpful."—DANIEL C. HOOVER.

[From the News and Observer, March 19, 1974]

EVERETT JORDAN ADMIRABLE POLITICIAN

B. Everett Jordan's political career sprang from the wealthy and conservative side of the North Carolina Democratic Party, but he became much more a people's man in the U.S. Senate than that origin would suggest. His death takes from this state a public servant who helped give politics a good name.

Jordan was a simple seeming man. He was only mediocre as an orator and not at all stylish or eccentric in the manner often admired in office holders. For those reasons he might never have gotten to the Senate, except by the appointment that propelled him there in 1958. But he won a full term on his own, and he won reelection on his record. His loss in the 1972 primary was to a more youthful and energetic campaigner.

He was comfortable in the Senate, and grew in the job. He was a low-keyed but effective representative of this state's textile and tobacco interests. Often he was just as attentive in clearing red tape or gaining entry and getting fair treatment for less powerful constituents.

A patient and open-minded lawmaker he became a Senate insider on the strength of personal honesty and an easy manner. His service on the Senate Public Works Committee gave him additional behind-the-scenes influence with his colleagues, and resulted in numerous beneficial public projects in North Carolina.

He rose to the chairmanship of the Senate Rules Committee, a housekeeping post not much sought so long as a trustworthy senator was on the job. It fell to him to underscore the importance of both the post and his own integrity when the Bobby Baker case broke over the Senate. That was a partisan controversy, but Baker went to a nonpartisan jail.

Jordan's personal wealth made him an independent man. Service in the Senate attracted him to a more democratic and national view. Though essentially conservative, he was drawn to support a limitation on the president's war-making powers, restriction on firearms sales and curtailment of federal support for a supersonic transport. And, most notably, he changed from hawk to dove on the Vietnam war—a pure act of conscience and objective judgment for a senator from this state.

Everett Jordan was a good man and an admirable politician.

[From the Shelby (N.C.) Daily Star, March 18, 1974]

FORMER SENATOR JORDAN BURIED IN FAMILY PLOT

BURLINGTON, N.C.—Former U.S. Sen. B. Everett Jordan has been buried in a family plot in Burlington's Pinehill Cemetery.

Jordan died Friday at 77 after a three-year struggle with cancer.

He had a simple funeral service in the austere, white frame Methodist church in his home village of Saxapahaw before his remains were taken to Burlington for interment.

Several hundred people crowded into and around the church, on the banks of the Haw River.

Sen. Sam Ervin, D-N.C., a boyhood friend of Jordan, stood in the rear of the church. So did Sen. Jesse Helms, R-N.C., who replaced Jordan in the Senate after Jordan was beaten in the 1972 Democratic primary by Nick Galifianakis, who attended the graveside ceremony.

In the congregation was former Gov. Luther Hodges, who appointed Jordan to the Senate in 1958. So were a host of congressmen, legislators and state officials.

Across the river from the church could be seen the brick buildings of the Sellers Manufacturing Co., which dominates Saxapahaw.

Jordan, who was connected with the company through his mother's family, eventually became the owner of the mill and much of the village.

His wealth was his first entree into politics. He helped finance the successful campaigns of several Democratic governors and served as state Democratic chairman before his appointment to the Senate.

Jordan's eulogy was delivered by the Rev. Howard Wilkerson, president of Greensboro College and former chaplain at Duke University.

"A great tree in God's forest has fallen," Wilkerson said, standing behind the flag-draped coffin.

He praised Jordan for his "child-like" religious faith, his staunch friendship, and the services he and his family had rendered to the state and the nation.

Wilkerson recounted that while he was at Duke, he sent some anti-war students to Washington to see Jordan.

"He believed in youth, and while he wasn't ready to agree with some long-haired protester, his office was open to them and he was willing to listen," Wilkerson said.

Jordan, in the later years of the Vietnam war, and particularly in the year before his 1972 re-election bid, changed from a supporter of the war to a mild dove.

[From the Shelby (N.C.) Daily Star, Mar. 18, 1974]

SENATOR JORDAN'S LEGACY

Sen. B. Everett Jordan was a man of advancing years, but his mind was as modern as that of an 18-year-old. This ability was perhaps the former senator's greatest advantage before his death on Friday, a victim of cancer.

A fiscal conservative who allowed his mind to be practicable, Mr. Jordan earned the respect of his colleagues because he could not be placed in a niche or taken for granted. Indeed, here was a senator who was given the thankless job of investigating Bobby Baker and whose committee turned up evidence of influence peddling that helped result in a conviction. At the same time, here was a senator who came to oppose the American role in Vietnam, surprising his young constituents who at one time had him erroneously pegged as a hawk.

Importantly, Sen. Jordan was always plumping for North Carolina, the state he loved so much, and for this state's economic and social welfare, even while taking such time-consuming and national tasks as chairmaning inaugural committees for a variety of presidents. All of this could have gone to Sen. Jordan's head, making him a political figure who never consulted with the masses, but that can never be said of the Senator. To talk with the senator was to talk with another human being without pretense, rather than to talk with a United States senator.

It was not a rejection of Sen. Jordan that caused his defeat in the 1972 primaries, but a concern by voters that his illness might not allow him to be as active as he had been in Congress. Indeed, there is every indication that had he won nomination, he would have won re-election to the Senate.

Sen. Jordan is gone from us now, but his legacy is instructive to politicians not to paint themselves in a corner, but to take a stand on each issue individually and to do their jobs with ability, not emotion.

[From the Waynesville, (N.C.) Mountaineer, March 20, 1974]

SENATOR JORDAN LOVED HAYWOOD

Sen. B. Everett Jordan was not a man who worked for headlines, nor popularity. He worked for what he felt was right and for the people he represented in Congress. After leaving Congress two years ago, he led a quiet life until death came late last week.

He understood the needs and wishes of the little man. He also understood the needs and wishes of industrialists, of which he was a successful member.

Needless to say, he worked humbly and with a dedication to his state and people.

Sen. Jordan once opened a regional office in Haywood and through it became very close to the people. He had many friends in this county and spent a lot of time at Lake Junaluska. No problem was ever too small for him to give an attentive ear. He never lost the common touch.

In the Senate he showed his concern for the farmers, roads, price supports and agricultural experiment stations. He also led in getting river basins harnessed to the advantage of man.

Sen. Jordan was a man you could not help but like, because you could sense he had an interest in everyone with whom he talked.

Sen. Jordan was distinctive in many ways, perhaps best known for being a man one could trust. He was sincere and genuine.

[From the Wilmington, (N.C.) Star-News, Mar. 17, 1974]

A PUBLIC SERVANT

Funeral services are being conducted this afternoon in Saxapahaw for a man who played a truly major role in the growth and progress of North Carolina in the last decade.

The man—B. Everett Jordan—served in the United States Senate from 1958 until 1973. His service was marked by the fact that Mr. Jordan served as North Carolina's Spokesman and representative in the highest legislative body in the land, and not as the Senate's delegate to North Carolina.

Everett Jordan never forgot the reason he went to Washington and it marked his terms of office with milestones that will stand as silent memorials to him as tribute to his energy and perseverance.

It is all too easy for someone to go to the nation's capital and become completely involved in the national affairs circles there, usually to the detriment of interest in and concern for hometown problems and projects.

The Senate service of Mr. Jordan was just the opposite. There were scores of other senators willing to take the foremost positions in the political spotlight on Capitol Hill, but there were far fewer who were genuinely concerned with backhome issues like agriculture, or textiles or rivers and harbors and dams.

Mr. Jordan did not neglect his national responsibilities, he just placed the emphasis on North Carolina projects.

And you seldom heard about this or that fiery speech from the Senate floor by the Tar Heel solon, for he favored the quiet and more efficient path of public service: working on committees and subcommittees dealing with specifics.

This hard work earned him the respect and confidence of industry leaders and farmers, of working people and municipal officials.

In a way he exemplified the common touch, for he offered his concern, interest and attention to all facets of the nation and the state.

The Port of Wilmington, for example, never had a better friend. A lot of people have done a lot of things over the years to build, develop and promote the port. But the support

of Mr. Jordan in rivers and harbors projects often was the determining factor in whether or not this or that work was done in the Cape Fear River.

In a tough primary campaign, Mr. Jordan lost out to Nick Galifianakis yet he was never bitter. He accepted the defeat with the same quiet courage with which he faced the illness that finally took his life.

North Carolina historically has been blessed with many fine citizens and statesman, with men who labored long and hard in her behalf. To that list of honor is now added another name—B. Everett Jordan; a man who will be long remembered by his fellow Tar Heels.

[From the Winston-Salem Journal, March 17, 1974]

FOR JORDAN, HOME WAS CONFINEMENT

(By Ray Rollins)

It was a late afternoon in May 1972, and the sleek black limousine cruised along Interstate 85 between High Point and Graham.

U.S. Sen. H. Everett Jordan was at the wheel, going home for the night to Saxapahaw—a rare treat on a statewide campaign trail, with election day barely more than a week away.

This was the prelude to the voting in a second primary. And the veteran congressman, unaccustomed to anything more than token opposition, was struggling to keep from being brushed aside by a formidable challenger, Nick Galifianakis of Durham.

Age? "Nobody has any guarantees," Jordan would say.

Jordan seemed a little awkward in the factory gate, shopping center handshaking style of campaigning.

PLUNGED AHEAD

But he plunged ahead, nonetheless, vigorously, always hale and hearty, determined he was not an ailing, tottering old man, despite his years and a cancer operation.

"I never felt better in my life," he would boom profusely—though it seemed, defensively. And he seemed ready to take on a footrace, if need be, to dispel any question of his stamina.

But it had been a long strenuous week. And there was the yearning for a touch with home base.

WINDING ROAD

Just past Whitsett, on the outskirts of Graham, Jordan swung the limousine onto a secondary road and, finally, into a narrow, winding road that leads to the little textile community of Saxapahaw.

On a week-long assignment as a wire service pool reporter, I tagged along behind.

Jordan stopped at a little country store for a short visit with homefolks, including an ailing woman next door. On toward home.

Jordan then offered a guided tour of Saxapahaw—down past the sprawling brick buildings that make up the textile plant that Jordan rescued from bankruptcy in 1927 and guided to prosperity and past the little Methodist church where he had kept an active membership.

This could have been called "Jordan Village"—such was the economic impact of the Jordan family here. Yet, Jordan pointed proudly to home after home, individually owned, that "the mill" had sold to the occupants.

And there were the minibiographies of residents, up and down the rolling hills.

The village streets are flanked by wide, grassed embankments. And there is the Haw River winding through the village, round out the picturesque setting.

FUNERAL TODAY

And on a hillside, in the heart of it all, is the Jordan home, tree-shrouded and cozy.

Jordan talked and looked "contentment" here. Home.

And there was the observer's feeling—reinforced by Jordan's danger in a shopping center shooting only hours after I had left him—that he would have a net loss if he won the election.

Jordan's funeral will be at 3 p.m. today at Saxapahaw Methodist Church.

The White House announced yesterday that Sen. Jesse Helms will represent President Nixon at the funeral.

[From the Winston-Salem Twin City Sentinel, March 18, 1974]

EVERETT JORDAN BURIED AFTER SIMPLE SERVICES

BURLINGTON.—Former Sen. B. Everett Jordan has been buried in a family plot in Burlington's Pinehill Cemetery.

Jordan died Fridey at 77 after a three-year struggle with cancer.

He had a simple funeral service in the austere, white frame Methodist church in his home village of Saxapahaw before his remains were taken to Burlington for interment.

Several hundred people crowded into and around the church, on the banks of the Haw River.

Sen. Sam Ervin, D–N.C., a boyhood friend of Jordan, stood in the rear of the church. So did Sen. Jesse Helms, R–N.C., who replaced Jordan in the Senate after Jordan was beaten in the 1972 Democratic primary by Nick Galifianakis, who attended the graveside ceremony.

In the congregation was former Gov. Luther Hodges, who appointed Jordan to the Senate in 1958. Se were many congressmen, legislators and state officials.

Across the river from the church could be seen the brick buildings of the Sellers Manufacturing Co., which dominates Saxapahaw.

Jordan, who was connected with the company through his mother's family, eventually became the owner of the mill and much of the village.

His wealth was his first entree into politics. He helped finance the successful campaigns of several Democratic governors and served as state Democratic chairman before his appointment to the Senate.

Jordan's eulogy was delivered by the Rev. Howard Wilkerson, president of Greensboro College and former chaplain at Duke University.

"A great tree in God's forest has fallen," Wilkerson said, standing behind the flag-draped coffin.

He praised Jordan for his "childlike" religious faith, his staunch friendship, and the services he and his family had rendered to the state and the nation.

[From the Henderson (N.C.) Times-News, March 18, 1974]

SENATOR JORDAN

North Carolina buried another distinguished son this weekend when funeral services were held for former U.S. Sen. B. Everett Jordan.

Sen. Jordan was a conservative who also understood the conscience of the young. This was evident in his 1970 break with other conservative senators over the Vietnam War. The young went to him, he understood; he championed their cause. Sen. Jordan also understood the needs of the tobacco farmer in North Carolina, and the textile industry. He was the son of a Methodist minister, graduate of Chapel Hill and businessman. All of these factors fashioned his viewpoint of the world; a world that should have been orderly but was not.

The man from Saxapahaw was quiet, but he knew his people and did well by them in Washington. He is another in a long line of distinguished senators from his state and people.

A GENTLEMAN PASSES

The word "gentleman" has suffered a rather sad decline in late years. The connotations of honor, straight-dealing, considerate behavior and gentle manner it carries do not appear to command the respect they did in times bound more firmly by tradition.

The state of a gentleman is not less worthy, however, but more so for falling into relative obscurity.

In the tributes to former Senator B. Everett Jordan of North Carolina, who died last Friday at 77, there is a strong thread of unity in the descriptions of Jordan as "a gentleman."

He was, to be sure, a gentleman true to an older conservative tradition in his state, and it was not the sort of persuasion that makes prominent news or earns national attention. But he minded the State's business assiduously, particularly its textile and tobacco interests, and he was not a hard man for the average citizen to reach.

He broke with a majority of conservative Southern senators when he voted for the Cooper-Church amendment to limit presidential powers in extending U.S. participation in the Vietnam War, and he deserted the conservative ranks to vote in favor of gun control legislation and when he sided with the majority to vote down the hotly-debated Supersonic Transport plane.

Rep. Roy A. Taylor said Jordan was "a lovable person with a rich, positive personality and a strong faith in his friends, his country and his church."

In fact, a gentleman of the old school.

B. EVERETT JORDAN

It was not the style of former Senator B. Everett Jordan to grandstand. He had no reason to impress others; he understood himself and his mission, which can be said of few persons, public or private.

Perhaps because of Senator Jordan's low key approach to politics, he never became, despite 14 years in the Senate, a recognized national figure. Instead he preferred to work quietly behind the scenes, leaving the headlines to the more egotistical.

Yet he demonstrated again and again his responsiveness to his North Carolina constituency. If a citizen had a problem and sought the assistance of Everett Jordan, the Senator would make every effort to respond. Even if he could not completely satisfy the constituent, he would explain directly why he could not do otherwise.

And his soft-spokenness was sometimes deceiving. In 1970 he startled many of his Southern Democratic colleagues by speaking out against the Vietnam War. He also voted for the Cooper-Church Amendment, which limited the President's war powers. A mild Southern dove, even in 1970, was unusual.

Mr. Jordan enjoyed and worked at being a good senator. But he had made his mark in life long before he came to the Senate in 1958. This son of a Methodist minister in many ways was a self-made man who worked himself from mill superintendent to textile magnate. Along the way he became a noted churchman and benefactor.

B. Everett Jordan, who died Friday at age 77 and was buried Sunday, will be remembered for a long and meritorious business and civic career but perhaps more so for the gracious and genial man he was.

[From the Washington Post, March 16, 1974]

EX-SENATOR B. EVERETT JORDAN DIES; LED BAKER PROBE

(By Megan Rosenfeld)

Former Sen. B. Everett Jordan, 77, who as chairman of the Senate Rules Committee headed the 1964 Senate investigation into the activities of former Senate Democratic secretary Robert G. (Bobby) Baker, died yesterday at his home in Saxapahaw, N.C.

Sen. Jordan had a malignant tumor removed from his colon three years ago, and had been in declining health since last summer, when he underwent additional surgery at Duke University Hospital.

A millionaire textile manufacturer from North Carolina, Sen. Jordan was appointed to the Senate in 1958 by Gov. Luther Hodges to fill the unexpired term of the late Sen. W. Kerr Scott. He was elected to the seat in 1960 and was re-elected in 1966.

A member of the committees on agriculture, public works and printing, Sen. Jordan was a quiet figure on Capitol Hill until the Baker investigation by the Rules Committee thrust him into the spotlight.

Baker, then a $19,600-a-year Senate aide and protege of President Lyndon B. Johnson, was accused of influence peddling. The Senate Rules Committee found that Baker had committed "gross improprieties." Baker was later indicted and convicted in 1967 of fraud, theft and tax evasion, and sentenced to three years in a federal penitentiary. He served 1½ years before being paroled.

The 18-month investigation of Baker was criticized for its length, and Republicans accused Sen. Jordan and the other members of the Committee of a whitewash.

Before releasing the Committee's final report, Sen. Jordan said the investigation was a "hard task and a disagreeable task . . . Maybe I'm not enough of a lawyer and prosecutor type to go ahead and do some of the things some people felt should have been done."

The Committee's recommendations included a rule that senators and Senate employees earning more than $10,000 a year supply a list of their financial holdings and business associations; a suggestion that "moonlighting" by Senate employees be limited, and the comptroller general should have authority to police congressional lobbying laws.

Originally a supporter of U.S. policy in Southeast Asia, Sen. Jordan came out against the war in Vietnam in 1971, and was a cosponsor of the war powers bill, which limited the President's power to extend American participation in the war. He was no longer in the Senate when the House overrode President Nixon's veto in November, 1973, and forced the war powers bill into law.

"The longer the thing (the war) drew on, the more I became disillusioned with the handling of it," he said. "All we were doing was bombing the hell out of everybody's rice paddies and killing people—Americans and thousands of natives."

During his 14 years in the Senate, Sen. Jordan also chaired the Agriculture, Public Works and Inaugural Ceremonies subcommittees.

Sen. Jordan was defeated by a 44-year-old Durham lawyer in the 1972 Democratic primary election, Nick Galifiankis. Galifiankis lost the senatorial election to Republican Jesse Helms.

While Sen. Jordan was campaigning during the 1972 primary, a 23-year-old high school janitor killed five persons and wounded six others outside a Raleigh, N.C. shopping mall where the senator was shaking hands with constituents. Sen. Jordan's executive secretary, Wesley Hayden, was shot in the chest and seriously injured. Sen. Jordan suspended his campaign until he was sure Hayden would survive.

Sen. Jordan has a long and profitable career in textile manufacturing before going to the Senate. Born in Ramseur, N.C., the son of a traveling Methodist minister, he organized his first company, the Sellers Manufacturing Co., in 1927. He eventually owned mills that grossed more than $15 million a year.

He attended Trinity College (which later became Duke University and which awarded him an honorary degree in 1940), and Elon College. He served with the Army Tank Corps from 1918 to 1919, and with U.S. occupation forces in Germany in 1919.

He was a recipient of the Silver Beaver award from the Boy Scouts of America in 1965. Sen. Jordan was a trustee of Duke University, American University and Elton College, and of the U.S. Capitol Historical Society.

Since 1972, Sen. Jordan had spent most of his time at the rambling white house in the village of Saxapahaw, his home for 46 years.

He is survived by his wife, the former Katherine McLean; two sons Ben E. Jr. of Burlington, N.C., and John M. of Saxapahaw, and a daughter, Rose Anne Gant of Burlington.

STATEMENT OF L. QUINCY MUMFORD AT THE CORNERSTONE LAYING OF THE LIBRARY OF CONGRESS JAMES MADISON MEMORIAL BUILDING, MARCH 8, 1974

Senator Cannon, Mr. White, members of the Architect's staff, and Library of Congress employees:

It is an understatement to say that this is a real milestone for all of us. Much effort has gone into bringing this day to fruition and I want to thank each of you for your great contribution to the Library of Congress James Madison Memorial Building. As I said in a statement placed in the cornerstone, citizens too numerous to mention have made this building possible. Members of the Congress of the United States—the Joint Committee on the Library, the House and Senate Office Building Commissions, the House and Senate Public Works Committees—the James Madison Memorial Commission, the Architect of the Capitol and his staff, and the staff of the Library of Congress deserve posterity's special gratitude.

As we lay this cornerstone, I would like to pay special tribute to a man who worked selflessly and tirelessly to obtain this building for the Library of Congress. I am sorry he cannot be with us physically today but he is here in spirit and in our fond memories of his gallant efforts. I speak of former Senator B. Everett Jordan of North Carolina, the long time Chairman of the Coordinating Committee on the Madison Building and former Chairman and Vice Chairman of the Joint Committee on the Library.

THE STABILITY OF THE SOCIAL SECURITY SYSTEM

Mr. GURNEY. Mr. President, because of a rash of news articles which have appeared around the country recently on the subject of the stability of social security, I would like to bring to the attention of my colleagues a rebuttal to many of those newspaper articles.

The author of the paper, Dr. Richard E. Johnson, is a professor of insurance and risk management at the University of Georgia. He is also a certified life underwriter and a certified property and casualty underwriter. His rebuttal, I believe, helps to bring the charges into perspective.

I think it should be clear, however, that there are problems with our social security system. Dr. Johnson's comments dispel some of the myths, but even so, the Congress should be taking steps to insure the solvency of social security. Senate Resolution 350 provides for "* * * an expert, independent evaluation of the status of the social security system."

There is some truth to the articles which have appeared on the subject of social security's solvency, and one question the Congress must ask itself—and soon—is exactly what we want social security to be. Surely it cannot be all things to all people, or soon it will be nothing at all. The Congress should take a long, hard look at this entire question and I am glad to see we are doing just that.

I request unanimous consent, Mr. President, to have printed in the RECORD at this point both Dr. Johnson's comments and the text of the report on Senate Resolution 350.

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

SOCIAL SECURITY: STILL A GOOD VALUE

(By Richard E. Johnson)

Newspaper readers around the country have recently been exposed to a series of articles condemning the social security program. These articles, written by a Chicago newspaper reporter, Warren Shore, are not only inaccurate and misleading, but an element of viciousness can almost be detected in the manner in which the reader is given isolated half-truths to the exclusion of all other pertinent information. One is prompted to question what motivated this bias.

For example, Mr. Shore writes of Jeff Alfred, who, at the age of 23, contributed $676 (matched by an equal amount by his employer) to the Social Security Administration as a tax on his earnings this year. He then comments that should Jeff die, less than $300 would be paid to his wife as the total settlement of his account. This seems inequitable, but let us look at another possible example of a young married couple. Bob Miller (age 23) is a successful salesman and earns $13,200 both this year and next. At the end of that period he is killed in an auto accident and leaves behind his wife, Mary, and twin children, age one.

It is possible for Mary and the children to receive social security benefits in excess of $1,844,715. This total benefit would only be paid to the Millers if the children were disabled during childhood and continued so until age 65. (An even greater benefit would be paid if they lived longer.)

It is assumed in this calculation that a yearly increase of 3% in benefits is made to offset increased inflation. Thus, for a contribution of slightly over $1,500, Bob's family profited to the extent of $1.8 million. Even if neither child had been disabled, a benefit of $819 per month would have been paid immediately and this monthly benefit would have been increased as the cost of living increased. The mother would have received this until the children were 18 and they would have received almost this amount had they continued their education until age 22, the total benefit paid being about $280,000.

No one will defend the first part of this example as being reasonable or typical—twins being disabled for life. It is, however, just as typical as many of the examples used by Shore in his series. Jeff Alfred's widow would have had to have been childless to have received the benefit stated by Mr. Shore.

Although this is possible, it does not represent the average family being covered by the Social Security Act. Instead of looking at either the "less than $300 pay-off" or the $1,800,000 benefit," let us instead look at the total program and investigate its purpose and what it has done for our society.

In the early 1930s many schemes were developed to solve the crisis of the depression. One of the most popular movements was known as the Townsend Plan. This plan guaranteed $200 per month for all citizens 60 years of age or older. The only obligation on the part of the recipient was to promise not to work and also to spend his $200 within 30 days.

It was assumed that this great influx of

dollars into our stagnant economy would lift us up by our bootstraps and solve our economic problems. The requirement that the retiree not work supposedly would guarantee work for many younger people who could not find employment.

Although the Townsend Plan never became law, the Social Security Act did become law and benefits were paid to retirees prior to World War II. Initially only retirement benefits were to be paid and those only if the insured individual did not work in employment covered by social security.

The same philosophy fostered by the Townsend Act permeated the Social Security Act—"Create Jobs for the Young." As the program expanded and started providing survivor benefits to widows with children, the same philosophy was continued. If a mother with small children was widowed, her right to full benefits depended upon her terminating "covered" employment.

Even at this time, however, the benefits paid on the children's behalf were still continued regardless of whether the mother worked or not.

Today, almost 40 years later, the Social Security Administration follows the same pattern laid out initially—"If a parent is lost to a family, the surviving children need a full-time survivor parent as a guardian." If this is no longer the belief or attitude of the population, then the approach can be modified, but not without cost.

The present cost projections of the social security program (OASDHI) consider the fact that some participants will not claim their benefits, preferring to work rather than to receive a social security benefit.

If the "retirement test" were eliminated for all groups, retirees and survivors, the estimated increased cost would be about $4 billion. The ultimate result would be an increase in the social security payroll tax.

Perhaps this is the proper time to look at the cost of the program. Mr. Shore, in his series, constantly compares the cost of commercial insurance with that provided under OASDHI. His major failing is that he constantly compares the cost or the tax for the whole social security program with the premium charged for isolated coverages by the commercial insurance industry.

Your author would be one of the last to criticize marketing methods used by the commercial insurance industry. Having been a part of it for 20 years and having made my living teaching the intricacies of the discipline for the last 10, I still find it a most viable and necessary component of our society. But, it cannot compete with a social insurance program. Social insurance is mandatory, there are no acquisition expenses in the form of sales commissions and underwriting expenses. Everyone must join the OASDHI system and their tax added to the employer's tax is automatically forwarded to the government.

Due to the great savings generated by the efficiencies mentioned above, social security cash benefits are administered for about 2 percent of the total tax income. Since the tax monies in the trust funds earn 5.6 percent interest per year, over 103 percent of all social security tax revenue is available for benefit payments.

An average of 98% of all social security tax revenue is actually paid out yearly in the form of benefits to its insureds or their dependents. The remaining 5 percent plus has been added to the trust fund in anticipation of further increases in the benefit formula.

For the individual to continue receiving these most favorable rates, the program must continue as a compulsory program. It cannot exist if voluntary choice of participation is extended the public. If free choice were implemented, two groups would discontinue the coverages—the wealthy and the very poor.

The wealthy would discontinue the coverage because they really do not need it and because of the slight redistribution effect of the program (slightly higher benefits per dollar of tax for the lower income). The poor would discontinue because they realize that our society will not let them starve and will take care of them via the welfare route.

Thus, the large group of middle income earners will not only pay for their own future security, but will also be obligated to pay most of the tab for the increased welfare costs.

How does the life insurance industry compare in terms of costs and benefits? On the average, about 85 percent of premium income is returned in the form of benefits. The balance is required for administration and acquisition costs. This is not a large charge in comparison with the rest of the insurance industry. For most segments of the industry, expenses vary between 25 and 45 percent of premium income. Thus, even though the life insurance industry is doing a great job in comparison to the rest of the insurance industry, the Social Security Administration is doing a phenomenal one, almost beyond belief for a governmental agency.

Perhaps one of the biggest problems confronting the individual is that of comparing costs and benefits of the social security program with those provided by the commercial insurance industry. The major benefits provided by the OASDHI program include:

Monthly retirement benefits to retired workers;

Monthly benefits to disabled workers;

Monthly benefits to husbands or wives of retired workers;

Monthly benefits to widows and widowers of covered workers;

Benefits to widowed mothers;

Benefits to disabled widows and widowers;

Benefits to children of retired workers;

Benefits to children of deceased workers;

Committees are constantly studying the program, its projections, and possible changes. Recently, James B. Cardwell, Commissioner of Social Security, issued the report of the trustees of social security. This 1974 Trustee's Report shows a longe-range actuarial deficit for the OASDI program of about 3% of taxable earnings over the next 75 years.

Much of this projected deficit is caused by a change in life style of many of our younger married couples, and the resulting decrease in birth rates for the Nation.

We are now approaching a "no-growth" birth rate and it is important to know what effect zero population growth might have on the future levels of social security income and outgo.

Although no major impact will be experienced until the 21st century, the entire area of financing will be the main subject of study by the new Advisory Council on Social Security. Their recommendations will be submitted to the Congress by the end of the year.

Therefore, by the end of 1975, in all probability, Congress will have enacted legislation to help solve this problem of the 21st century.

Over the history of the Social Security Act, many changes have been made, faults corrected, and more changes will undoubtedly be made in the future. The solution to the problems faced by the Social Security Administration cannot be solved by Mr. Shore's suggestions. Should the government ever make the decision to follow the recommendations of Mr. Shore—discard payroll tax for social security and buy government bonds—the most incredible fiscal confusion imaginable would result. All of the benefits of the social approach to insurance would be lost and all of the problems of Federal bureaucracy would remain.

Social security today is paying $4.6 billion a month in benefits to 30 million people.

Ninety-one percent of the people age 65 and over are receiving social security benefits or are eligible to receive them.

Ninety-five percent of all children under age 18 and their mothers will receive benefits if the family breadwinner dies.

Eighty percent of the population between the ages of 21 and 64 are eligible for disability benefits in case of a severe and prolonged disability.

Anything which can and does provide so much for so many cannot be bad. To the contrary, no better plan has yet been offered to us. Certainly, Mr. Shore's suggestion is not a better alternative.

[Report No. 93-976]

FINANCE COMMITTEE CONSULTANTS: REPORT

The Committee on Finance, reports favorably on original resolution and recommends that the resolution do pass.

GENERAL STATEMENT

On May 31, 1974, the Board of Trustees of the social security trust funds submitted to the Congress the report on the status of those funds which they are required by law to make each year. In preparing this year's report, the Trustees utilized a revised set of assumptions with respect to a number of the factors which affect the estimates of future income to and outgo from the funds. Even with the revised assumptions, the report indicates no cause for concern as to the immediate soundness of the social security system. On a long-range basis, however, the new assumptions used by the Trustees this year result in estimates of income and outgo which indicate a need for significant additional financing in order to maintain the future actuarial soundness of the program. In addition, the report indicates that even within the next 5 years certain adjustments may be required in order to maintain the relationship between the income, outgo, and balance of the funds which has traditionally been considered appropriate. It thus seems certain that within the next year or two Congress will have to carefully examine the status of the social security system and very possibly enact significant amendments with respect to the financing of that system.

The social security cash benefit programs represent a very substantial portion of the total Federal budget (amounting to $66 billion at present). The soundness of the trust funds involves the economic security of the 30 million current beneficiaries and the many millions of others who count on its benefits being available in the future. Financing social security is based on an earmarked payroll tax which directly affects the weekly or monthly paychecks of 90 percent of all workers in this country.

In view of this, it is imperative that there be available to the Congress, to guide it in whatever action it may find necessary to take, the best and most complete information which can be obtained concerning the actuarial status of the system. For this reason, the Committee on Finance has approved a resolution authorizing the committee to obtain an expert independent analysis of the actuarial status of the social security system.

The Committee on Finance has great confidence in the expertise and integrity of the actuarial office of the Social Security Administration whose findings formed the basis of the recent trustees' report. However, in view of the very substantial long-range deficit now projected and the importance of the social security program for the economic security of the country, the committee felt, as a matter of prudence, that it could not place its reliance upon only a single source of information. This is particularly true since the financial status of the program is greatly affected by future trends in inflation, wage levels, and birth rates. These are factors with respect to which differing methodologies

can produce significant differences in estimates as is most dramatically illustrated by the significant change in the actuarial status of the trust funds reported in the current trustees' report. This change results not from any legislative change in the program but rather from a change in the estimates with respect to these factors and, in particular, with respect to birth rates.

Accordingly, the committee has approved a resolution which would authorize the Committee on Finance to expend up to $30,000 with the aim of obtaining an expert independent evaluation of the status of the social security system.

The evaluation will involve the various demographic, actuarial, and economic assumptions which underlie estimates of the financial status of the social security trust fund, with a view toward providing the committee the best possible estimate of that status together with information as to the extent to which variations from that estimate may be anticipated if actual experience does not completely bear out the various underlying assumptions. In addition to examining the current situation with respect to the social security trust funds, it is also anticipated that the evaluation will address itself to the somewhat broader question of what improvements, if any, should be made in the methodologies employed on a continuing basis for the examination and presentation of the actuarial status of the social security system.

PROTECTING THE ENVIRONMENT

Mr. McGOVERN. Mr. President, the Northern Great Plains is on the threshold of massive coal development. I am deeply concerned that, before the development is fully underway, all of the parties involved arrive at a solid understanding of the many factors that must be considered if we are to avoid damage to our economy or ruin of our land.

South Dakota is vitally concerned with a proposal by Energy Transportation Systems to construct a coal slurry pipeline between Wyoming and Arkansas. While the pipeline itself will not cross South Dakota, it will use water from the Madison formation which underlies the western part of our State. The use of that water raises some critical questions regarding the rights of States who share water from an interstate aquifer.

There are serious unanswered legal questions about interstate aquifers and I believe that it is essential that we begin a detailed discussion of the matter at once. M. W. Bittinger and Associates has prepared a legal analysis of the matter entitled, "Management and Administration of Ground Water in Interstate Aquifers." I believe that it is an important document because it summarizes the legal questions and provides a good basis for future discussion.

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

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

PART III—LEGAL ANALYSIS: INTRODUCTION—SCOPE OF ARTICLE

There is no paucity of articles and treatises on the law on underground waters. The various doctrines have been examined and re-examined. The myriad views of the courts in regard to the relative merits of the original and variously modified common-law rules and the appropriation doctrine have been vigorously applauded or vehemently condemned, depending upon the usually logical, but generally pre-conceived positions of the authors. Whether waters are tributary to natural streams or enclosed in impervious basins, and whether or not the water can correctly be classified as seepage waters or as waters of deep percolation, are similar problems with which courts and lawyers have wrestled. To engineers, this is all sound and fury, signifying nothing other than the inability of the legal profession to recognize that water is a manageable resource, that techniques of water management are more helpful than legal doctrines, and that water has the same physical characteristics and properties whether it is on the surface or underground and whether it is found to be deep or shallow.

In fairness, however, we must recognize that the courts have wavered between the various doctrines only in an attempt to find a fair and just solution to the problems created by too much demand and not enough supply. Further, they recognize, perhaps more clearly than do the engineers, that before any resource can be effectively managed the parties must agree upon a manager.

We will, therefore, in this discussion, avoid the temptation of adding to the already unnecessarily voluminous compendiums of legal analysis of the merits of the various doctrines. Instead, we will adopt the engineering view that the problems connected with ground-water supply and demand, including those of interstate waters, can be resolved through intelligent management; and we will inquire into the legal means by which interstate management may be brought into existence. In doing so, we will be both practical and legal in overruling the objections of the engineers and considering "judges" to be within our definition of "managers."

THE PROBLEM

The engineering portion of this report establishes the problem. In some cases, a limited supply of interstate ground water exists to supply a greater demand. Continued and unmanaged withdrawals have resulted or will result in depletion of the water resource (total or cyclical), in reduction of water quality, or both.

1. Depletion

a. Total: The depletion in certain arid regions may be total. If the stored underground waters cannot be expected to be replaced by precipitation or by man-induced recharge, then the resource, like minerals, can obviously be used only once. Management is limited to:

(1) Reasonably controlling the withdrawal to obtain the "best" social or economic use thereof, or

(2) Developing artificial means of recharge.

b. Cyclical: More often, the depletion is cyclical, varying from day to day, month to month, year to year, or decade to decade. The usual cycle is one of recharge in the spring, ample supply in early summer, and limited or depleted supply in late summer or fall. By definition, natural recharge ultimately completes the cycle; but man-induced recharge can make the underground supply more dependable. Management, therefore, may include:

(1) Inducing recharge in order to allow more complete cyclical withdrawal.

(2) Reasonably limiting and allocating withdrawals during or in anticipation of the time of shortage.

2. Quality

The tapping of the underground water resource may have the effect of reducing the quality of the water remaining. This can be the result of the use made of the withdrawn water as, for example, when the waters are applied to irrigation with resultant deep percolation of salts or other chemicals, or of its use to dilute and discharge human or animal waste back into the ground-water reservoir; or it may be the result of lowering the ground-water table or water pressures so as to allow adjoining, contaminated waters to flow into the reservoir.

We exclude any consideration of the legal-managerial rights between intrastate users, confining ourselves to the rights and remedies applicable to conflicts between interstate water users.

The basic question, then, is: How and to what extent may the hydrologically sound managerial and administrative system be imposed interstate? This, in turn, leads us to certain subquestions:

1. What are the relative rights between the users of one State and the users of another State?

2. What legal remedies are available to assert such rights?

3. What is the *best* legal-managerial solution in aid of these rights?

4. What is the *most likely* legal-managerial solution?

RIGHTS AND REMEDIES

If the users in one State withdraw underground waters to the detriment of users in an adjoining State, actual injury occurs. This is an engineering fact. Whether or not such actual injury also constitutes legal injury is another question, and, of course, the vital one.

While actual injury is a fact, legal injury is never a fact until a court or a legislature pronounces it to be. Until then, it is only an opinion. The likelihood of a lawyer's transforming his opinion into legal fact can be greatly influenced by the legal theory adopted and the forum chosen. The possible forums are the Federal and State courts and the Federal and State legislatures.

As has often been observed, ground-water law has developed more slowly than has surface-water law, primarily because surface waters are first developed for beneficial use and are accordingly the subject of the first conflicts between water users and because the injuries resulting from the excessive or improper use of surface waters are readily observable.

In the case of ground water we find, on the contrary, that the first withdrawals are generally minimal, and that the increased demands resulting in conflict are much more slowly satisfied, having an almost insidious effect on pre-existing rights.

The later developing ground-water laws sometimes pay heed to existing surface water law; but, more often, perhaps, the courts view ground waters as the proper subject of a different set of rules.[1] This latter inclination is one which, with some justification, has been, from time to time soundly condemned as based upon a lack of understanding of hydrology and founded upon inapplicable common-law concepts more properly applied to less elusive subjects.[2] But, again, in fairness, it must be admitted that waters underground, while chemically identical to surface waters, do occasionally have unique properties. For example, while surface flows can be cyclically depleted, they are invariably replenished; whereas, in some areas, ground waters, once removed, are, for practical purposes, gone forever. Similarly, ground-water pollution may occur by virtue of the mere fact of removal of the water itself, as where reduced water-table levels allow the inflow of sea or other contaminated waters, whereas surface flows are polluted only by the discharge of the pollutants into them.

In any event, we must take the law as we find it; and the varied laws are of importance in the consideration of certain of the means by which underground water users of one State may seek redress for injuries

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caused by the withdrawal of waters by users of adjoining States.

REMEDIES OF THE INDIVIDUAL

Let us first consider the legal rights and duties as between individual underground-water users in adjoining States. Let us assume that the aggrieved person with a well in State A is injured by withdrawals from a well located in State B. The aggrieved person, to obtain legal relief, is forced into the courts of State B, those courts being the ones with jurisdiction over the offender and the offender's property.[3] It follows that the legal "doctrine" recognized by this latter court will be crucial. The offender's right to withdraw, or his duty to refrain from withdrawing, is governed by the laws of State B.[4] If the laws of States A and B are in conflict, the laws of State A may likewise be important, as establishing the existence or nonexistence of a right to be protected.

Some definitions of the so-called "doctrines" are necessary. We emphasize, however, that the following are merely workable summaries of the existing doctrines and that it is not intended that this article should be interpreted as any attempt to redefine, classify, or analyze the relative merits of, or otherwise deal in, the rationale of the doctrines.

The common-law rule (also referred to as the "absolute-ownership doctrine")

The waters underlying the land are the property of the landowner who may withdraw them without reference to the effect upon others.

The modified common-law rules

Most States embracing the common-law concept have modified it to avoid the harshness of its strict application. In this article we refer to both of the common doctrines as variations of the "modified common-law rule," as the distinctions between the modified rules are more ones of emphasis than of clear legal distinction. The modified rules are as follows:

1. *The reasonable-use rule:* Although the landowner has a right to the use of the property's underground waters, he must nonetheless recognize that adjoining owners have similar rights which would necessarily be affected by his unreasonable withdrawal of ground water.

2. *The correlative-rights doctrine:* The landowner has the right to make use of the waters underlying his lands, but they are subject to the co-extensive and co-equal rights existing in adjoining landowners.

The prior-appropriation doctrine

As between conflicting claimants, he who has first put the water to beneficial use has the first right to continue such beneficial use, without waste, and to the extent of his former usage. By definition, such first use, being first in legal right, cannot cause legal injury by depriving a subsequent appropriator of water in times of shortage.

In each of the following hypothetical situations we will assume that an underground-water user in State A is harmed by water use in State B, that the State A user was the first water user, and that the use in State B is excessive as tested by one of the modified common-law doctrines. Suit is brought in the State courts of State B to enjoin the State B water user.

1. If State B follows the common-law rule:

No relief will be granted no matter what doctrine prevails in State A, the State A user having no property right recognized by State B, and the State B user being privileged in his use.[5]

2. If State A is a strict common-law State and State B follows the modified common law:

The State A user will argue that he is entitled to protection under the law of State B. The State B user will argue that the State A user has no rights because his land, and his underground-water rights, exist only by virtue of the laws of State A, and that under the strict common-law doctrine he cannot complain of withdrawals in State B any more than he could complain of similar withdrawals in State A.

Are the existence of the State A users rights in this situation to be governed by the laws of State B? The law of the place of wrong determines whether or not a person has sustained legal injury.[6] But where is the place of wrong? The restatement rule is that:

The place of wrong is in the State where the last event necessary to make an actor liable for an alleged tort takes place.[7]

Is the last event the withdrawal of the water in State B or the resulting depletion of the water in State A? It is a good question, but it is unlikely that the injured person will want to spend the time or the money to obtain a judicial answer.[8]

3. If States A and B are both modified common-law States:

Here relief should be possible. State B will recognize the efficiency of the State A user's argument that he has at least co-equal status with the user within State B, and that he is entitled to appropriate relief. If the allegations of injury are proved, the courts of State B should grant relief. However, although relief is here possible in theory, as a practical matter it is not. Seldom, if ever, will the circumstances be such that the State A user can definitely prove that the particular user in State B is causing him injury. For the State A user to be successful, he would have to be blessed with a precisely provable geological condition which is easily demonstrable and understandable.

Further, a complete absence of other probable causes of the water shortage, particularly a complete absence of other well users in the adjoining area would be essential; and this factual situation is unlikely to occur, for the simple reason that, in the absence of the other wells, the injury would probably not be observable. The practical difficulty of showing the direction and rate of underground flows is also a problem. All of these difficulties combine to make it unlikely that the solution to underground water problems will be found in the development of a large body of common law resulting from private legal actions between individuals in circumstances such as those above.

4. If State A is an appropriation State and State B is a modified common-law State:

State B, while not recognizing any right based upon priority of use, will nonetheless grant that the State A user is at least a co-equal. The result should be, and the difficulties will be, the same as in example 3.

5. If States A and B are both adherents of the appropriation doctrine:

Relief should be granted, but the State C courts are apt to get sidetracked by jurisdictional concerns. The answer should be as expressed by the Supreme Court of Utah in a surface water case:

It is a recognized rule of law that a person who has appropriated water at a certain point in a stream is entitled to have so much of the waters of said stream as he has appropriated flow down to him to the point of his diversion; and if the settlers higher up on the stream, in another State, whose appropriations are subsequent, divert any of the waters of the stream which have been so first appropriated, then the courts of the later State will protect the first settler in his rights.[9]

In keeping with this philosophy, the Wyoming Supreme Court has held that the Wyoming courts had both the jurisdiction and the duty to adjudicate rights for lands irrigated in another State ffrom an interstate stream.[10] The Idaho rule is the same.[11]

But in a Colorado case, the Supreme Court of Colorado held that its courts had no jurisdiction to award a priority to a ditch irrigating lands in New Mexico, even though the water was diverted in Colorado.[12] And the Utah Court, in spite of its broad language as to the propriety of affording protection to the out-of-State appropriator, nonetheless refused to recognize the validity of a water right decreed by the State of Idaho, even though the litigating parties were all properly before the latter court, on the grounds that Idaho had no jurisdiction over waters of interstate streams diverted or used in Utah.[13]

If these jurisdictional concerns are present in cases involving clearly observable and well understood surface waters, we can imagine the magnification of such concerns with the relatively invisible and mysterious underground flows.

6. If State A is a modified common-law State and State B is an appropriation State:

Under our assumed facts, the State A user is also the prior appropriator; and he will argue that he should therefore be protected. We can expect the State B user to advance the argument that the foreigner's use is not an appropriative right subject to protection under the common law of State B. It is the same question that we had in example 2.

In all of the foregoing examples, the aggrieved water user who seeks a Federal forum will obtain the same results, for the Federal District Courts enforce the real property laws (including the water laws) of the States in which they sit.[14] The exception will be that if both State A and State B are appropriation States, the Federal Court is much less constrained by the idea of State boundaries and has no difficulty in granting relief upon principles of law recognized by the laws of both States.

For instance, in 1905 the Federal Court, sitting in Colorado, decided that an appropriation of water in the State of Wyoming from a stream that rises in Colorado for irrigation of lands in Wyoming is valid as against a subsequent appropriator in Colorado from the same stream for irrigating lands in Colorado.[15] Subsequently, the United States Supreme Court held that a lower Federal Court could properly enjoin a Montana appropriator from interfering with the superior rights of a prior Wyoming appropriator.[16]

Nor need these results in the Federal forums be limited solely to those cases where the laws of the conflicting States are identical. Justice Holmes, in a case involving a conflict between water users of an interstate stream, observed:

The alleged rights . . . involve a relation between parcels of land that cannot be brought within the same jurisdiction. This relation depends as well upon the permission of the laws of Nevada as upon the compulsion of the laws of California.[17]

And a respected writer on water rights has noted that:

The general principle of substantive law deducible from the authorities is that priority governs between appropriators irrespective of State lines, the validity of each appropriation being governed, in testing its priority, by the law of the State in which the diversion is made, *so long as there remains an equitable enjoyment of benefits by both states.*[18]

It is not realistic to expect the State courts to have an overriding concern to assure the equitable rights of sister States; but, as we will later note, the Federal courts, or at least the Supreme Court, are quite enchanted with the concept. Hence, in summary, we can certainly conclude that, whatever the doctrine of the competing States, the aggrieved water user from a foreign jurisdiction will be well advised to seek a Federal, in preference to a State, forum. We may further conclude, in summary, that the difficulties attending proof of the movements of underground waters and the effects attending their withdrawal

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will make even the Federal judicial forum a rather impractical one. If we consider further the time, expense, and unpredictability associated with litigation, we can only conclude that an overall solution resulting from private litigation is unlikely.

STATE LEGISLATION

May we expect a resolution through legislative action by the affected States? The suggestions made have been primarily along two lines:

Uniform ground-water laws

It has been urged that the States adopt uniform underground-water laws. However, as we have seen, the existence of identical doctrines does not necessarily resolve the problem.

What would be required is a uniform system of *controls* of the underground withdrawals as among the affected States. Historically, States have been extremely reluctant to impose such controls, even intrastate. This has been true even in the West where the water demands far exceed the supply, and where regulation is most clearly required. Colorado, for instance, while the pace-setter in the development of the doctrine of appropriation for surface streams,[19] has only in recent years applied that doctrine to its underground water,[20] even though the Colorado Supreme Court ruled decades ago that underground waters were presumed in law (as they in fact turned out to be) to be tributary to natural streams and an essential part of their total water supply.[21] Similarly, Wyoming, which has rigorously asserted State control over its water resources, requiring permits to be obtained from the administrative authority before diversion of water is allowed,[22] has instituted no substantial controls over the withdrawal of ground waters until recent years.[23] The regulation and control of underground waters, according to the experience of these and other Western States, is dictated as much by political as by engineering factors. If history is any guide, the likelihood of each State's adopting uniform laws for administration and control is practically nonexistent.

Reciprocal laws

A more likely possibility hinges upon the ultimate realization by the various State legislatures that a problem is building. Since the legislators will not know how to cure it, they could probably be convinced that it would be proper to *allow* the formation of interstate underground districts, which districts would be given the power to regulate the underground waters within the boundaries of such districts. This has the political advantage of allowing the passage of a law which in its preamble, recites the solution of the problem, yet does not require the individual legislators to take any responsibility for the controls which must ultimately be imposed by such districts. However, since the conflicts sought to be resolved are not generally recognized, it is likely that the legislators of the various States can be expected to avoid involvement, that being the historic inclination of legislatures. We will probably find that before these bodies act, other managers will have imposed their own rules.

Further, there are practical limitations to the effectiveness of interstate districts:

1. The legislation may be in violation of State constitutional provisions, and will, to that extent, be unenforceable. The right to appropriate water, for instance, may be constitutionally protected, and the legislature could not properly adopt reciprocal legislation which would impair that right.

2. The statutes of each State, though identically worded, must be enforced through and interpreted by the courts of each State. Varied constructions of identical statutes must be anticipated.

FEDERAL LEGISLATION

The likelihood of the enactment of Federal statutes to resolve the disputes pertaining to quantity is not great. Our Federal Government is one of limited powers. Although the Congress has not hesitated to take action in certain matters involving navigable streams, which action may very much affect non-navigable tributaries, yet such actions are specifically justified under the general power of the Congress to control the navigability of streams.[24] Congress has never presumed to assert any authority in regard to the distribution of surface waters, wisely leaving that to State jurisdictions. There would be even less likelihood, and less legal basis, for Congress to prescribe distribution of the limited supply of underground waters. It is unlikely politically that Congress would attempt such interference; there would be grave doubts as to the Constitutional propriety of such a Congressional attempt; and there are sound practical reasons why Congress should avoid such an attempt.

A somewhat different situation exists with respect to water quality. Here politically, constitutionally, and practically, Congress is not met with the same objections as it would if it attempted "interference" in matters relating to distribution of quantities. Politically speaking, environmental and pollution controls are extremely popular with most of the constituents of most of the Congressmen, and that which would be politically unpopular in regard to the quantity of water is extremely popular in regard to its quality. It can be logically argued that the health and welfare of the people of the United States are well served by the prevention of water pollution, and many constitutionally accepted approaches to this problem can no doubt be found. Practically, too, good arguments can be made for Federal intervention, mainly because underground-water supplies do disregard State lines; and if the States where the water originates do not control and maintain the quality of water in those States, the ones who suffer from the upper State's lack of concern will be those in some lower State.

Congress has made some tentative explorations into the field of water quality. The Federal Water Pollution Control Act[25] proposes to be a means to "establish a national policy for the prevention, control, and abatement of water pollution,"[26] The Act requires that the Secretary of Health, Education, and Welfare, in cooperation with other Federal agencies, and with State, local and interstate agencies, "develop comprehensive programs for eliminating or reducing the pollution of interstate waters and tributaries thereof and improving the sanitary condition of surface and *underground waters*."[27] The Act contemplates that the Secretary will encourage the States to adopt uniform State laws to prevent and control water pollution; it further encourages interstate compacts for the prevention and control of water pollution.[28] The policy is one of encouraging State and interstate action, with Federal cooperation, rather than Federal enforcement.[29] However, after rather extensive steps have been taken to cause pollution to cease, the Secretary may request the Attorney General of the United States to secure abandonment of interstate pollution, without independent State action, if that pollution endangers the health or welfare of persons in a State other than that in which the discharge originates. Similar action may be taken to protect the health and welfare of persons within the same State where the pollution is occurring.[30] Probably, however, the most effective portion of the Act is the one that describes the provisions that authorize grants to States for the construction of physical facilities to reduce water pollution, and the withholding of grants for similar projects to States whose plans do not accomplish that result.[31]

INFORMAL AGREEMENTS

One suggestion, advanced with great sincerity by knowledgeable water users is the "informal agreement." These users who recognize the damage show foresight and intelligence, but, unfortunately, such informal agreements have practically no chance of success. While a few men of good will may sit down, reasonably discuss their differences, and resolve them, the likelihood of this happening decreases in proportion to the number of persons involved. The areas where problems have arisen or will arise in regard to interstate ground water are those areas in which there are many, not few, underground-water users. The greater the number of users, the less the likelihood of either conceiving the agreement or assuring compliance with it. The experience of the writer is that efforts directed along this line will be fruitless and time wasting, and ultimately will produce no real or practical solution.

THE INTERSTATE COMPACT

Interstate compacts have been found to be useful tools in dealing with interstate conflicts in regard to the flows of major streams. Their particular advantages are:

1. *Finality.* The interstate compact, when properly ratified, becomes fully the law of the land insofar as the contract provides. It will be recognized by the courts of all the affected States as well as by the Courts of the United States.[32]

2. *Flexibility.* A well-drawn compact, though final, is flexible. It may provide that particular rules and regulations may be modified, adjusted, or changed to meet changing circumstances, or to conform to new information concerning the ground-water resource.

3. *Expertise.* Customarily, compacts are negotiated by knowledgeable representatives of the compacting States, with the assistance of a knowledgeable representative of the United States Government. Persons knowledgeable and experienced in an area, with sufficient time and ability to investigate fully the probable results of a proposed course of action, are much more likely to develop a conclusion which is both workable and fair than is likely to be the result of less limited effort or less experienced consideration.

One of the basic decisions required in the development of any particular compact is the choice between allocation and management. Should the compact provide that each State is allocated a specific quantity of water? Or, on the other hand, should the States agree that the water resource is one that should be subject to year-to-year or decade-to-decade management, without allocation of specific quantities to the participating States? Allocation, either in absolute quantities or in percentages, is the simplest solution. Management is, no doubt, the best, since it allows for planned recharging of the underground-water resource for the ultimate greater benefit of all of the States involved in the compact.

The Upper Niobrara River Compact is, as mentioned in the engineering portion of this report,[33] at least a tentative step in the direction of an interstate compact relating to ground waters. Apparently it was recognized that ground-water withdrawals from the Niobrara River Basin were a factor in the depletion of the surface flows of the Niobrara River; and since the compact attempted to equitably apportion the surface waters, it was thought necessary to take into account such potential withdrawals and the resultant depletions. The compact did not attempt to apportion the underground waters, but did recognize the essential physical facts. In the future, consideration will have to be given to these ground-water withdrawals. It comforts us to know that while

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the effects of ground water withdrawals on surface streams may go largely unrecognized, such is not always the case; and recognition of a problem is the first step towards its solution.

We have stated that the formation of interstate districts by the affected States is subject to certain disadvantages, among them the impossibility of overriding State constitutional provisions and the likelihood that State court constructions of statutory provisions may vary.

Can these limitations be overcome by the interstate compact? An answer to that question requires some analysis and understanding of the rather unique constitutional status of the interstate compact. The United States Constitutional provision states: "No State shall, without the consent of Congress, . . . enter into any agreement or compact with another State. . . ." [34]

The original States, prior to the adoption of the Constitution, were considered individual sovereign States, and, under American constitutional theory,[35] they retain all attributes of sovereignty except those which they have specifically surrendered. States since added to the Union became likewise invested with similar sovereignty. One sovereign right which the States surrendered is the right to enter into compacts or agreements with either foreign powers or other States of the Union. But, conversely, if Congress consents to a compact between the States, the permitted compact, while having the attributes of a contract,[36] rises to a dignity greater than that of a mere agreement.

In the words of the United States Supreme Court:

If Congress consented, then the states were in this respect restored to their original inherent sovereignty; such consent being the sole limitation imposed by the constitution, when given, left the states as they were before, . . . whereby their compacts because of binding force . . .; *operating with the same effect as a treaty between sovereign powers.*[37]

Recognizing, then, the substantial similarity between the treaties of sovereign nations and approved compacts between the States, we are led to an inquiry as to the effect of interstate "treaties" which are in conflict with the constitution of one of the signatory States.

Were the law of treaties between sovereign States to be applied to State compacts without modification, then the rule would be that the compact could not supersede constitutional provisions. The treaty-making power of the United States does not extend "so far as to authorize what the constitution forbids." [39] Logic would lead one to conclude therefore that the State of Colorado, for example, could not enter into a compact which would impair the right to appropriate the unappropriated waters of the State, a constitutionally guaranteed right. But, as we shall see, logic bows to necessity. We find that in one way or another the Supreme Court has given effect to the provisions of the pacts between the States in spite of allegedly conflicting State constitutional provisions. Three decisions of the United States Supreme Court will be sufficient illustration.

In *State* v. *Sims,* [39] the court considered a compact negotiated by eight States to control pollution in the Ohio River system. The State auditor of West Virginia refused to issue a warrant for the sum appropriated by the West Virginia Legislature. The auditor's position was upheld by the West Virginia Supreme Court, which held that the legislature's act approving the compact was contrary to the provisions of West Virginia's constitution, in that it bound future legislatures to make appropriations to fulfill the terms of the compact. Ordinarily, the decision of the highest court of a State as to the interpretation of the constitution of that State is the final word. The United States Supreme Court, however, reversed the decision. But rather than simply and forthrightly holding that a compact, having been approved by Congress, supersedes State laws or constitutional provisions, the Court elected to disregard the State Supreme Court's construction of that State's constitution and impose its own interpretation. The Court justified this by saying:

Just as this court has power to settle disputes between states where there is no compact, it must have final power to pass upon the meaning and validity of compacts. It requires no elaborate argument to reject the suggestion that an agreement solemnly entered into between states by those who alone have political authority to speak for a state can be unilaterally nullified, or given final meaning by an organ of one of the contracting states. A state cannot be its own ultimate judge in a controversy with a sister state.[40]

This is good logic and good law, and the Court should have gone on to conclude that by entering into the compact, and approving congressional ratification, the State effectively imposed upon itself the obligations of a treaty which, if necessary, would take precedence over the constitutional provisions of the State. Instead, the Court disregarded the exceedingly well established principle that the highest court of a particular State is the final arbiter of that State's constitution, and giving its own interpretation to the West Virginia constitution, concluded that the compact did not violate its terms.

While *Petty* v. *Tennessee-Missouri Bridge Comm.*[41] did not violate a State constitutional provision, it is noteworthy for its extension and amplification of the doctrine announced in *Sims,* reserving to the United States Supreme Court all questions of interpretation of interstate compact provisions, including all laws or constitutional provisions of the various States which bear upon their rights and duties under the compact. In *Petty,* the compact created a bridge commission which built bridges and operated ferries across the Mississippi River. The question was whether this commission could be sued for damages resulting from the death of one of the employees killed in a boat collision. The lower court said "no," primarily for the reason that "The Court of Appeals laid emphasis on the law of Missouri, which, it said, construes a sue-and-be-sued provision as not authorizing a suit for negligence against a public corporation." [42] The high court, however, said: ". . . But we disagree with the construction given by the Court of Appeals to the sue-and-be-sued clause. For the resolution of that question we turn to federal not state law." [43]

The third, and for our purposes the most relevant of the cases is *Hinderlider* v. *LaPlata River & Cherry Creek Ditch Co.*[44] The right to the use of water, as evidenced by judicial decree, is recognized as a valuable property right in the State of Colorado.[45] It is given constitutional protection by a provision that "The right to divert the unappropriated waters of any natural stream to beneficial uses shall never be denied. . . ." [46]

In the LaPlata River compact, the States of Colorado and New Mexico, with the consent of the Congress, agreed that the waters of that river would be shared between the two States in accordance with certain formulas set forth in the compact. The ditch company, holder of a very early decree, insisted that it be allowed to divert the waters of the river in Colorado, which request was refused by the Colorado administrative authorities on the ground that the waters in the stream at that time were allocated by the compact to the water users of New Mexico. The Colorado Supreme Court, on the basis of that State's constitutional provision, and on the basis that the due process clauses of both the Colorado and United States Constitutions upheld the position of the ditch company.[47] It stated succinctly enough, ". . . If private rights may be stripped from the citizen by state 'compacts,' by legislative fiat, by commissioners, by the uncontrolled discretion of state engineers, then 'due process' is dead in Colorado." [48]

The United States Supreme Court, however, concluded otherwise; it found that there was no property to take, by due process or otherwise.[49] The Colorado constitutional right of appropriation, while mentioned, was thought not relevant on the grounds that it had effect only upon Colorado's share of the waters of an interstate stream, and that the waters reserved by the compact to New Mexico were therefore not subject to appropriation. In the words of the Court:

. . . The compact—the legislative means—adapts to our union of sovereign states the age-old treaty making power of independent sovereign nations.

. . . As Colorado possessed the right only to an equitable share of the water in the stream, the decree of January 12, 1898, in the Colorado water proceeding, did not award to the ditch company any right greater than the equitable share. Hence, the apportionment made by the Company cannot have taken from the Ditch Company any vested right, unless there was in the proceedings leading up to the Compact or in its application, some vitiating infirmity. No such infirmity or illegality has been shown.[50]

We must assume that, in the future, similar constitutional questions will continue to be finessed. But, the point is that the compact will be upheld and its provisions enforced whether they are in accord with or contrary to the provisions of the constitutions of the several signatory States.

These cases and cases similar to them also answer our inquiry as to a means by which final, nonconflicting judicial interpretations of compacts can be obtained. The United State Supreme Court will stand as the final arbiter and interpreter of the compact. This will be true whether or not the compact so provides. As the Court said in one case:

"We now conclude that the construction of such a compact sanctioned by Congress by virtue of Article I, Section 10, Clause 3 of the Constitution, involves a federal "title, right, privilege, or immunity" which when "specifically set up or claimed" in a state court may be reviewed here on certiorari. . . ." [51]

Under this doctrine, the Court may, as in *Sims* and *Hinderlider,* elect to review the final decisions of State courts. Or, as in *Petty,* the compact may specifically grant jurisdiction to the inferior Federal courts. The writer would recommend that such a provision be inserted in any proposed interstate compact concerning interstate underground waters, that because the Federal courts would be more likely to uniformly construe and apply the compact provisions, and because, in many instances, a final judicial interpretation, binding all of the compacting States, could be imposed at the level of the Federal Court of Appeals, thus eliminating the delays, expense, and uncertainty of taking the case to the United States Supreme Court.

Interstate Compacts and the Reserved Rights Claims of the United States

A final interstate water problem which should be resolved by the interstate compact is the problem of the claims of the United States itself. There are a number of cases giving rise to the government's present claim that it has certain "reserved rights" to certain waters in the Western United States. Preeminent among these cases are *Winters* v. *United States* [52] and *Arizona* v. *California.*[53]

In *Winters,* an Indian reservation was created by agreement between the United States Government and Indian tribes whereby the Indians deeded most of Montana in exchange for the right to live on the reservation. In a dispute between the Indians and the other appropriators, the appropriators

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were enjoined from interfering with the use of certain waters of the river by residents of the reservation. The court said: "The power of the government to reserve the waters and exempt them from appropriation under the state laws is not denied, and could not be. . . . That the government did reserve them, we have decided. . . ." [54]

In *Arizona* v. *California*, there was wording which would appear to broaden the *Winters* doctrine to apply to waters other than those of Indian reservations.

In these proceedings, the United States has asserted claims to waters in the main river and in some of the tributaries for use on Indian Reservations, National Forests, Recreational and Wildlife Areas, and other government lands and works. While the Master passed upon some of these claims, he declined to reach others, particularly those relating to tributaries. We approve his decision as to which claims required adjudication, and likewise we approve the decree he recommended for the government claims he did decide.[55]

And the court made the following broad statement "We have no doubt about the power of the United States under these clauses to reserve water rights for its reservations and its property." [56]

The exact nature, limitation, and extent of the Federal reserved rights is not known. The United States has, in Colorado, filed sweeping claims for waters arising on, or running through, all types of Federal reservations. If the reserved right doctrine is as broad as is thought by the Department of Justice, then it certainly extends to underground waters if they originate on, or lie under, a Federal reservation.

Take for example, the wording of one of the claims made by the United States in a pending water adjudication proceeding in Colorado:

The United States of America hereby claims certain quantities of the surface, ground, and underground waters, both tributary and nontributary, which were unappropriated as of the reservation dates, and which are or will become reasonably necessary to fulfill the present and future purpose or purposes for which said reservations were created. . . .The United States claims direct water rights, storage water rights, transportation rights and well rights for purposes which include, but are not limited to, the following: growth, management and production of a continuous supply of timber; recreation; domestic uses; municipal and administrative-site uses; agriculture and irrigation; stock grazing and watering; the development, conservations and management of resident and migratory wildlife and wildlife resources, the terms wildlife and wildlife resources including birds, fishes, mammals, and all other classes of wild animals, and all types of aquatic and land vegetation upon which wildlife is dependent; fire fighting and prevention; forest improvement and protection; commercial, drinking and sanitary uses; road watering; watershed protection and management and the securing of favorable conditions of water flows; wilderness preservation, flood, soil and erosion control; preservation of scenic, aesthetic and other public values; and fish culture, conservation, habitat protection and management.[57]

The claims are exceedingly vague as to the extend of the alleged right, and purposely so, since it seeks to include not only present but future uses, whether or not now foreseen. As can be imagined, the United States' claims are being vigorously opposed by many individuals and entities, including the State of Colorado. These protestors have argued and will argue against any recognition of the reserved right doctrine, save perhaps as may pertain to Indian reservations,[58] Federal power projects,[59] and the waters of large navigable rivers,[60] all of which have, in one form or another, been recognized by the Supreme Court, and all of which are thought to be distinguishable from the present claims. Further, they will argue, even if some applicable reserved rights do exist, they must be quantified as to time and volume or face the peril of the absolute destruction of effective administration of appropriate water rights, and even of the rights themselves.

It will probably be two or more years before the referee assigned to the consolidated reserved rights case can make his report; and after court hearings are completed in Colorado the case will inevitably and necessarily wend its way to the United States Supreme Court for ultimate determination. The final outcome can only be surmised. It is clear that no definite answer will be forthcoming for the several years during which the litigation is pending. Thus, no particular service would be rendered by this report including a detailed discussion of all of the claims and defenses that will be urged, argued, and, hopefully, decided. Suffice it to say that if the aim of an interstate compact is to allow proper management and highest beneficial use of underground waters, this aim certainly cannot be accomplished in the Western States without some resolution of the rights or claims of the United States. If the United States does have the broad rights it claims to have, no management plan could possibly succeed without the government's acquiescence and participation. Such acquiescence can be obtained through Congressional approval of the negotiated interstate compact; Congress would, without doubt, be deemed to have agreed to the plan of management upon the passage of the approving act, unless the act is qualified. Unfortunately, probably because of the vagaries of the Federal claim, there has been an increasing tendency to insert in negotiated compacts a provision reading substantially as follows:

Nothing in this compact shall be construed as effecting any rights or powers of the United States of America, its agencies or instrumentalities, in or to the waters of (named underground basin), or its capacity to acquire rights in and to the use of said waters.

It may be that in the absence of such a provision, Congressional approval may be politically impossible to obtain. Unfortunately, with such a provision, management of interstate underground aquifers will generally be imperiled, or impossible, if the United States Supreme Court should ultimately concur with the Justice Department as to the nature and extent of Federal claims to surface and underground waters. Whatever the politics of the situation, practical management dictates that the problem must be resolved, and that many compacts negotiated in the Western States in regard to interstate underground waters must, if the contract is to have efficacy, avoid the inclusion of such a provision.

The "reserved rights" of the United States, if any, exist, if at all, and by definition, only in connection with Federal "reservations." In the eastern riparian States they should pose no barrier to efficient groundwater management, for the reasons that (1) to the extent that Federal "rights" are riparian rights, they are an incident of land ownership, are already recognized, and create no area of confusion or uncertainty; (2) the Federal reservations are relatively small, and the effect of United States ownership is, accordingly, minor.

Even in the Western States, where vast Federal reserves are accompanied by gargantuan Federal water claims, there are undoubtedly many interstate water basins removed from and unaffected by any substantial Federal rights.

Compacts in the Eastern States and in unaffected areas of the Western States may therefore be consummated even though the extent of Federal rights remains judicially unresolved.

LITIGATION BETWEEN THE STATES

Interstate litigation is a very likely result of continued inaction by the States in regard to either the passage of appropriate legislation or the adoption of interstate compacts designed to impose or to allow the imposition of management controls on interstate underground aquifers. Whatever the perils and uncertainties of litigation, it at least affords a forum and a decision. The main advantages of the interstate compact, flexibility and expertise, are sacrificed for finality. Justice may be difficult to come by since the courts are not ideally designed to weigh the conflicting opinions of experts. Despite these hazards, the aggrieved State will find this option attractive because it does resolve the dispute.

Suits between States involve the original jurisdiction of the United States Supreme Court.[61] In other words, the Supreme Court acts as a trial court and determines not only the law, but the facts. Recognizing the complexities of the issues, the Court will be inclined to appoint a master to hold hearings, and to submit his findings and recommendations, supported by a record of the proceedings, to the Court.[62] The Court, however, makes the final decision.

Litigation between the States in regard to water disputes is not a new concept; however, it has thus far been confined to surface waters. Some reasons for this were discussed above. Suits have dealt with both the question of quality and the question of depletion. While the aggrieved State has not always been successful in proving its allegations of damage to its citizens, there has been no reluctance on the part of the Court to grant relief where it has felt it to be justified. Thus, in a pollution case, the Court observed:

The health, comfort, and prosperity of the people of the State and the value of their property being gravely menaced . . . the State is the proper party to represent and defend such rights by resort to the remedy of an original suit in this Court under the provisions of the Constitution of the United States.[63]

In water-quality cases, the injured State generally seeks injunctive relief to compel the offending State to require its citizens to cease polluting the common waters. We have said that the request for injunction will be denied if proof fails; [64] but if the aggrieved State's case proves its allegations, the injunction will be granted. In a case involving the States of New York, New Jersey, and Pennsylvania, diversions in excess of a specific amount of water were prohibited, treatment facilities were ordered constructed, and compensating water releases were required; all of these remedies were designed to preserve the quality of the Delaware River.[65]

Similarly, in water-quantity cases, the Supreme Court is prepared to act. As always, a failure to prove injury will result in a denial of relief,[66] but the question of injury is not the only matter of inquiry. The Supreme Court has developed a concept pertaining to interstate streams, and the relative rights of the States to the water therefrom, which is known as the "doctrine of equitable apportionment." Its application is well illustrated by the cases of *Wyoming* v. *Colorado*,[67] and *Nebraska* v. *Wyoming*.[68]

In the first of these cases, Wyoming sought proposed diversions by Colorado from the Laramie River, an interstate stream having its headwaters in Colorado and flowing north from the State into the State of Wyoming. Wyoming alleged that her citizens were entitled to a large portion of the waters of that river and that the proposed Colorado diver-

Footnotes at end of article.

sions would work irreparable prejudice to Wyoming and her citizens. Colorado contended, among other things, that it could dispose of all of the waters within its borders regardless of such effects. The Court held:

The contention of Colorado that she as a State rightfully may divert and use, as she may choose, the waters flowing within her boundaries in this interstate stream, regardless of any prejudice that this may work to others having rights in the stream below her boundary, cannot be maintained. The river throughout its course in both states is but a single stream, wherein each state has an interest which should be respected by the other.[69]

Further, the Court observed:

. . . Each of these states applies and enforces this rule (appropriation) in her territory, and it is the one to which intending appropriators naturally would turn for guidance. The principle on which it proceeds is not less applicable to interstate streams and controversies than to others. . . .

In suits between appropriators from the same stream, but in different states recognizes the doctrine of appropriation, the question whether rights under such appropriation should be judged by the rule of priority has been considered by several courts, State and Federal, and has been uniformly answered in the affirmative.[70]

The Court then concluded that the doctrine of appropriation would be recognized as applying between the States, and enjoined Colorado from diverting an amount of water which would make it unlikely that there would remain sufficient water in the Laramie River to satisfy prior appropriations in Wyoming. The substance of the holding is that States should equitably share the waters of interstate streams and that, where both States follow the appropriation doctrine, the doctrine can be applied interstate.

The second case involved the States of Nebraska, Wyoming, and Colorado, with the United States as an intervening party. It involved the waters of the North Platte River, which heads in Colorado and flows thence through Wyoming into Nebraska. Nebraska sought equitable apportionment on the principle of priority of appropriation, which doctrine was held by the Supreme Court to be applicable to all three States. At the time the action was brought, the dependable natural flow during the irrigation season had long been over-appropriated; moreover, claims by the various States were based not only upon present uses, but on projected additional uses as well.

While approving the language in the preceding case, the Court observed, "That does not mean that there must be a literal application of the priority rule."

Rather, the Court said:

Apportionment calls for the exercise of an informed judgment on a consideration of many factors. Priority of appropriation is the guiding principle. But physical and climatic conditions, the consumptive use of water in the several sections of the river, the character and rate of return flows, the extent of established uses, the availability of storage water, the practical effect of wasteful uses on downstream areas, the damage to upstream areas as compared to the benefits to downstream areas if a limitation is imposed on the former—these are all relevant factors. They are merely an illustrative, not an exhaustive catalogue. They indicate the nature of the problem of apportionment and the delicate adjustment of interests which must be made.[71]

The delicacy of these matters did not prohibit the Court from equitably apportioning waters among the three States.

Although the foregoing two cases dealt with States in which each had observed the doctrine of appropriation, it should not be thought that the Court would have difficulty in apportioning the waters among States with different water "doctrines." Although Kansas (a riparian State) was unsuccessful in its suit against Colorado for equitable reapportionment of the Arkansas River,[72] the Court observed:

One cardinal rule underlying all the relations of the States to each other is that of equality of right. . . . Yet, whenever . . . the action of one state reaches, through the agency of natural laws, into the territory of another state, the question of the extent and the limitations of the rights of the two states becomes a matter of justifiable dispute between them, and this court is called upon to settle that dispute in such a way as will recognize the equal rights of both and at the same time establish justice between them.

Further:

. . . Reclamation is possible only by the application of water, and the extreme contention of Colorado is that it has a right to appropriate all the waters of this stream for the purpose of irrigating its soil and making more valuable its own territory. But the appropriation of the entire flow of the river would naturally tend to make the lands along the stream in Kansas less arable. It would be taking from the adjacent territory that which had been the customary, natural means of preserving its arable character. On the other hand, the possible contention of Kansas, that the flowing water in the Arkansas must, in accordance with the extreme doctrine of the common law of England, be left to flow as it was wont to flow, no portion of it being appropriate in Colorado for the purposes of irrigation, would have the effect to perpetuate a desert condition in portions of Colorado beyond the power of reclamation. Surely here is a dispute of a justiciable nature which might and ought to be tried and determined. If the two states were absolutely independent nations, it would be settled by treaty or by force. Neither of these ways being practicable, it must be setled by decision of this court.

In determining such a controversy, the Court said:

. . . We must consider the effect of what has been done upon the conditions in the respective states, and so adjust the dispute upon the basis of equality of rights as to secure as far as possible to Colorado the benefits of irrigation without depriving Kansas of the like beneficial effects of a flowing stream.[73]

The original case dismissed the suit of Kansas "without prejudice to the right of the plaintiff to institute new proceedings whenever it shall appear that, through a material increase in the depletion of the waters of the Arkansas by Colorado, its corporations or citizens, the substantial interests of Kansas are being injured to the extent of destroying the equitable apportionment of benefits between the two states resulting flow of the river."[74]

Kansas accepted this invitiation, but could not show the circumstances required by the Supreme Court, and continued to be unsuccessful.[75] The matter was finally resolved by compact between the two States.

The doctrine of equitable apportionment should be equally as applicable to underground water as to surface waters. When the demands for the underground water source are such that the adjoining States become embroiled in a controversy which would, in independent States, require a treaty or settlement by force, the Supreme Court will take jurisdiction. If the lower State can show that under the particular physical and climatic conditions prevailing, and considering (1) the consumptive use of water by the various States, (2) the character and rate of return flows, (3) the extent of established uses, and (4) the availability of storage water (or water stored underground), damage to the respective areas can be expected to be produced by continued unregulated withdrawals, then the Supreme Court, upon the application of one of the States, can be expected to impose upon the States its own managerial concepts. Though this action may be called "equitable apportionment," it will in reality be a managerial act. It will solve the problem, albeit not to everyone's satisfaction. The Court will act, if necessary; however, it, too, prefers the compact. In a water-quality case it cautioned:

We cannot withhold the suggestion . . . that the grave problem of sewage disposal . . . is one more likely to be wisely solved by cooperative study and by conference and mutual concession on the part of representatives of the states so vitally interested in it than by proceedings in any court however constituted.[76]

INTERNATIONAL CONSIDERATIONS

Ground water disregards both State lines and international boundaries with impunity. We have said that within the States, interest in insufficient water supply or deteriorating water quality is first observed in connection with surface flows, and the similar concerns regarding underground supplies are expressed much later. The same is true of international waters, and already disputes concerning surface flows are emerging.

For example, Mexico has long complained of alleged increasing salinity of the Colorado River, and the United States may feel compelled to take mild or perhaps drastic steps to improve the quality of that river's waters. This may include a prohibition against this country's citizens, prohibiing certain pumping and discharge of developed underground flows alleged to contain high concentration of salts, demonstrating again the interrelationship of surface and underground waters. In any event, we must expect that our international conflicts will not be limited to surface waters; sooner or later, we must grapple with the depletion and pollution of international underground waters. The choice of legal remedies, however, is narrowed to one: the treaty. No court's writ is effective beyond national boundaries, and World Court opinions are without enforcement power.

As an interstate compact is, in a sense, a treaty between sovereign States, so, conversely, a treaty between sovereign and independent nations is, in essence, a compact or agreement between those nations. It is made by the President, with the "advice and consent" of the Senate,[77] and, together with the Constitution and the laws of the United States, constitutes "the Supreme Law of the Land."[78] As such, it effectively supersedes conflicting State laws.

It is the necessary result of the explicit declarations of the Federal Constitution . . . that where there is a conflict between a treaty and the provisions of a state constitution or of a state statute, . . . the treaty will control. Its provisions supersede and render nugatory all conflicting provisions in the laws or constitutions of any state.[79]

As Clausewitz would observe, the alternative to the treaty is war; we will take it as proved that the treaty is the better alternative.

CONCLUSION

We have attempted to examine the legal-managerial aspects of the depletion and pollution of interstate ground waters in an attempt to determine the managerial system that is best, as well as the one most likely to be adopted.

Litigation between private individuals will constitute extremely poor, sporadic endeavors, and will not be generally effective.

Footnotes at end of article.

Uniform ground-water laws to be adopted by adjoining States, or reciprocal State legislation allowing the formation of interstate ground-water districts, are politically unfeasible and subject to debilitating limitations. Federal legislation is neither likely nor desirable except in the area of pollution control. Informal agreements won't work. Two apparently viable alternatives remain: the interstate compact and litigation between the States.

Our conclusion must be that the interstate compact is by far the most effective, most sound, most flexible, and overall the most satisfactory approach that can be recommended. Regrettably, our conclusion must also be that, between these two alternatives (the interstate compact and litigation between the States), it is also the less likely, and that litigation between the States seeking equitable apportionment of available ground waters can be expected unless there is an unprecedented awakening to reality and to responsibility among the water users and water administrators of the affected States.

FOOTNOTES

[1] For a complete discussion of the rationale behind the various groundwater "doctrines" see Kinney, *Irrigation and Water Rights* (2nd Ed.), particularly Sections 1153–1165 concerning "subterranean water courses" and Sections 1185–1211 concerning "percolating waters."

[2] See, for example, analysis and criticisms discussed in Report No. NWC–L–72–026, "Ground Water Law, Management and Administration," prepared by Professor Charles E. Corker for the National Water Commission (October 1971).

[3] For jurisdiction over the person see *Restatement, Conflict of Laws*, Section 78; for jurisdiction over the subject (the well) see Section 98.

[4] *Restatement, supra*, Sec. 382.

[5] *Ibid.*

[6] *Restatement, supra*, Sec. 378.

[7] *Restatement, supra*, Sec. 377.

[8] The answer is clearer where surface water injuries are involved. *Restatement, Conflict of Laws*, in a comment on clause (c) of Section 379, gives an example:

Thus, if an actor maintains an artificial reservoir filled with water in a state in which he is liable for harm caused by the escape of the water only if the reservoir was negligently built or maintained, and the water escapes therefrom and causes harm to another in a state in which the maintenance of such a reservoir is at the peril of the actor, the law of the latter state will determine the actor's liability for the harm thus caused.

[9] *Conant* v. *Deep Creek & Curlew Valley Irr. Co.*, 23 Utah 627, 66 Pac. 188 (1901).

[10] *Willey* v. *Decker*, 11 Wyo. 496, 73 Pac. 210 (1903).

[11] *Taylor* v. *Hulett*, 15 Idaho 265, 97 Pac. 37 (1908).

[12] *Lamson* v. *Vailes*, 27 Colo. 201, 61 Pac. 231 (1900).

[13] *Conant* v. *Deep Creek & Curlew Valley Irr. Co., supra*, 66 Pac. at 190.

[14] *Erie R. Co.* v. *Tompkins*, 304 U.S. 64, 82 L. Ed. 1188, 58 S. Ct. 817 (1938).

[15] *Hoge* v. *Eaton*, 135 Fed. 411 (Colo. 1905).

[16] *Bean* v. *Morris*, 221 U.S. 485, 55 L. Ed. 821, 31 S. Ct. 703 (1911).

[17] *Rickey Land & Catle Co.* v. *Miller & Lux*, 218 U.S. 258, 54 L. Ed. 1032, 31 S. Ct. 11 (1910).

[18] Vol. 1, Wiel—*Water Rights in the Western States* (3rd Ed.), Sec. 343. (Emphasis supplied.)

[19] *Coffn* v. *Left Hand Ditch Co.*, 6 Colo. 443 (1883).

[20] Water Right Determination and Administration Act of 1969, Art. 21, Chapter 148, CRS 1963, as amended.

[21] *La Jara Creamery & Livestock Assn.* v. *Hansen*, 35 Colo. 105, 83 Pac. 644 (1905).

[22] Wyoming Statutes, 1957, 41–201 to 216.

[23] Wyoming Statutes 1957, 41–121 to 147.

[24] *U.S.* v. *Rio Grande Dam & Irrigating Company*, 174 U.S. 690, 43 L. Ed. 1136, 19 S. Ct. 770 (1899).

[25] Act of June 30, 1948, Ch. 758, 62 Stat. 1155, 33 USC 46, *et. seq.*

[26] 33 USC 46(a).

[27] 33 USC 466a. (Emphasis supplied.)

[28] 33 USC 466b (a).

[29] 33 USC 466g (b).

[30] 83 USC 466(c)(1).

[31] 33 USC 466d.

[32] *Poole* v. *Fleeger*, 11 Pet. 185, 8 L. Ed. 680, *Wyoming* v. *Colorado*, 286 U.S. 494, 76 L. Ed. 1245, 52 S. Ct. 621 (1932).

[33] This study, page IID–15.

[34] Art. I, Section 10, Constitution of the United States of America.

[35] This is becoming more and more theoretical.

[36] As succinctly stated by Mr. Justice Frankfurter: "A compact, is after all, a contract." (Dissent, *Pette* v. *Tennessee-Missouri Bridge Comm.*, 359 U.S. 275, 3 L. Ed. (2d) 804, 79 S. Ct. 785, 792 (1959).

[37] *Rhode Island* v. *Mass.*, 12 Pet. 657, 725, 9 L. Ed. 1233 (1838).

[38] *Asakura* v. *Seattle*, 265 U.S. 332, 68 L. Ed. 1041, 44 S. Ct. 515 (1924).

[39] *State* v. *Sims*, 341 U.S. 22, 95 L. Ed. (2d) 713, 71 S. Ct. 557 (1951).

[40] *Ibid.*, 71 S. Ct. at 560.

[41] 359 U.S. 275, 3 L. Ed. (2d) 804, 79 S. Ct. 785 (1959).

[42] *Ibid.*, 79 S. Ct. at 789.

[43] *Ibid.*, at 789.

[44] 304 U.S. 92, 82 L. Ed. 1202, 58 S. Ct. 903 (1938).

[45] See, for example, *Strickler* v. *Colorado Springs*, 16 Colo. 61, 26 Pac. 313 (1891).

[46] Art. XVI, Section 5, Constitution of the State of Colorado.

[47] 93 Colo. 128, 25 P. (2d) 187 (1933); 101 Colo. 73, 70 P. (2d) 849 (1937).

[48] *Ibid.*, 93 Colo. at 132.

[49] 304 U.S. 92, 82 L. Ed., 1202, 58 S. Ct. 803 (1938).

[50] *Ibid.*, 58 S. Ct. at 808 and 810.

[51] *Delaware* v. *Colburn*, 310 U.S. 419, 84 L. Ed. 1287, 60 S. Ct. 1039 (1940).

[52] 207 U.S. 564, 52 L. Ed. 340, 28 S. Ct. 207 (1908).

[53] 373 U.S. 546, 10 L. Ed. (2d) 542, 83 S. Ct. 1468 (1963).

[54] 28 S. Ct. at 212.

[55] 83 S. Ct. at 1495.

[56] *Ibid.*, at 1496.

[57] Petition of the United States of America, Cases Nos. W–85 and W–86, in the District Court for Water Division No. 6 of the State of Colorado. (Emphasis supplied.)

[58] *Winters* v. *U.S., supra.*

[59] *Federal Power Commission* v. *Oregon*, 349 U.S. 435, 99 L. Ed. 1215, 75 S. Ct. 832 (1955).

[60] *Arizona* v. *California, supra; United States* v. *Rio Grande Dam & Irr. Co.*, 174 U.S. 690, 43 L. Ed. 1136, 19 S. Ct. 770 (1899); *First Iowa Hydro-Electric Cooperative* v. *Federal Power Commission*, 328 U.S. 152, 90 L. Ed. 1143, 66 S. Ct. 906 (1946).

[61] Art. III, Sec. 2, Constitution of the United States of America.

[62] See for example, *Arizona* v. *Calif.*, 373 U.S. 546, 10 L. Ed. 542, 83 S. Ct. 1468 (1963).

[63] *N.Y.* v. *N.J.*, 256 U.S. 296, 65 L. Ed., 937, 41 S. Ct. 492. (1921). New York lost the case because, on conflicting evidence, it failed to convince the court that the discharge of sewage by New Jersey into New York Harbor was going to cause harm. The court, while denying relief, invited New York to return if the circumstances changed.

[64] *N.Y.* v. *N.J., supra; Conn.* v. *Mass.*, 282 U.S. 660, 75 L. Ed. 602, 51 S. Ct. 286 (1931), *Mo.* v. *Illinois*, 180 U.S. 208, 45 L. Ed. 497, 21 S. Ct. 331 (1901); 200 U.S. 496, 50 L. Ed. 572, 26 S. Ct. 268 (1906).

[65] *N.J.* v. *N.Y.*, 283 U.S. 336, 75 L. Ed., 1104, 51 S. Ct. 478 (1931), 347 U.S. 995, 98 L. Ed. 1127, 74 S. Ct. 842 (1954).

[66] The State of Kansas was singularly unsuccessful in enjoining Colorado irrigators from diversions from the Arkansas River. *Kansas* v. *Colorado*, 206 U.S. 46, 51 L. Ed. 956, 27 S. Ct. 655 (1907); 316 U.S. 645, 86 L. Ed. 1729; 62 S. Ct. 1102 (1942); 319 U.S. 729, 87 L. Ed. 1692; 63 S. Ct. 1169 (1943). "All these considerations persuade us that Kansas has not sustained her allegations that Colorado's use has materially increased, and that the increase has worked a serious detriment to the substantial interests of Kansas." 320 U.S. 383, 88 L. Ed. 116, 64 S. Ct. 176, 184 (1943).

[67] *Wyo.* v. *Colo.*, 259 U.S. 419, 66 L. Ed. 999, 42 S. Ct. 552 (1922); 286 U.S. 494, 76 L. Ed. 1245, 52 S. Ct. 621 (1932).

[68] *Nebr.* v. *Wyo.*, 325 U.S. 589, 89 L. Ed. 1815, 65 S. Ct. 1332 (1945), 66 S. Ct. 1 (decree).

[69] *Wyo.* v. *Colo., supra*, 42 S. Ct. at 558.

[70] *Ibid.*, at 559.

[71] *Nebr.* v. *Wyo., supra*, 65 S. Ct. at 1350 and 1351.

[72] *Kansas* v. *Colo., supra.*

[73] *Ibid.*, at 667 and 668.

[74] *Ibid.*, at 676.

[75] *Kansas* v. *Colo.*, 320 U.S. 383, 88 L. Ed. 116, 64 S. Ct. 176.

[76] *N.Y.* v. *N.J.*, 256 U.S. 296, 65 L. Ed. 937, 41 S. Ct. 492 at page 498 (1921).

[77] Article II Section 2, Constitution of the United States of America.

[78] Article VI, Constitution of the United States of America.

[79] 52 Am. Jur. (Treaties) Section 18, page 816.

ECONOMISTS ADDRESS INFLATION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have the statement of Dr. Walter Heller, as delivered before the Joint Economic Committee, printed at this point in the RECORD. I strongly recommend its reading by every Member of the Congress. I also ask that the statement of Dr. James S. Duesenberry also be printed at this point in the RECORD. These two eminent economists have given us some valuable information and guidance in our efforts to curb the rising inflation.

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

STATEMENT OF WALTER W. HELLER

In addition to the customary review of economic development and policy, Senator Proxmire has asked for suggestions on aspects of the inflation problem that the Joint Economic Committee should examine in response to the Senate resolution instructing it to undertake an emergency study of the state of the economy with special reference to inflation. I will open with a list of such suggestions and continue with a statement of my own conclusions and convictions concerning the handling of the inflation problem in the light of the steadily worsening outlook for economic recovery.

At the outset, let me say that, with or without a Senate (and House) resolution, it is high time for the kind of sober and balanced analysis that the Joint Economic Committee can bring to the inflation problem. We are currently in the grip of an inflation psychosis. In a recent survey, 87% of the public list inflation as their number one concern. In the face of our dangerous double-digit inflation and given our almost traumatic state of mind about it, we run substantial risks of over-reacting, of practicing one-dimensional economics that counts—or over-counts—the benefits of tight money and budget austerity without weighing the costs. A judicious inquiry by your Committee can help us maintain a balanced perspective on the problem. It can help us avoid that worst of all worlds: Selling our soul—

full employment and fair sharing of benefits and burdens—to that devil, inflation, and not getting deliverance in the bargain.

In the process of its investigation, the Committee will face an agenda of unrelentingly hard questions. Let me list some of the major ones, together with occasional suggestions as to where the answers seem to lie.

An obvious starting point of the inquiry would be to sort out the causes of our current inflation, attempting particularly to distinguish between the endemic and epidemic aspects of the problem. The particular causes of the 1973–74 inflation will tell us at least something about the appropriate cures. If inflation today is really in large part the lingering legacy of excess domestic demand, a policy of super-tight money and budget restraint is more appropriate than if, as I suspect, much of it has a one-shot character associated with food, fuel, and raw commodity price explosions. This is not to say that understanding how the inflation genie got out of the bottle will tell us how to put him back in. In particular, the Committee will want to determine how much of the one-shot inflation is being built into the fabric of the cost and price structure through the gathering momentum of a new price-wage spiral.

As already implied, a closely related question is whether inflation will succumb to the pressure of tight money and austere fiscal policy. Here, the spectre of 1969–71 haunts us. Tightening first the fiscal and then the monetary screws, thereby generating a recession and 6% unemployment, did not prevent inflation from steadily worsening until prices and wages were frozen. Careful econometric analyses by James Tobin (in the most Brookings *Papers On Economic Activity*) and by Otto Eckstein (in publication of Data Resources, Inc.) identify the heavy price we would have to pay for "staying the long course." Eckstein estimates that we would have to endure unemployment of 8% for at least two years to cut inflation back to a 4% rate if we rely solely on monetary and fiscal restraint. He rightly dubs this "overkill" and concludes that "the financial system would collapse before we cracked inflation."

Since a large part of the damage done by inflation is distributional—inequities between those on fixed and those on responsive incomes, between the poor who spend a high percentage of their income on food, fuel, and housing, and the well-to-do for whom such outlays are proportionately much smaller, and so on—an important part of the Committee's inquiry should focus on who gains and who loses from inflation (for which the study by G. L. Bach in the July/August 1974 *Challenge* is a good point of departure). But two caveats are in order:

The 1973–74 inflation *is* different. Where inflationary pressures are generated by vigorous monetary-fiscal expansion that tighten job markets, the poor tend to gain in increased jobs and income as much as, or even more than, they lose through higher prices. But this time around, runaway food and fuel prices eroded their real incomes without any compensating benefits in jobs and earnings.

The inquiry must extend beyond the costs inflicted by inflation itself to the costs implicit in a policy of fiscal-monetary austerity to combat it. The evidence may well show that certain groups—especially in the lower income and wage-earning categories—are hit by a double whammy in this process.

Accompanying the analysis of distributional questions should be a parallel appraisal of the damages and costs of inflation balanced against the damages and costs of a more and more openly avowed policy of induced economic slack and torpor to check inflation. The costs of this policy in terms of output, jobs, productivity, profits, and financial stability are potentially huge. No one in the Administration seems to doubt that the game is worth the gamble. But many critics, myself included, feel that in their efforts to throttle inflation, they will strangle recovery, endanger financial stability, and retard the capital spending and productivity advances that promise longer-run relief from intense price pressures and shortages. Who is right? The country will be looking to the Joint Economic Committee for the answer.

In seeking that answer, the Committee will also have to judge whether the Administration is right in dismissing the current slump as an "energy spasm" or shortage phenomenon rather than a reflection of inadequate demand. In my view, the combination of contractionary monetary and fiscal policy and the demand-deflating effect of skyrocketing oil prices supports the latter explanation—and this will be increasingly so as Federal Reserve policy squeezes demand even harder. Given the sharp upward revision in the statistics on inventory accumulation and, with a few notable exceptions, diminishing evidence of shortages, deficiencies of demand and growing excess capacity will become increasingly evident. Debate over the politics and semantics of "recession" merely divert attention from the real problem, namely, how far below our output and employment potential are we going to drive the economy in the course of our war on inflation?

This leads directly to a series of policy questions on which the Committee inquiry can shed important light:

Since policy for the "new inflation" cannot limit itself to the demand management, the Committee's study can make an important contribution by appraising the possibilities of supply management, ranging from better information devices to means of anticipating and averting supply shortages and production bottlenecks.

An objective evaluation of the possibilities of selective credit policies is also very much in order. Given the inequity of present credit restraints and their failure to distinguish between productive and speculative investment, one needs to take a hard look at policies that go beyond reliance on high prices to ration credit. Given the fungibility of money, what steps can the Federal Reserve Board take to help on this score?

On the wage-price front, any light the Committee could shed on two basic questions would be most helpful. The first is that hardy perennial: Where *is* competition a good policeman, and where is a government presence needed to counteract the excess market power of key unions and big business and make them behave in a more competitive way? Second, what *are* the possibilities of economic detente between business and labor? In the absence of any White House attempts (and liability) to bring about some kind of an economic disarmament agreement, Congress should develop an agenda that might lead to a mutual de-escalation of labor and management demands.

Various proposals for tax relief such as boosting income tax exemptions, converting such exemptions into tax credits, and exempting the working poor from payroll taxes would clearly serve the ends of equity, but are opposed on grounds that they would worsen inflation. An objective study matching the spending patterns of the beneficiaries of such tax relief with the patterns of supply—shortage versus excess capacity—in the areas where the money will be spent would substitute reason for emotion on this issue.

Let me turn now to some observations on anti-inflation policies and their costs in the light of current economic prospects.

There is no quick fix for inflation in 1974. We can look for some ebbing as the run-up in fuel, raw materials, and food prices tapers off and as the post-controls surge subsidies. But get-ahead price increases and catch-up wage increases are translating a lot of the one-shot food-fuel-commodity inflation into a new price-wage spiral.

The old-time religion of sky-high money costs and tight budgets will be relatively ineffectual in taming inflation, short of draconian budget slashes, tax boosts and dangerously tight money. Such measures would condemn us to deep and prolonged unemployment and losses of production, profits, and income—costs that a democratic society will not and should not tolerate.

Such costs will become more and more painfully evident this summer and fall. The economic slump will be clearly revealed for what it is: not an "energy spasm," not a pause that refreshes, not a reflection of supply shortages, but a corrosive stagnation born of a short-fall in demand.

In addition to the direct costs in jobs and output, sustained stringency in fiscal and monetary policy will undermine some of our natural defenses against inflation. First, it will deny us the short-run productivity offsets to rising costs that we normally reap from a rising volume of sales and output. The combination of accelerating wage boosts and lagging productivity will build more cost-push resistance to the downward pressures of lagging demand. The longer we stunt productivity growth by choking off recovery, the more likely it is that slower productivity growth and hence higher unit costs will be built into conventional price markups.

Second, unswerving devotion to "the old-time religion" will worsen the environment for the business capital spending and technological advance that boost productivity and capacity in the longer run. Investment, innovation, and risk-taking thrive in an atmosphere of expansion and wither in stagnation. Current policy—especially in the form of hard-as-nails credit restraint—undermines the health of equity markets, pushes money costs skyward, and threatens both profitability and financial stability. In the face of this policy of calculated stagnation, no program of tax gimmicks or special incentives will induce the high investment needed to boost productivity, expanded supplies, and ease price pressures.

What we need now is not a hell-for-leather program to put the country through the wringer in the misguided hope that we will squeeze the inflationary water rather than the economic lifeblood out of it. Instead of a one-dimensional policy of throttling inflation by choking off recovery, we need to take our blinders off and adopt a balanced and comprehensive approach to the inflation problem.

First, counting not just the benefits but the costs of sustained monetary-fiscal austerity, we need to move from excessive to moderate restraint.

Second, recognizing the limitations of the traditional monetary and fiscal instruments of demand management in the face of an inflation characterized by supply shortages and growing cost pressures, policy needs to respond accordingly:

Given the self-propelling nature of the renewed price-wage spiral, policy should seek to restore an atmosphere in which an economic detente between business and labor might be possible. This won't be easy after the botch the Administration made of its late lamented controls. But without some kind of a wage-price monitor and a new set of wage-price guides—backed by powers of inquiry, publicity, suspension, and (in outrageous cases) even rollback—the outlook for inserting a circuit-breaker in the new round of cost-push inflation will remain bleak.

In the light of our traumatic experience with shortages and bottlenecks in the past couple of years, we need to explore the potential of supply management ranging all the way from better information devices like

shortage alerts and prompt export reports or licensing to the use of special financial aids (not in the form of new tax shelters) and the milder forms of credit rationing.

Rationing of credit by price alone is channeling too much of our limited financial resources in to speculation in inventories, land, precious metals, and foreign exchange to the detriment of investment in productive capital. And, as always, super-tight credit is squeezing small business, housing, and state and local borrowers. Both to curb inequities in the present allocation of credit and to curb speculative in favor of productive uses of credit, Federal Reserve policy should couple a gradual retreat from excessive tightness with the use of more selective methods of making credit available, together with a gradual phasing-out of the Regulation Q ceilings that short-change the smaller saver and distort the flow of financial resources.

A White House and Congress that are dead serious about fighting inflation ought at long last to take the political risk—in terms of stepping on the toes of articulate and well-heeled pressure groups—to put an end to the laws, regulations, and practices that make government an accomplice in many cost- and price-propping actions. Running from anti-competitive regulation of transportation rates and inadequate anti-trust enforcement to resale price maintenance and Davis-Bacon and Robinson-Patman Acts and embracing import quotas and many tariffs and the Buy America Act, to name but a few—these restrictions in the aggregate deny the American consumer substantial benefits in price and wage moderation.

Third, the fight against inflation has to be taken out of the narrow framework of stamping out inflation at all costs—and the devil take the hindmost—and put in a far broader perspective. What we need to recognize is that the major damage inflicted by inflation—and particularly an inflation arising in large part out of a food and fuel price explosion—is its distributional inequity. Coupled with this is a sense of grievance and alienation, an undermining of morale and social cohesion that may be inflation's greatest cost. One of the ironies of today's inflation is that both the nature of the price explosion and the nature of the weapons we are using to fight it tend to discriminate against the lower and middle income groups. Apart from the usual built-in biases of monetary policy, budget policy has been squeezing social programs while enlarging defense outlays. And tax policy—except for the minor relief to low income groups tentatively approved by the Ways and Means Committee—shows far too little concern about those who are being short-changed by inflation. A truly balanced attack on inflation would couple the restraints of fiscal and monetary policy with measures to redress the grievances of inflation:

More generous unemployment insurance and a greatly expanded public service jobs program are a vital necessity under a policy which is taking the "cure" of unemployment and economic slack for the disease of inflation.

The vicious inroads of food and fuel price run-ups on the real income of lower income groups and wage earners—the statistics on erosion of the real incomes of wage earners and the relative incomes of blacks serves as disheartening testimony on this score—call not only for more generous food stamp and housing allowances but relief from payroll taxes for the working poor and increases in personal income tax exemptions, standard deductions, and low income allowances.

It is particularly important to put the proposed tax relief program in proper perspective. First, it contemplates a reduction of $6 to $8 billion out of total personal income and payroll tax revenue of $215 billion. Second, for the longer pull, such revenues can readily be made up by a program of long overdue tax reform and will, in any event, be more than offset by inflation's impact on income tax revenues. Third, as liberal critics need to be reminded, this carefully targeted tax relief would in itself be part and parcel of a program of fiscal and social justice just as much as a program of positive government outlays to the same groups. Fourth, as conservatives need to be reminded, most of the tax benefit would not pour gasoline on the raging fires of inflation but rather be fed into a sagging economy characterized by increasing slack and widening areas of excess capacity.

REMARKS BY JAMES S. DUSENBERRY

I first testified before the Joint Economic Committee in February, 1958. At that tme we were all fearful that the recession could turn into a real depression. In the intervening years recessions have not been our problem. For a decade the rate of inflation has been accelerating in this country and in most industrial countries. The process cannot go on indefinitely. Accelerating inflation causes all sorts of social friction because some people gain and some people lose. The losers are justifiably angry and frustrated. It endangers the existence of firms and financial institutions, which cannot change prices readily or quickly adjust existing contracts. At the same time some firms and individuals are led to make commitments which can only be justified if inflation continues or continues to accelerate. If inflation continues to accelerate there will be increasing public demand for drastic action to bring it to a halt and the cost of disinfection will become progressively greater. To permit a further acceleration in the rate of inflation is to risk a major depression.

It is less important to bring the rate of inflation down rapidly. Even a very gradual deceleration would permit everyone to adjust and would take the profit out of gambling on rising rates of inflation. But we need to exert enough downward pressure on the rate of inflation to be sure that some miscalculation on pieces of bad luck does not cause a renewed acceleration.

I shall comment very briefly on the causes of the present inflation and on the short term outlook before turning to a discussion of fiscal and monetary strategy for containing inflation. I shall then raise some questions about other types of policy for dealing with inflation and unemployment. Finally, I have a few comments on the problems of credit allocation.

There is no quick safe cure for inflation. Some people feel that we should take drastic measures to end inflation quickly. They propose large reductions in Federal spending, tax increases, and severe restraint on the money supply. If the present inflation were the result of widespread excess demand, whether generated by private demand or public spending, those increases might be appropriate. But it is not. It is true that there are capacity shortages in some industries. It is true that demand grew too rapidly from mid-1971 to early 1973. But neither capacity shortages nor rapid demand growth played the dominant role in the most recent acceleration of inflation. The increases in the prices of food and fuel were not due to changes in aggregate demand. Much of the increase in raw material prices was due to the expansion of demand in other countries, though the U.S. certainly contributed. Devaluation was also a factor. In any case, whatever the cause, excess demand is not the problem at the moment. Most forecasters agree that the rate of growth of real output for the next twelve months will be very slow. Capacity utilization is likely to decline even in the materials processing industries where there are still shortages. Unemployment is expected to rise to the neighborhood of 6%. Nonetheless inflation is expected to continue at a rapid rate. Earlier increases in materials prices are still being passed through the system. Labor is demanding and obtaining large wage increases in an effort to make up for cost of living increases. A rise of 7½% in the GNP deflator and more in the CPI are expected for the next twelve months and that may be optimistic.

A rapid inflation without excess demand poses a policy dilemma. It will not be easy to find the right course of action. But certainly we ought to begin our search for wisdom by recognizing that this inflation is not primarily due to profligate spending or excessive money creation either now or in the past. If the budget had been a little smaller or the rate of monetary growth had been a little lower in 1972, the rate of growth of output would have been lower. That would have removed only one of the many causes of the step up in the rate of inflation. Given the rise in food and fuel prices the step up in inflation could only have been avoided by reducing other prices. To bring that about would have required a very substantial contraction in total demand and widespread unemployment.

Some people are prepared to argue that there is no other way to escape the cycle of price increases leading to wage increases, wage increases leading to price increases and so on. They are prepared to take strong measures to restrict demand in order to halt the spiral quickly. Unfortunately, the drastic measures proposed by some are likely either to fail or to produce a cure that is worse than the disease.

In the present circumstances budget cuts or tax increases would surely bring on a substantial recession which left to itself would last for a considerable time. A major recession would certainly tend to check inflation, but what next? Three outcomes are possible. The public in its zeal for inflation control might tolerate a major recession for a couple of years, and policy makers might engineer a gradual recovery with no renewal of inflationary pressures. That strikes me as the least likely possibility. Our experience suggests that recessions and high unemployment are no more popular than inflation. A few months of recession are likely to produce a shift toward expansionary policy and a new surge of demand which would cancel the anti-inflationary effects of the recession. A third possibility is that a severe recession would turn into a major depression. Many firms and financial institutions are now in much weaker positions than in 1958. They have far less liquidity and much more debt. A major recession could produce bankruptcies and financial panic which would lead to reductions in both investment and consumer expenditures. These could not quickly be offset by fiscal policy measures. The odds of success are too small, and the costs of failure too great to justify a drastic "cold turkey" approach to curing inflation.

There is no automatic monetary formula for insuring prosperity without inflation. Some monetary theorists argue that regardless of what happens to food prices, oil prices, or other specific prices, the underlying cause of inflation is monetary accommodation. If there is a surge of demand, originating in fiscal policy or in the private sector, the Fed lets interest rates go up a bit but also raised money growth to partially accommodate increased demand. If the rise in real demand leads to rising prices, the Fed accommodates that too. If Murphy's law works and supply changes lead to price increases, the Fed gives way again. On this view the only way to limit inflation is to limit the growth of the money supply. There will then be—in spite of some give in velocity—an upper limit to the growth of money demand. If there is a lot of inflation the rate of real growth will be low and that will check the inflation.

That is true, but there are a number of difficulties in the use of a monetary limit as the primary basis for inflation control. First, we don't really know what rate of growth of money supply will produce a specified rate of growth of money demand. Estimates of the response of GNP (other things equal) vary widely. Other factors besides monetary growth do affect GNP so other things aren't going to be equal. To put it another way, annual changes in velocity vary widely and we do not have fully satisfactory explanations of the change. Finally, there is uncertainty about the definition of money. Are NOW accounts money or not? In an era of high interest rates, substitutes for money may proliferate.

Second, even if we did have a more or less satisfactory estimate of the appropriate trend of growth in the money stock, sole reliance on adherence to that trend could produce very unsatisfactory results. Inflationary pressures from other sources working against a limited money supply might first drive up interest rates and velocity, permitting the inflation to continue for a considerable time and then, when velocity reached its limit, lead to a monetary crunch. Then we would either give up the monetary limit or face a financial panic.

Finally, a monetary limit low enough to choke off inflation when demand pressures are strong would starve the economy for money when demand pressures are weak.

I am driven to conclude that the gradualist approach to control of demand is the right one even though it doesn't promise quick or sure results. What I shall call the gradualist approach seeks to limit demand just enough to bring about a slow deceleration of inflation without a recession or a great rise in unemployment.

The gradualist approach calls for: (1) a period of slow growth with rising unemployment and declining capacity utilization during the next year; (2) a modulation toward a rate of growth somewhat higher than the rate of growth of potential output which would lead to a very gradual reduction of the unemployment rate. The theory is that in the first phase new capacity in the materials processing industries would get a chance to catch up with demand. Unemployment would rise as a by-product of the low rate of growth. Higher rates of unemployment would moderate the wage pressures generated by cost of living increases. Nonetheless, large wage increases would continue so that the rate of inflation would diminish very gradually. To be successful the gradualist program requires that fiscal and monetary policy be conducted in such a way to avoid any new surges of demand which could generate inflationary pressures.

More concretely, the gradualist approach implies that (1) the current administration budget proposals are about right, (2) new expenditure initiatives affecting future years be severely limited in view of the strong demand for capital, and (3) that budgetary restraint will permit a significant decline in short term interest rates to permit a recovery of housing production.

In addition it must be said that we must make a change in our philosophy of risk taking. For a good many years liberal economists have felt that recessions and high unemployment are costly in terms of our social problems as well as in terms of lost output. Our concern for those social problems has always led us to try if at all possible to find policies to insure against recession. Since forecasting remains an uncertain art we often find ourselves in a position in which policies required to insure against recession entail a substantial risk of too much demand. At the same time, policies required to insure that demand will not grow too fast entail a risk of recession. Many of us while fully recognizing the nature of the choice have preferred to take the risk of too much demand rather than the risk of recession. I believe that to insure against further acceleration of inflation we will have to shift the balance of risks the other way. Believe me, I don't like to say that, but I am afraid its true. That implies of course that in the next few years we will have higher average levels of unemployment than we have previously accepted.

I shall take a moment to amplify my observations on capital requirements. My colleague, Barry Bosworth, and I have nearly completed a study for the Brookings Institution in which we have estimated U.S. capital requirement to 1980. Taking account of our needs for plant and equipment, new energy sources, housing, pollution abatement and mass transit, we conclude that it will be necessary to maintain a substantial Full Employment Surplus for the next few years if these needs are to be met. Moreover, the existing commitments in the Federal Budget will absorb most of the revenues to be expected from economic growth. There is therefore little room for new expenditure initiatives or tax reductions in the next few years.

If the very severe fiscal restraint implied by those remarks is actually applied, there should be room for an early easing of current very high short rates and—depending on our progress in decelerating inflation—a gradual reduction in long term rates. As to the conduct of monetary policy, I have already indicated that I do not believe a predetermined rule will work. I do think, however, that a less accommodating policy than we have had in the past will be necessary. That means smaller swings in the rate of growth of reserves to money supply even though the direction of those adjustments is still based on economic analysis and forecasts.

OTHER ANTI-INFLATION MEASURES

A degree of fiscal and monetary restraint sufficient to prevent inflationary pressure from the demand side is a necessary condition for a deceleration of inflation. It is not a sufficient condition. Inflation has become a way of life, everyone is sensitive to it, everyone wants to beat it by getting there first with his wage or price increase. Angry workers whose real wages have fallen can create a wage explosion even when demand is weak and unemployment high. Bad crops and other random events can drive up the cost of living even when total demand is under firm control. Even if we have fairly good luck the task of turning the inflationary spiral around is a long and difficult one. Monetary and fiscal policy could use some help and there are some things that can be done.

Market power is a reality. Price and wage increases not required by supply and demand considerations can occur. In the present situation with so many capacity problems and so many distortions in the wage structure I cannot recommend a return to mandatory wage and price controls. Nonetheless, I think we ought to maintain some surveillance over market power. We should have a mechanism for monitoring wage and price changes by big firms and big unions. Controls pose all sorts of difficulties but it never does anybody any harm to have to account for his actions. Public review of major wage and price increases should be reinstituted. It won't be a major factor but it will cut off some certified outrages and will be well worth the cost.

Second, we should be looking at the cost and productivity problems of particular industries especially. The health and construction industries. The government pays for a lot of the output of those industries and should take some responsibility for them.

Third, the government should examine its own activities in the areas in which it regulates or directly influences prices.

Fourth, our labor markets could certainly be improved. There are many opportunities for improving the operation of the employment service in the simple task of matching workers with job opportunities to reduce vacancies, turnover and frictional unemployment. Beyond that there appears to be something fundamentally wrong with the transition between school and work for many of our young people, particularly those who do not go to college. I have no panacea to offer, but the Congress should be prepared to fund generously experimental programs for building bridges between school and work and for providing continuing educational opportunity for those who do not go to regular colleges.

Finally, if we accept the necessity for containing demand and for living with a relatively high unemployment rate for a time, we will need to expand training programs and some form of public employment.

CREDIT ALLOCATION

The committee has, very properly, been concerned with the allocation of credit among sectors of the economy. When monetary policy is used to restrain total demand, the allocation of expenditures as well as the total is affected. In particular, tight money has always affected housing more than any other type of expenditure. Housing has been sensitive to monetary conditions because mortgage financing depends heavily on thrift institutions which lend long and borrow short. They compete for deposits against short term credit market instruments whose rates are volatile. But the rates offered by thrift institutions are limited by their earnings which are based not on current market rates but on the average mortgage rate over a long period. When short rates move up deposit inflows to thrift institutions decline or become negative.

Rates have fluctuated on a rising trend in the last few years and the thrift institutions and mortgage market have been badly hit in 1966, 69, 73 and right now. The expansion of FNMA and GNMA activities and longer term advances by FHLB have helped to cushion the blow. Thrift institutions have been partially protected from bank competition by rate ceilings and from the credit market by the $10,000 minimum for treasury bills. It is difficult, however, to prevent competition indefinitely. Short term security offers by bank holding companies, and money market mutual funds are natural responses to limitations on competition for funds. Were these devices to be ruled out by legislation, others would be found.

While the immediate monetary prospect is poor, there is reason to hope that the situation of the thrift institutions will improve. With reasonably sensible fiscal policies, short term rates can be reduced from their current peaks. Thrift institution earnings will rise as the weight of high rate mortgages in their portfolios increases. Their competitive position should tend to improve. Nonetheless, they are likely to remain vulnerable to any episode of tight money and rising rates, even a temporary one.

In the long run the mortgage market should become less dependent on thrift institutions which lend long and borrow short. FNMA, GNMA guaranteed bond issues, and longer term security issues and advances by FHLB can be further developed, though this may require that mortgage yields rise above bond yields once again. Thrift institutions have already made considerable progress in lengthening their liabilities. They should continue to do so. They should also be given the right to issue NOW accounts in competition with commercial banks and to compete in the consumer credit market. In short, the thrift institutions should become a good deal more like commercial banks in the retail market. The mortgage market should become less dependent on short term deposit financing. Finally, the thrift institutions ought to

develop larger liquid reserves to deal with short term rate fluctuations.

These moves, together with a fiscal policy that leaves room for adequate capital formation, should solve most of the mortgage and thrift institution problems. Nonetheless, there will be times when it is necessary to take action to restrain short run surges of demand. If we use monetary instruments for that purpose, housing and the thrift institutions will be in trouble. Can we do anything further?

We can take measures to relieve monetary policy of some of the short run stabilization burden. It is not a very good instrument for that purpose. Variable taxation of investment in consumer durable purchases would operate more quickly without the side effects of monetary restraint.

There are a variety of proposals for more direct measures. Differential reserves against bank assets, e.g., low reserves for mortgages, higher ones for commercial loans would work in essentially the same way as taxes on borrowing. However, they would apply only to banks. Moreover, if the differentials were significant they would encourage a shift of financing activity into unregulated organizations especially in the large bank holding companies.

Measures to require financial institutions to invest certain proportions of their assets in mortgages have worked in other countries. However, our financial markets are larger, more complex and more flexible than those in other countries. A positive requirement that certain types of financial institutions invest given percentages of their resources in (say) residential mortgages may be workable, but would have drawbacks. Such a requirement would, of course, tend to widen the gap between the returns from mortgage lending and other investments. Indeed, the shift (by comparison with the situation in the absence of the proposed control) of (say) insurance company funds out of other markets into mortgages would push up other rates relative to mortgage rates. The result would be to weaken the competitive position of specialized mortgage lenders vis-a-vis the open market, causing a decline in mortgage lending from that source. The situation would be analogous to FNMA operations. And as in the case of FNMA operations, the regulations probably would have a net favorable effect on the supply of mortgage credit though smaller than the gross effect. But it hardly seems desirable to get snarled up in a new set of regulations to create a set of unwilling mortgage lenders. If the quantities involved were significant, lenders would be encouraged to reorganize their activities so as to move them out of the regulated sector, and other sorts of evasion would appear.

CONCLUSION

If it is desired to channel credit directly into the mortgage market, it would be better to do it through further development of financing through Federal agencies, or if absolutely necessary through direct Treasury purchases of mortgage backed securities.

To sum up, further improvements in the competitive position of mortgages can and should be made. But no financial rearrangement can be successful unless fiscal policy leaves enough capital resources available to permit us to meet all our capital requirements at reasonable interest rates. In view of the strong demand for capital which we expect in the next few years, fiscal restraint is required to fight inflation and to solve our credit allocation problems.

SENATOR WAYNE MORSE

Mr. CRANSTON. Mr. President, Wayne Morse will be probably best remembered for his early and farsighted opposition to the Vietnam war. During one of the darkest periods in our history he let the world know that the conscience of America was not dead.

But I also will remember Wayne Morse as a man who believed in making people free; free from the bonds of prejudice, ignorance, and social disadvantage; free from any tyranny that holds men and women back from becoming all that their natural abilities will allow. As a self-proclaimed believer in "constitutional liberalism," he saw progressive government as an instrument of liberation.

He was one of the ablest labor negotiators this country has ever seen. And he never broke faith with the rights of working people seeking to improve their lot through democratic action.

Senator Morse was a fighter for better education. He knew that the truth will set us free. And he knew that there can never be equality of opportunity as long as boys and girls in different communities are burdened with unequal education. The first comprehensive Federal aid to education package—the Elementary and Secondary Education Act of 1965—will be one of his lasting monuments.

Wayne Morse belongs to a proud tradition of western lawmakers who instinctively move to the side of the underdog. I remember the water rights battles over the California water plan in the 1950's and 1960's. There were few in such high office to plead the case for the family farmer and small landowners. But Wayne Morse was there, with all the fire and eloquence of his 19th-cenutry Populist forebears, just as he had been during the tidelands oil dispute and the Hells Canyon controversy.

He was there in the cause of small businessmen, too. For 14 years on the Select Committee on Small Business he made sure business people of modest means got a fair shake from their government in procurement policies and the sale of Federal lands.

He recognized poor health as a barrier to full human development and worked tirelessly for medicare and veterans hospitals and the Hill-Burton Act for private hospitals.

When he became an independent in the early 1950's, Senator Morse lost his major committee assignments and was given the District of Columbia Committee; what was then considered a less prestigious assignment. He attacked his work on this committee as fiercely as he had on the major committees. He quickly seized the opportunity to champion a whole city of underdogs. He fought to eliminate racial segregation and to deliver home rule to the city. He sponsored the legislation creating Federal City College and Washington Technical Institute.

His philosophy of public service was simple and abiding. Those who knew him well say there was no private, behind-the-scenes Wayne Morse. Everything was on the record. He believed that people inevitably will come to the right conclusion if only given all the facts. When the people err, he reasoned, it is because they have not had the benefit of the full truth. To Wayne Morse, the U.S. Senate was a crucible of ideas where the truth is hammered out in debate and delivered to the people.

Many of my colleagues remember Senator Morse for his bristling independence and tenacity, often on the lonely side of principle on a given issue. Fewer know of the private anguish that led up to some of those decisions. But once his mind was set—and he knew he was right—nothing could stop him nor slow him, regardless of the consequences to his own career.

He was one of the most sterling legislators this body has ever known. He was dedicated to serving his constituents, his country and his conscience. And he knew just where loyalty to one left off and duty to the next began.

Wayne Morse fought for the full development of the individual. He struggled to remove the bonds which hold some back, and he pushed the absolute limits of his own native abilities. He used every gift he had—his intellect, his rhetorical skills and strength of personality—to pursue excellence and his sole standard of total commitment. It is characteristic that, at the end, he refused to accept a half life, tied to a kidney machine. He preferred to accept death as he faced life—without compromise.

The loss of Wayne Morse comes within weeks of the deaths of Earl Warren and Ernest Gruening. The loss of these genuine American heroes sadly depletes our national stock.

INFLATION

Mr. McGOVERN. Mr. President, two articles in the New York Times Sunday, August 4, 1974, deal with two important aspects of inflation. The articles point out the continuing and serious nature of inflation and the consequences we can expect if the economy proceeds on the present course.

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD.

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

CAN THE ADMINISTRATION SUSTAIN OLD-TIME RELIGION?

(By Edwin L. Dale, Jr.)

WASHINGTON.—A question that frequently comes up in discussions of the course of the economy is: Will they panic?

"They" means the Nixon Administration, particularly the President himself. The question arises from the all-but-inevitable creeping upward of the nation's unemployment rate in the months ahead.

There are forecasts within the Government itself that the jobless rate will cross the magic 6 per cent mark even before the end of this year, a result of the probability that the growth of output and employment will not be nearly fast enough to absorb the new entrants into the labor force.

If the words can be believed, the Administration's position is clear: no panic. The new game plan has been spelled out over and over again—a steady course of "moderate" restraint on demand and output through fiscal and monetary policy, for several years if necessary, to reduce inflation gradually.

In his televised address last month, the

President said: "We are not going to respond to the short-term slack in the economy by priming the pumps of inflation with new deficit spending or with a new easing of credit or with tax cuts that would only make inflation worse . . . [the key to success] lies in choosing a sensible, realistic course and sticking to it, whatever the pressures. . . . The key in fighting inflation is steadiness."

In his recent appearance before the Congressional Joint Economic Committee, Kenneth Rush, the White House economic counselor, put it all in one sentence: "We intend to pursue these policies until the desired results are obtained."

Needless to say, however, there are skeptics. In the first place, the President's words later in his televised address deploring "impatience" in economic policy described precisely the situation that existed three years ago when, in fact, he did panic.

His decisions of Aug. 15, 1971, included not only price and wage controls but also (less well remembered) new stimulus for the economy through tax reduction, including abolition of the automobile excise tax and reinstitution of the business investment tax credit. Unemployment that year had been hovering persistently at the 6 per cent level—not rising but not falling, either.

The skepticism has been perhaps best expressed by Gardner Ackley, former chairman of the Council of Economic Advisers.

In a recent address he described the Administration's planned course as "not so much wrong economics as silly politics." Arguing that "everyone knows we are not going to put down inflation at whatever cost," Mr. Ackley said that it is all the more difficult, because of this general conviction, to make a policy of sustained restraint work.

"Maybe it's too bad that we've lost our innocence" he said, "and thereby eroded the effectiveness of monetary and fiscal policies. But who was it that kept telling us—as late as last March—that the Government was fully prepared to 'bust the budget if rising unemployment became a problem? Who suddenly switched from despising any kind of intervention in wage and price decision to an across-the-board wage-price freeze?

"An already discredited political leadership does not create national determination in support of a masochistic policy simply by repeating, over and over again, that—this time—we are determined we are united, we will not flinch. The Administration's supporters in big business will be the first to cry uncle if the policy really begins to bite."

On one key point Mr. Ackley has support from within the Administration. William Fellner, a member of the Council of Economic Advisers and an architect of the present policy, has publicly conceded that it is far more difficult to make fiscal and monetary restraint succeed with a minimum of pain if the policy lacks credibility.

Mr. Ackley believes the policy has scarcely any credibility at all. But there is a school of thought that feels that this time, just possibly, the policy will be carried through even if unemployment rises above 6 per cent.

The keystone of this argument is one fact: Mr. Nixon is not running for anything.

A secondary fact is that the President's top advisers are uncommonly united on the policy course, and this will continue to be the case when Alan Greenspan joins the team as chairman of the Council of Economic Advisers.

It can be noted, too, that it is difficult for Congress to force a major change in policy over the objection of the Administration in power, no matter how large the liberal majority may be in the next Congress.

Of course, the President, may well be removed from office through the impeachment process. But the man who would be his successor, Gerald R. Ford, is an enthusiastic supporter of the basic economic policy of sustained, though moderate, restraint. And though many people are skeptical, Mr. Ford has gone on record repeatedly that he will not run for any office in 1976.

In any event, the question remains: Will they panic? The answer may not be obvious, as Mr. Ackley implies.

WANTED: NEW INSPIRATION

(By Thomas E. Mullaney)

After a meeting at the White House on July 11, at which President Nixon solicited the views of leading businessmen and economists on the state of the economy and their recommendations for dealing with inflation, one prominent executive who had not been a political supporter of the Administration emerged from the session impressed with the scope and breadth of the briefing. He proclaimed:

"I came away with the sense that there's still a Government."

In the same vein, several top Administration officials have stressed in recent months the claim that the business of Government is still being carried out in their departments and in relation to the executive branch, both energetically and without major impediments despite the President's political difficulties.

Kenneth Rush, the President's chief economic policy coordinator, joined in that chorus last week when he asserted that the impeachment proceedings against Mr. Nixon "have had nothing to do with the policies we are following," although he conceded that the threat of the President's removal from office had exerted a "disturbing influence" on the economy by creating uncertainty in the business community.

From the Administration's viewpoint, all of that may well seem to be valid, but the fact is that the trauma of Watergate and the deliberations of the House Judiciary Committee, which finished voting three articles of impeachment last week, have produced a partial paralysis in the Government that threatens further instability in domestic and international economic affairs as well as continued nervousness in the financial and foreign-exchange markets.

Is the store really being attended to effectively in Washington? Is the Administration providing the necessary attention and leadership to meet the twin problems of inflation and recession head-on? Is Congress responding responsibly to its own obligations in the economic realm in this era of mammoth problems?

Several recent developments suggest that the answers, unfortunately, are negative on all counts. The American economy is enmeshed in a web of economic enigmas that are not being addressed adequately simply because the nation is distracted so intensely by the Watergate drama, its various outcroppings and the laborious process of a Presidential impeachment. It is a situation fraught with potentially serious economic dangers. The quicker the uncertainty ends—one way or the other—the better.

The Administration, to this point, has come up with no new or imaginative prescription for dealing with an inflation and a stagnant economy that appear to be worsening almost without detection and sufficient concern.

And on its part, Congress can be faulted both for hasty action on some legislation and for dragging its feet on other important legislation, particularly in the tax and trade areas. There has been no clarion call for action and no compulsive push for it on those two important issues.

Meanwhile, as Senator Lloyd M. Bentsen Jr., Democrat of Texas, so aptly put it in his party's rejoinder to the recent economic address of President Nixon, the United States is being confronted with "steadily rising prices, steadily dwindling confidence, steadily cheerful assurances from the Administration followed by steadily worsening results."

The past week produced another batch of worsening results. The more disconcerting were these:

The decline of 0.4 per cent in the leading economic indicators in June, the first drop this year.

The 12 per cent reduction in building contract awards in June.

The continued slump in machine-tool orders this year, with the 16 per cent decline in June from May's total, although volume is still 15 per cent above the year-ago figure.

The 0.2 per cent dip in factory orders in June, the first downturn this year.

The three-year high in labor strikes in June.

The return of the nation's foreign trade to a deficit figure in June, fully erasing the earlier surpluses this year.

Meanwhile, the financial markets continued under severe pressure. The leading stock averages fell back to four-year lows, bond prices declined further and there were unrelenting strains on the thrift institutions because of record-high interest rates. More pressure on them will come this week when the Treasury itself sells $4-billion of notes with a record 9 per cent coupon.

But the worst news of all came from the farm front last week. The Agriculture Department said that prices paid farmers rose a hefty 6 per cent in June, reversing a four-month decline and posing the probability of greater inflationary pressure in the major price indexes in the months ahead.

The principal reason for the renewed upturn in food and livestock prices has been the severe drought in the farm belt, which has reduced expectations for this year's harvest and livestock production. There are estimates that the lack of rainfall has already cost almost $6-billion in crop losses, with more almost certainly ahead.

The corn crop, originally predicted to reach a historic level of 6.7 million bushels, is now forecast in a range of 5.9 billion to 6.2 billion bushels, while the wheat forecast has been cut from 2.2 billion bushels to 1.92 billion bushels. In addition to pushing prices higher, these lower estimates are bad news for a world so dependent on an abundant American harvest.

In anticipation of the less ample crops, prices in the commodity futures markets have been turning upward in recent weeks.

Those looking for a silver lining in current economic news had little to satisfy them in the most recent data. Only the business capital-spending area provides some encouragement, but even that may be slipping because of sky-high interest rates and the elevated cost of construction.

There have already been cutbacks in utility spending for those reasons as well as energy conservation steps by business and the public. And the Ford Motor Company indicated a 5 to 8 per cent cutback—more than $220-million—in its capital expenditures for the next year because it doesn't have the money for it.

Perhaps the most constructive recent development for the business optimists has been the undiminished strength of corporate profits, though that has been largely due to inventory profits resulting from inflation. In the second quarter, corporate profits showed a gain of about 27 per cent in the First National City Bank's survey. Aggregate after-tax earnings for 1,100 companies were placed at $11,376,500,000. But productivity has not been impressive, and unit labor costs have been jumping sharply, subjecting industry to serious pressures.

One possibly favorable straw in the wind for the general economy, however, was last month's slight upward move in the Conference Board's "help wanted" advertising index. This may indicate a decline, or at least steadiness, in the current 5.3 per cent

unemployment rate for a while, though even the Administration is conceding the rate may reach the 6 per cent level by year-end. Some private economists (including Walter Heller, a former head of the Council of Economic Advisers) have been warning that joblessness may reach the 7 per cent level unless the fist-tight monetary policy is soon relaxed.

However, in his rebuttal to President Nixon last week, Senator Bentsen did not produce any startling new ideas for dealing with the nation's severe economic problems. He even endorsed one of the cardinal tenets of the Administration's program—reduced Federal spending.

His other points—worthy though hardly innovative—included an exhortation that banks curb their foreign lending and channel more funds toward production of materials in short supply, the establishment of a cost-of-living task force to identify and attempt to avoid and reduce inflationary price and wage increases, tax reforms to eliminate loopholes and efforts to increase industrial and agricultural productivity through research and job-training programs.

The Administration moved to set up the suggested cost-of-living task force through legislative action a few days after Senator Bentsen's speech, but it is questionable how effective such an organization can be without real teeth in it to dissuade business and labor from excessive actions. It has the ring of the "jawboning" programs of yore that were almost totally ineffective.

Thus, at the mid-point of summer, the general economic outlook continues rather unexciting. The economy does not seem to be heading for a great disaster, but it may well operate below its ceiling for some time, with prices still rising and unemployment gaining—unless something unexpected comes along on the economic or political scenes or some inspiration on a new idea develops in Washington.

GRAIN RESERVES

Mr. HUMPHREY. Mr. President, I call attention to a July 23 New York Times article, "For a Grain Reserve," by the Senator from Iowa (Mr. CLARK).

The Senator from Iowa has provided strong leadership in this area since coming to the Senate. He points out the instability of farm prices, and he suggests:

A grain reserve would establish a greater degree of price stability because the Government would purchase grain when the price is too low and sell from the reserve when the price is too high.

Senator CLARK also points out the importance of adequate food supplies in combating inflation:

A good grain system will help combat inflation in this country by providing additional supplies when grain prices start rising rapidly. It will help farmers achieve a degree of stability they have never known and it will make a substantial contribution to preventing starvation in various parts of the world.

Mr. President, I commend Senator CLARK's leadership in the reserves area, and I ask unanimous consent that the article be included in the RECORD.

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

FOR A GRAIN RESERVE

(By DICK CLARK)

WASHINGTON.—Advocates of a grain reserve have been around for a long time. Joseph had the first published proposal—in the Old Testament—and since then many people have talked of the importance of establishing an "ever-normal granary." A reserve of essential feed grains to protect people and nations against crop failure and famine always has been a sound idea, but the case for one is especially strong today.

The very real threat of a serious worldwide food shortage is the most important reason for a reserve, and it alone should be incentive enough for the United States and other major agricultural nations to take immediate action. A growing world population, combined with shortages of energy, water, fertilizer and land have convinced many experts on world food problems that widespread famine and starvation are possible in many parts of the world.

Other experts dispute these predictions, but the famine in sub-Sahara Africa is indisputable and so is the possibility of continued and increased world food shortages. Given all of this, it is difficult to understand objections to a grain reserve that would save and stockpile a small fraction of annual grain production to prevent starvation.

A world in which some nations are affluent while others starve is not likely to be a peaceful one. So, there are both humanitarian and political reasons to encourage the developed nations to commit themselves to a significant effort to fight hunger and starvation, and a grain reserve is an indispensable part of that commitment. As the major surplus grain producer in the world, the United States should take the first step by establishing its own grain reserve.

However compelling the reasons for a grain reserve, they probably will not be sufficient to push the necessary legislation through Congress. The Senate Agriculture and Forestry Committee recently held hearings on two grain reserve bills and there was little consideration of world food problems. Instead, the discussion centered on domestic food prices and domestic farm income.

The primary objection to a grain reserve is the fear that it will hurt farmers by keeping grain prices artificially low. In the past, Government-held supplies have been used to depress prices, but the current grain reserve proposals provide new protection for the farmer. They insure that grain can be sold from the reserve only when there is a shortage and only at a price that provides the farmer a profit.

Opponents of grain reserves frequently attempt to belittle the proposals, asserting that a Government grain reserve would lead to Government reserves of other products such as cars and television sets. This is nonsense. There are significant differences. An inadequate automobile supply means inconvenience. But food is essential, and an inadequate food supply means starvation.

Agriculture is unique in other respects. It is characterized by instability that drives farm prices up one year and down the next, and hurts both farmers and consumers in the process. A grain reserve would establish a greater degree of price stability because the Government would purchase grain when the price is too low and sell from the reserves when the price is too high.

The experience of the last few years provides convincing evidence of the potential for a grain reserve. A worldwide grain shortage drove the price of grain up sharply. This led to higher prices for other farm products, and consumers suffered—while, in the short run, farmers benefited.

But soon, the inevitable happened. Livestock producers were hurt by high feed prices and consumer reaction to high meat prices. The high farm prices of 1973 encouraged farmers to purchase more land, equipment and supplies for the coming year. As they did, the prices paid by farmers escalated. In the past few months, grain prices have fallen in anticipation of record harvests this year, and many farmers face the possibility of selling their grain for prices below the cost of production. Everyone would have been much better off had there been a grain reserve to keep prices from rising so much last year and to prevent them from falling too low this year.

A good grain system will help combat inflation in this country by providing additional supplies when grain prices start rising rapidly. It will help farmers achieve a degree of stability they have never known and it will make a substantial contribution to preventing starvation in various parts of the world.

A REPORT TO THE PEOPLE ON OVERSIGHT HEARINGS ON ADMINISTRATION OF THE INTERNAL REVENUE SERVICE

Mr. MONTOYA. Mr. President, today I wish to place before the Senate and the American people the first of several reports on the administration of the Internal Revenue Service as covered in hearings before my Subcommittee on the Treasury, Postal Service, and General Government, in April and May of this year.

Certainly, Mr. President, the allegation of misuse of the Internal Revenue system by Presidential aides has caused concern and anger for many citizens. Repeatedly over the past 2 years we have heard ugly reports of clandestine communications between the White House and IRS. Beginning with material presented to the Senate Select Committee on Presidential Campaign Activities, and continuing with testimony before the House Judiciary Committee, evidence of attempted abuse of the tax system for private or political gain has grown more and more disturbing. The tragic implications of an "enemies list," the questionable mention of the use of "confidential" tax materials in White House memoranda, and other indications of political harassment or invasion of privacy of individual citizens—the tragic implications of those revelations, Mr. President, have raised the specter of a police state in the minds of journalists and commentators as well as in the minds of taxpaying citizens everywhere in the Nation.

On December 20, 1973, the report of the Joint Committee on Internal Revenue Taxation substantially cleared the IRS of the charge that IRS had ever succumbed to White House pressure to harass "enemies" of the White House. However, the House Judiciary Committee has recently released a substantial amount of evidence which confirms data collected earlier by the select committee and indicating severe pressure from White House aides on the IRS. There is some indication that this pressure may have produced modest results. But even if no result was forthcoming, the attempt to use our tax system in this manner is most disturbing.

White House initiated audits of private citizens, financial exposure of individual taxpayers, and the embarrassing use of confidential information about income, health deductions, and charitable contributions are all actions that quite correctly anger and frighten taxpayers. The result of these allegations of

misuse of power has been an increasing mistrust of the tax system by many American taxpayers. This new wariness offers nothing but tragedy to all of us. Without the trust of the taxpaying public in the correctness and honor of our tax collectors, our entire system of voluntary tax compliance will fall.

The charges I have mentioned have been widely publicized. They cannot be dismissed. They must be considered and addressed by the Congress, and a report must be made to the people on their truth or validity.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD an article by Smith Hempstone, published in the Washington Star-News of July 24, 1974, entitled "An Erosion of Faith."

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

AN EROSION OF FAITH

(By Smith Hempstone)

All that White House messing around with income tax returns is, of course, of interest to Watergate prosecutors and members of the House judiciary Committee who are looking for potential criminal or impeachable behavior. But there is another aspect to this matter that deserves attention—that is the effect the disclosures might have on the faith of Americans in the tax system.

There was a time when taxpayers could assume that, except for examination by Internal Revenue Service agents, their federal returns were reasonably safe from the eyes of curiosity seekers or others with political motives or mischievous intent. But it is evident now that the confidentiality of tax returns has been violated on a large scale.

From the evidence at hand, the White House has been the worst offender, but it is not the only one. There was, for example, the peddling of the President's tax information, perhaps even a copy of the return itself, to a newspaper, which promptly reported that Nixon paid only a paltry tax for two years.

Whether the disclosure of his huge deductions and minuscule tax payments served a public good is not the point here. The point is that the confidentiality of his returns, a confidentiality he had a right to expect would be protected, was violated.

Confidentiality of returns frequently is violated, too, by congressional committees. They have little trouble getting returns for investigations of one kind or another, and the sieve-like quality that committee operations often have practically assures that any confidential material is soon going to show up in public print.

It seems that other units in the executive branch in addition to the White House have no particular compunction about ordering up tax returns for perusal. There was the instance in 1973 when the Department of Agriculture prevailed upon the President to authorize it to examine the returns of the nation's 3 million farmers.

There apparently was no evil intent; the department wanted to compile statistical information that it thought might be useful in making farm policy. Yet such a massive examination of returns by it, or any other governmental agency, would be a completely unjustified invasion of the rights of taxpayers to have their returns remain confidential.

Fortunately, the President rescinded the order after some congressmen found out about it and the press publicized it.

But the efforts of the Watergate White House to politicize the IRS have to be the ultimate in sheer gall and misuse of power.

The House Judiciary Committee has released a report detailing White House activities in this area that beggars the imagination. The President's men went after leaders of other parties, after financial contributors to political opponents, after tax-exempt organizations that they thought anti-Nixon, after unfriendly newsmen, after anyone who they thought impeded their politics or their policies.

It was so bad that one IRS commissioner charged in a sworn statement to Watergate investigators that the White House was trying to install a "personal police force" within the IRS hierarchy.

Probably other administrations have used IRS against political enemies, but surely not to the extent revealed in the House committee's report. And the argument that it has been done before doesn't make it any more palatable, and doesn't make it right.

Congress and the public ought to insist, through tighter laws or whatever else is needed, that this kind of political hardball with tax returns be stopped now before any other administrations are tempted to play it.

Disclosure of this abuse of power comes on top of the revelation a few months ago that the President himself used every loophole he and his tax advisers could find to lower his own tax bill, and that IRS let him get away with it until the pressure of Watergate and public opinion forced the agency to re-examine his returns and to assess an additional $465,000 in taxes and interest.

The American tax system depends on voluntary compliance by citizens.

The foundation of the system is the faith of taxpayers in its basic fairness and in the confidentiality of their returns. It would be unfortunate indeed if the disclosures of Watergate caused an erosion in that faith.

Mr. MONTOYA. Mr. President, I believe Mr. Hempstone's article describes very aptly one of the basic problems which we must solve. The loosely regulated passage of tax information from IRS to the FBI, the Executive, and the Congress itself must come under our consideration. We must be positive that sufficient protections are present and that citizen rights to privacy are preserved.

On July 18, 1974, the Senate passed legislation proposed by my distinguished colleague from Connecticut, Senator LOWELL WEICKER, to prevent anyone except the President or legally identified Justice and Treasury Department personnel from acquiring tax return information. Tax checks would continue to be made, but only in response to written Presidential requests. A record would then be kept.

I certainly supported that legislation, and am very disappointed that the amendment was eliminated in conference with the House. It is my understanding that the amendment was removed because the conferees did not feel the legislative vehicle was appropriate, not because they were in disagreement with the amendment. I am confident that the Senator from Connecticut will reintroduce his legislation and I will offer my support for that legislation when it is introduced.

I believe, however, that we must go even further by enacting legislation to tightly constrict the release of private and personal information found on a tax return. Within the next few weeks I plan to introduce legislation which would do the following things:

First. Prevent transmission of any tax return information to any person except those individuals appropriately designated by the Justice Department to receive tax return information for legitimate prosecutorial purposes, and make it a criminal offense for any such appropriately designated official to pass tax information to anyone else without prior written consent of the taxpayer involved.

Second. Prohibit the release of tax information to any part of the executive branch or to the Congress until receipt by the IRS of written consent from the taxpayer concerned. This means that prospective appointees or employees would have to agree to the release of tax information before a tax check could occur.

Third. Make it a criminal offense for any person in an unauthorized position to receive tax or other information taken from a tax return.

Mr. President, the new restrictions I am suggesting are badly needed ones. Establishing criminal liability for the transmission of tax information to those not authorized to receive it, coupled with criminal liability for the receipt of such information without authorization, puts definite and clear legal constraints on those who might be tempted, for whatever reasons, to seek loopholes in the law. The further requirement of written consent from the taxpayer provides a needed protection for individual privacy of tax information and projects against capricious misuse of the system by any official.

I have serious questions about the legitimacy of the tax check as a means of judging the fitness of a prospective employee or appointee, and I certainly feel that such a person should be entitled to knowledge that information about him is being released by the IRS. This goes to the very heart of the right of privacy which we seek to protect under our tax system.

In the course of the oversight hearing held by my subcommittee on June 12, 1974, I was able to discuss the matter of tax privacy with Commissioner Donald Alexander. Mr. Alexander is an excellent administrator and is widely acclaimed as an experienced tax lawyer. Beyond that, I am convinced that the Commissioner is an honorable man, and is deeply distressed by the current climate of mistrust surrounding the IRS.

In our dialog at the hearings we agreed that strong guidelines for and limitations on the release of sensitive tax information were essential steps in our effort to return trust in the system to the people. Existing restrictions are inadequate and even in some cases tie the hands of IRS officials. The present IRS administration has not been accused of wrongdoing, but they must struggle to overcome the cynicism which is prevalent as a result of the allegations of wrong doing by past IRS administrations. In addition, they are rightly concerned about the problems which will face future IRS personnel as a result of that growing mistrust.

Mr. President, there are several congressional committees which are concerned with IRS matters and tax problems. The work of each of those committees is important to our total tax system.

But unless we can stop the erosion of faith of the taxpayers of this Nation in the basic decency of the system, then no effort we make will really solve our tax problems. The voluntary taxpayer must have absolute belief that his privacy will not be invaded, that his rights will not be breached, and that his tax returns will be handled with scrupulous equity and fairness by the IRS personnel who receive them.

I believe that it would be helpful for all citizens to have the opportunity to read the testimony of Commissioner Alexander before my subcommittee concerning this serious problem. For that reason, Mr. President, I ask unanimous consent that portions of the testimony on political activities be inserted in the RECORD following my remarks.

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

POLICY ON POLITICAL ACTIVITIES

Senator MONTOYA. I'm very concerned, Mr. Commissioner, about the complaints of harassment. I want to go into this further. You have read in the paper and heard on television, commentaries about the enemies' list and friends' list that have emanated from the White House to the Internal Revenue Service, and reports going back and forth with respect to enemies and certain concessions being made to friends of the White House. I'm concerned that the Internal Revenue Service has been used in the past. It has been used by the White House for political favoritism and political retribution. Can you tell this committee what your policy has been since you became Commissioner of Internal Revenue and what we can expect in the future to see that what has happened in the past does not reoccur?

Commissioner ALEXANDER. My policy is, has been, and will be, that politics has no part in the Internal Revenue Service. Political views are irrelevant. Political activities will not be indulged in or permitted in any way.

No pressure has been brought upon me to start an audit, stop an audit, start any other enforcement process, or affect it in any way, since I have been in office, and none will be. If any were, I would not give in, in any way, to any such pressure. If I were ordered to, I would refuse to obey the order.

That's the policy of Internal Revenue and that will continue to be the policy of Internal Revenue. We have the largest and most difficult job in the world in law enforcement. The only way we can do this job correctly and well is to keep politics out.

Senator MONTOYA. May I say, Commissioner, that I commend you for the statement you have made. I know you mean it. I know you have the stamina and the will to carry it out. I know you are the kind of man who has the integrity and that you would rather resign than succumb to any such political pressure. That is what we have to assure the American people of. The Internal Revenue Service policy will be such that it will carry out the edict of Congress with respect to our tax laws and with justice for all. I am hopeful that those under you will do the same.

Commissioner ALEXANDER. Mr. Chairman, I'm convinced that all of those in Internal Revenue share these views. I'm convinced that long after I'm gone, those having the responsibility for directing and managing will continue to share those views. We not only have to conduct our affairs properly and soundly for the present, but we have to do all we can to make sure we leave a proper legacy for the future. I'm doing my best to do just that. I will continue to do so as long as I am in office.

PROCEDURES TO DEFEAT POLITICAL ABUSE

Senator MONTOYA. What procedure have you set in motion to assure that this does not happen or that information can not be leaked to any other department of the executive branch, other than regular proceedings enunciated in the law?

Commissioner ALEXANDER. There are several things. As to a possibility of abuse of our present procedures, what one does there is not only furnish leadership and example, but make it clear through constant reiteration in the field. We talk face to face with people in our field offices, as I have on numerous occasions. In no way can any of them permit our procedures to be abused. However sound a procedure is, if the people in charge of managing the enterprise want to abuse the procedure, it can be abused. That is not the history and attitude of this agency, and will not be its history and attitude in the future.

Since 1952, this agency has been managed by career executives. They are carefully trained and selected and men of complete integrity, like Bill Williams, on my left. There is no way, under management of people like that, that those seeking to abuse procedures could succeed, and our procedures, which involve frequent reviews and a diffusion of managerial authority, up to the commissioners' office, almost defy abuse.

Senator MONTOYA. But it has happened in the past.

Commissioner ALEXANDER. In the past, efforts have been made to abuse these procedures, as I understand it.

Senator MONTOYA. Don't you think that there have been abuses in the past, as opposed to efforts to abuse?

Commissioner ALEXANDER. You mentioned two things. One was the improper dissemination of information and the other, more general abuses—harassments, audits, and the like, sir.

As to the others, Mr. Chairman, I'm unprepared to say any such efforts were made as to harassment, audits, and this type. The Joint Committee report of December 20, 1973, found no evidence that the enemies were abused or treated any worse than taxpayers generally, or better, except for the fact they found certain prominent political people may have been treated better because Internal Revenue did not want to make an example of them.

DISSEMINATION OF INFORMATION/PROTECTING PRIVACY OF TAXPAYER INFORMATION

With regard to dissemination of information that should remain confidential, we have a continual problem. It is a continual managerial problem in enforcing the laws that now make it a crime for an Internal Revenue employee to disseminate taxpayer information improperly. We have a legislative proposal that Mr. Whitaker and I have been working on, which will further tighten up the laws with respect to confidentiality of taxpayer information. We need help from Congress.

I testified several times last year, and before the House Government Operations Committee, requesting just this. We need to perform our tasks wisely and well. We need, as we see it, to tighten up the law which now does not go as far as we think it should, in protecting the privacy of taxpayer information.

CASE OF LARRY O'BRIEN

Senator MONTOYA. I'm referring to the case of Larry O'Brien, where the White House was receiving information, and the conduit was the Assistant Counsel of Internal Revenue, Roger Barth. The information was going to the Secretary of the Treasury and in turn, to John Ehrlichman. You know about that, don't you?

Commissioner ALEXANDER. Mr. Chairman, I'm aware of most of the facts involved in the friends and enemies list. I have some awareness of information being disseminated outside of normal Internal Revenue channels. This was discussed, to some extent, in the report I mentioned by the Joint Committee on Internal Revenue Taxation.

As to this, I think our procedures and our people are such that no such information is being disseminated outside normal and proper channels at this time. I have not received requests from the White House or anyone therein for tax information.

TAX CHECKS FOR PROSPECTIVE APPOINTEES

The White House asks us for tax checks on prospective appointees, which is proper. It has been done since 1961, or before. The White House has not asked me for tax information. If they did ask, in writing, under current law I would be required to respond.

Senator MONTOYA. Would you study the factuality to ascertain whether or not the White House was complying with the criteria set out in the law?

Commissioner ALEXANDER. You can be sure, when a request for tax information comes into my office, or any other office in Internal Revenue, we review it very carefully. We review it in Mr. Hanlon's disclosure staff and in the Chief Counsel's office, before we respond, to make certain that that request is proper.

DOCUMENTATION OF TAX CHECK REQUESTS

Senator MONTOYA. Do you require a written memorandum be submitted?

Commissioner ALEXANDER. We keep a record of each such request.

Mr. HANLON. Yes, we document all requests for White House tax checks. These requests, numbering approximately 1,000 per year, are received from the FBI. While the vast majority are written requests some have been received by telephone. Our responses are directed to the FBI, which is our liaison on tax check matters.

Senator MONTOYA. Why not require a written request so the person requesting a check and the person for whom it is being requested for will have a memorandum and his signature on that memorandum so he will be chargeable with bad faith in case it does not prove out on subsequent analysis?

Commissioner ALEXANDER. We will take that suggestion in mind to see whether present procedures with regard to tax checks are adequate.

Senator MONTOYA. This has been abused for many years. I'm concerned about what has been revealed in the Watergate hearings. Certain tax information was requested of Internal Revenue, and no memorandum has been produced, although it has been admitted that those requests were made by White House personnel.

Mr. HANLON. When we talk about White House tax checks, we are discussing a pending Presidential appointment.

TAX CHECKS ON PERSONS ON ENEMIES LIST

Senator MONTOYA. I asked that same question in the Watergate hearings and received that same answer. Some of these people being inquired about for possible appointments appeared on the enemies list. That was the memorandum that the committee got hold of. You know what the enemies list was?

Mr. HANLON. Yes, sir.

Senator MONTOYA. It was a list of people that should be checked for income tax violations.

Mr. HANLON. Mr. Montoya, to explain the telephone requests, I would say most of these—the announcement was in the newspaper that Mr. So and So would be appointed to a position. We knew, within a few days, that this appointment was imminent. They were trying to expedite this request.

The 1,000 I mentioned directly relate to Presidential appointments.

EXPLANATION OF TAX CHECKS

Commissioner ALEXANDER. Would you explain what is in a tax check?

Mr. HANLON. In a tax check, they want to find out if the taxpayer filed a tax return, if there is an outstanding tax liability on that taxpayer, if he's under audit examination, or criminal investigation. At no time do we transfer them the revenue agent's report of the examination or copies of tax returns. It is a matter of obtaining filing and payment information. This is all we transfer to the FBI.

Senator MONTOYA. I understand the normal tax check; I'm not referring to that. I'm referring to false requests made by the White House. They tried to justify the inclusion of those names on the enemies' list as an inquiry on these individuals to ascertain whether or not they should be invited to the White House. Some said the query was made for possible appointment. I cannot conceive that Daniel Shorr would be queried as to possible appointment when he was on the enemies list.

SEPARATION OF LEGITIMATE REQUESTS FROM POLITICAL REQUESTS

I'm making this point to make sure the Internal Revenue Service, in the future, separates the legitimate requests from political requests. What safeguards are you going to set in motion to make a judgment and separate the two?

Commissioner ALEXANDER. Safeguards would be hard to devise except in cases like those you described. This is where the person is clearly ineligible for the appointment. Even then, some appointments, I suppose, are surprising.

BUILT-IN SAFEGUARDS

One safeguard is built into what we transmit and what we do not transmit. Safeguards under a legislative change would be built in this way. No. 1, restrictions in the law on the information that can be supplied for a tax check. No. 2, who can request a tax check. No. 3, a written representation that a check is for its purpose. With safeguards like that, I think rights could be better protected in the event that anyone should try to abuse this particular procedure.

PROTECTION OF INFORMATION BEYOND THAT FURNISHED IN TAX CHECKS

More difficult to cope with is the information that goes beyond that furnished in a tax check. The Internal Revenue has a great deal of information about people, and because we have so much, we have great duty to preserve the privacy of that information and make sure that information does not fall into the hands of those who might misuse it. That information is given us for the purpose of administering the tax laws. Some statistical information must be supplied by the Internal Revenue to other agencies, such as the Census Bureau.

Senator MONTOYA. What's to stop the White House from going to another department and requesting the same information?

Commissioner ALEXANDER. The White House could go to another department. That department might inquire of us. In our proposed legislative change, we would put a burden on the other department to show why this information is necessary in the fulfillment of the responsibilities of that department or agency, and why it cannot be obtained elsewhere. We would also put a burden on them to safeguard the information. If we gave them a tax return, they would have to keep it under lock and key.

Senator MONTOYA. What about this situation? This information legitimately goes to a certain department or to the White House. What guarantee does that taxpayer have, once it gets there, that it will not be disseminated to other people in the White House, who should not have it, and then have them give it to outsiders?

Commissioner ALEXANDER. In that situation, I assume the information in question, as far as Internal Revenue was concerned, would be requested for an appropriate purpose, and properly requested in writing, by a duly authorized person. Under those circumstances, Internal Revenue would have an obligation to supply the information. Beyond that, it is possible someone outside Internal Revenue might abuse his or her office. Internal Revenue would be powerless to do anything.

Mr. MONTOYA. Mr. President, our hearings covered many other matters of taxpayer service and the general administration of IRS. I will make a further report to the Senate and the people on those other areas within a short period of time.

WEATHER RESEARCH

Mr. HUMPHREY. Mr. President, in a time when the world faces growing food shortages, there is an urgent need for long-range planning to alleviate these critical situations.

In the July–August issue of the Sciences, scientists attribute crop failure to climate change, and claim that the climate of our Earth is getting cooler. Unfortunately, "any climate change hurts most crops since they are tuned to the existing climate."

This article describes numerous advances which have been made in the field of climate research. With greater knowledge of future climatic events, as this article explains, "it is possible for Government decisionmakers to plan around future climate disasters, at least lessening their impact on mankind." Therefore, we must wholeheartedly support the continued study of the climate.

This is an interesting and informative article, and I commend it to the attention of this body.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

THE INTEMPERATE ZONE

(By George Haber)

Midway in his testimony to the Senate Subcommittee on Foreign Agricultural Policy, Reid Bryson was queried by Hubert Humphrey. "Have you any good news?" asked the Minnesota Senator, winning laughter from the gallery. Dr. Bryson had just made a prediction that was hardly optimistic: growing changes in the global climate will cause world-wide famine.

A meteorologist and Director of the Institute for Environmental Studies at the University of Wisconsin, Dr. Bryson believes that the Earth is moving toward an inevitable climate change; the consequences, he says, are already being felt—tragically—in the drought-plagued belt of West Africa called the Sahel. The global climate will become cooler, Bryson predicts, the pattern of rainfall will change, and a southward movement of the subtropical deserts will take place. Since rainfall and climate affect crop growth, since crop growth affects food supply, and since food supply affects life itself, Bryson's prediction may be of paramount importance to mankind.

The drought that has gripped West Africa since the late 1960s is just one reminder that climate cannot be taken for granted. There is little "green" on present-day Greenland but sedimentary remains, deep below the thick slab of ice that blankets four-fifths of the island, reveal the prehistoric existence of oak and chestnut trees and other forms of verdure. In northern Europe, deposits formed 40,000 years ago include fossils of palms and other plants associated with warmer climes.

Climate shifts have also moved in the opposite direction. Giant boulders indicate that perhaps 25,000 years ago, glaciers descending from the north covered much of the United States, burying what is now New York and San Francisco under thick sheets of ice.

With historical perspective, the nature of climate comes into clear focus. More difficult to determine, however, is whether shifts over recent decades, or even centuries, are harbingers of long-lasting change. Thus, few climatologists claim to be as certain of the future climate as Bryson. In a February *Fortune* article, he asserted that the era of benign climate (over the past few decades) was "the most abnormal period in at least a thousand years. Bryson maintained that the Earth is returning to the "Little Ice Age" of the sixteenth to the nineteenth centuries.

"Bryson wouldn't get a lot of agreement for his belief right now," Dr. Richard Somerville, research meteorologist with NASA's Goddard Institute for Space Studies, told me. "Then again," he added, "someone wouldn't have got a lot of agreement a few decades ago that atomic energy was possible, either." With the unprecedented drought in Africa and new temperature extremes and record floods in different parts of the globe, Somerville says, "We know the climate is changing." However, he maintains that forecasting is uncertain with the present state of climatological knowledge.

DUST IN THE GREENHOUSE

For years, laymen have been bombarded with contradictory visions of a future climate either warmer or cooler than the present one. Some prognosticators have cited the warming effect of increased carbon dioxide concentrations in the atmosphere. A product of the burning of such fossil fuels as oil, natural gas and coal, atmospheric carbon dioxide prevents the upward exit of thermal radiation from the Earth.

This so-called greenhouse effect, it is maintained, results in a warming of the planet's surface temperature. "The amount of carbon dioxide in the atmosphere continues rising by approximately 0.2 per cent a year," wrote M.I. Budyko, Director of the Voeikov Main Geophysical Observatory, Leningrad, in an October, 1972 issue of the American Geophysical Union's EOS magazine. "By the middle of the next century the growth of energy production could raise the mean air temperature by several degrees."

Others, like Bryson, see an inexorable cooling trend on the way. They point to the small airborne particles which reflect the Sun's rays as the source of the cooling. These particles are the product of volcanic action, dust storms and man's increasing technology and pollution.

The turbidity, or dustiness, of the air over Washington, D.C. increased 57 per cent in about 60 years, Dr. David M. Gates, Professor of Botany at the University of Michigan, Ann Arbor, told a 1968–9 environmental issues symposium at Yale University. And at a 1971 Stockholm symposium on man's impact on climate, Dr. Christian Junge of the Max Planck Institut fur Chemie, West Germany, declared that a 50 percent increase in turbidity from man-made sources would reduce the Earth's surface temperature by up to 1 degree C (2.5 degrees F).

If the aerosals presage cooler climate and the carbon dioxide warmer climate, won't the two trends simply cancel each other out? The problem, as Gates suggested, is that "it is extremely difficult to prove cause and effect with a giant hydrodynamic, thermodynamic machine as complex as the Earth's ecosystem of ground and atmosphere."

Many other variables must be taken into

account in considering the present and future global climate. These include clouds, oceans, surface moisture, and human alterations of the environment. The increased burning of fossil fuels and introduction of pollutants are only part of man's influence; wide-scale development or clearing of forests, building of reservoirs or drainage of marshlands may exert influences on global climate in ways that are not yet understood.

"The system that determines climate, whether on a regional or global scale, contains a variety of physical processes many of which are fairly well understood *individually*," Drs. William W. Kellogg and Stephen H. Schneider, research meteorologists with the National Center for Atmospheric Research, Boulder, point out in a paper on "Climate Stabilization." "The biggest difficulties arise when we attempt to consider their interactions in nature, since these interactions create many feedback loops, some that would amplify a small disturbance and some that would damp it out. In consequence, our climatic system is a highly non-linear, interactive system that has defied a complete quantitative description."

CONSIDER THE VARIABLES

Some climatic variables—such as the aerosols—are harder to measure than others. As Joseph M. Prospero, a meteorologist at the University of Miami, told me, aerosols have such a variety of sizes, optical properties, and atmospheric residence times that their behavior defies analysis, let alone prediction. Like elementary particles, Dr. Prospero said, the aerosols seem to be governed by Heisenberg's Uncertainty Principle; the very act of placing them on a surface for measurement modifies their airborne, in-situ characteristics.

A recent study completed by Prospero and Dr. Toby N. Carlson of the National Oceanic and Atmospheric Administration's Environmental Research Laboratories found that dust from the African Sahel is traveling thousands of miles across the equatorial Atlantic Ocean and dramatically increasing the turbidity over Barbados, West Indies. The 1973 dust concentrations there were 60 per cent greater than in 1972 and 300 per cent greater than in 1968, the first year of the African drought. As a result, the marine atmosphere traditionally found over Barbados has been transformed into an urban-like haziness. In this case, the atmospheric "pollutants" are natural soil particles from a distant continent.

The researchers did not correlate the increased turbidity with temperature, but Carlson believes that the dusty layer, which has contributed to a 10 to 15 per cent reduction in the solar energy that reaches the sea surface, is altering the solar energy balance of the tropical Atlantic. Since this balance plays a crucial role in the world wind system and atmospheric circulation, a disturbance in it could wreak havoc on the global climate.

Atmospheric carbon dioxide concentration, another important variable, has received a great deal of publicity for its potential to cause a retreat of polar ice in the northern hemisphere. Evidence that the top of the world recently became warmer is not hard to find. "The recession of the northern glaciers is going on at such a rate that many smaller ones have already disappeared," observed Rachel Carson in *The Sea Around Us* (Oxford University Press, rev. 1961). The most rapid recession rate of all is that of Alaska's Muir Glacier, which receded more than 6 miles in 12 years.

In his *EOS* article, M. I. Budyko declared that the northern polar ice could "completely melt in the middle of the next century." He also believes that with the present rate of energy productive growth, a "substantial rise" in temperature will occur all over the Earth's surface by 2072, at the latest. Others are not so certain. NCAR's Stephen Schneider told me that he believes man "will produce a warming effect by the turn of the century," but maintained it is difficult to say right now how great that effect will be.

In 1971, Dr. Schneider and Dr. S. I. Rasool, then both with the Goddard Institute, found that after a certain increase in atmospheric carbon dioxide, temperature increases eventually level off. An eightfold increase in the carbon dioxide concentration—which is highly unlikely—would produce a surface temperature increase of less than only two degrees, the researchers found. Schneider emphasized that little is known of the precise relationship between the impact of carbon dioxide increases and that of the other variables—particularly clouds.

The extent to which clouds can modify climate was suggested by Syukuro Manabe and Richard T. Wetherald, research meteorologists with NOAA's Environmental Research Laboratories and National Weather Service, respectively, in an article in the *Journal of Atmospheric Sciences* in May, 1967. A doubling of the atmospheric carbon dioxide, they found, increased the surface mean temperature by 2.4 degrees C, but this increase could be canceled out by a 3 per cent increase in low clouds. The clouds could be formed by the ocean evaporation caused by humidity resulting from increased temperature. Thus, the cumulative impact of increases in atmospheric carbon dioxide on climate may be negligible.

Some researchers believe that other elements in climatic change have been neglected. One such element is the oceans. Water is a poor reflector, W. Lawrence Gates of the Rand Corporation, Santa Monica, points out in a paper in the company's twenty-fifth anniversary volume. Gates is leader of Rand's Climate Dynamics Project, a major goal of which is to learn whether the fluctuations of ocean temperature, among other factors, represent a basic climate control. The oceans may absorb from 90 to 92 per cent of solar radiation reaching the Earth, and thus act as "a vast thermal reservoir," Dr. Gates wrote.

Some climatologists regard the oceans as the key to climatic change. J. Murray Mitchell, Jr. of NOAA's Environmental Data Service told me that the thermal reservoir may return the heat it has absorbed decades or even centuries later. This potentiality makes the oceans a check on what such prognosticators as Bryson view as an inexorable cooling trend.

A GATHERING OF DATA

In the past, one of the major handicaps of researchers seeking to understand global climate has been a lack of highly sensitive measuring instruments—some atmospheric gases exist only in fractions of a part per million or even per billion. Not until the 1960s was suitable carbon dioxide monitoring equipment available. With the realization of the critical importance of empirical climate data, new equipment is being developed and new data-gathering programs initiated.

One such program is being conducted by the Environmental Research Laboratories Air Resources Laboratories. Called the Geophysical Monitoring for Climatic Change program, it is one of the first efforts to measure climate-related variables on a global, long-term basis. So far, four observatories have been established—in the Arctic Circle, the Antarctic, the South Pacific and Hawaii—and two others will be in operation by 1977.

Each observatory is measuring a wide array of environmental parameters: temperature, humidity, precipitation, pressure, surface winds, whole-sky and direct solar radiation, atmospheric carbon dioxide and ozone concentrations, turbidity, various types of aerosols, and carbon monoxide and Freon-11 concentrations. A minicomputer will be used in gathering and processing what may amount to some three million signals per observatory per day.

Thus far, Walter D. Komhyr, Chief of the program's Techniques and Standards Group at Boulder, told me, the Hawaii and South Pole observatories have found that over the past 17 years, the rate of carbon dioxide increase in the atmosphere averages out to under 1.2 parts per million per year; this rate of increase appears to fluctuate from time to time.

Another important climate monitoring program conducted by the Air Resources Laboratories concerns the ozone layer in the stratosphere, that region of the atmosphere about seven to fifty miles above the Earth. Ozone concentration has increased in the past decade, possibly a good sign because the ozone layer absorbs the Sun's harmful ultraviolet radiation. At a symposium in Stockholm three years ago, Dr. Lester Machta, Director of the Air Resources Laboratories, noted that a reduction of only one-tenth of one per cent in ozone would be significant in producing skin cancer.

Concern over the stability of the ozone layer stems from the fact that a fleet of high-altitude aircraft, projected for 1990, would emit increasing amounts of the pollutant nitric oxide, which could destroy part, if not all, of the ozone layer. These fears were allayed somewhat by recent unprecedented measurements of the amount of nitric oxide already in the air. In an article in NOAA this April, Machta reported that levels of the gas are lower than had been predicted.

So numerous are the individual variables of the climatic equation that existing mathematical models have been unable to handle them adequately. Rand's Climate Dynamics Project is centered on mathematical modelling. Dr. Gates told me that in the past, the volume of numerical experiments had been restricted by computer limitations. This year, the project will gain access to the high-speed, high-capacity Illiac IV computer at NASA's Ames Research Center near San Francisco.

The computer will allow researchers to calculate the effects of a wider range of variable climatic influences over longer time periods. Gates, however, is not overly optimistic: "A change of one or two degrees has an important effect on agriculture, but we're not sure we can predict with this accuracy."

Other climatologists are even less enthusiastic about just how much they expect any model to yield. Reid Bryson, for one, does not put much stock in model studies of climate. Instead, he told me, he bases his conclusions on "field evidence"—the character and consequences of climatic variations of the past and present. In an article in the May 17 Science, Bryson bemoaned "a dearth of discussion of climatic change from an historical perspective."

Dr. Mitchell of the Environmental Data Service also has reservations about the role of models in climate prediction. "Models can account for general patterns of world climate, given known conditions such as sea surface and the limit of ice cover in the oceans," he told me, "but they provide little insight into why climate fluctuates."

Mitchell believes that climate change is a random matter. Although "a large degree of randomness" may inhere in climate change, NASA's Richard Sommerville told me, this should not lead investigators to conclude that no aspect of the future climate is predictable. "Some large component of climate may be very predictable," he said, although climatologists don't yet know what that component is.

THE NEED FOR KNOWLEDGE

The study of climate is clearly a precarious enterprise at present. In light of this situation, does it help to be overly concerned with what will happen? Dr. Schneider believes it

does. "You can't say that just because the models aren't certain and the theories aren't certain, there's no problem," he told me.

"Any climate change is bad in the short run since most crops are tuned precisely to the existing climate. The high-yield 'miracle crops' of the Green Revolution, used extensively in tropical and sub-tropical parts of the world, are very sensitive to an optimum set of environmental parameters. A small change in rainfall patterns could be a disaster for mankind if it reduced crop yield even one per cent, and adequate food reserves were not available."

How great the disaster could be was suggested by Reid Bryson in his testimony before the Senate Subcommittee. Around the turn of the century (the tail end of the Little Ice Age), he said, severe droughts affected India and other countries every two or three years. As warmer climate prevailed, "the deserts moved northward" and the monsoons failed "only about once every eighteen years."

But starting in 1940, said Bryson, the polar whirl of cool air called the circumpolar vortex began to expand. With expansion came cooler climate on a wider scale, and a southerly movement of subtropical high pressure, or desert, areas. For India, these trends have meant a greater frequency of severe droughts in the last thirty years. "But the critical fact," Bryson declared, "is that now they have four times as many people to feed as they had at the turn of the century."

Climatologists may be unsure of many of the causal factors in climatic change, but of several things they are certain: the climate is changing and the need to find out why and in what direction is growing more urgent. "Although our ignorance of the forces controlling climatic changes should make us cautious in projecting future climates," says Dr. Gates of Rand, "time may be short, and the stakes are certainly very high."

If scientists were able to predict future climate, it is doubtful that anything could be done to change the course of climatic events. "There is no way right now that we can control the climate to make it more benign." Reid Bryson told the Senate Subcommittee. "There is no way that technology at this point in time can change the climate and turn back what nature is doing."

However, it is definitely possible for governmental decision-makers to plan around future climate disasters, at least lessening their impact on mankind. Continued research, Rand's Dr. Gates believes, will lift the veil from the hidden aspects of what makes our climate go and will enable us to discern where it is going. With this insight, the international community may be able to marshal its resources for the colder—or warmer—future.

A Very Long Range Forecast

Most climate forecasting at present is geared toward predicting the climate at the end of the twentieth century, using such variables as carbon dioxide or aerosol concentrations. Taking another tack, three investigators at the University of Chicago have used the sole factor of continental drift to account for what they predict the climate will be like 50 million years from now.

Greg Forbes, a graduate student in meteorology, working with meterorologist Dr. Theodore Fujita and geologist Dr. Alfred M. Ziegler, mapped out long-term global climate on the basis of where the continents may be in the distant future. Geologic evidence indicates that millions of years ago the vast land masses were in locations different from their present ones. Assuming the speed of movement and direction that have prevailed thus far, the researchers predicted the position of the continents in the year 50,001,974. Whether this forecast is more or less accurate than the climatological ones themselves, only time—and plenty of it—can tell.

The map they produced shows that the northward movement of the African continent will reduce the width of the Mediterranean Sea, eliminating its present role as a weather buffer against the cold Asian air mass; as a result, sunny Italy, among other southern European countries will be considerably colder. The shift of continents, Fujita predicts, will generate a new tornado corridor in the center of the Europe-Asia land mass.

There, tornado conditions will be similar to those now prevalent in the U.S. midwest. But the Pacific Ocean will have fewer typhoons because Australia will have moved northward into the ocean area where the storms now originate. Perhaps the most dramatic change the researchers predict is the widening of the Atlantic, which will extend the northern reaches of the Gulf Stream, melting the north polar ice cap and bringing warmer temperatures to eastern Greenland, Iceland and northern Europe.

Why was such a long-range date selected as target for the prediction? Forbes told me he believed it would take at least that long for the movement of the vast land masses to make their climatological mark. But a colleague gave another reason: "We wanted to make sure nobody'd be around to check up on us."

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If there is not, morning business is now concluded.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the unfinished business, S. 707, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The Senate resumed the consideration of the bill.

RECESS UNTIL 2 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2 o'clock.

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

Thereupon, at 12:16 p.m. the Senate took a recess until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HATHAWAY).

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14715) to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the following bills:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky;

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez;

H.R. 5667. An act for the relief of Linda Julie Dickson (nee Waters); and

H.R. 7682. An act to confer citizenship posthumously upon Lance Cpl. Federico Silva.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers and for other purposes.

Mr. CLARK. Mr. President, over the past several years, the American consumers have become increasingly skeptical and concerned as a result of their inability to adequately express their views and air their grievances. Unanswered complaints, faceless computers, the shrinking dollar, and misleading advertising techniques continue to plague the consumer and make everyday life more difficult. The sad tale of the regulating agencies that become captives of the regulated has repeated itself all too often—and inevitably at the expense of the consumer.

It is becoming increasingly clear, then, that there is a compelling need to give the consumer a more equal voice in the work of regulatory agencies and other institutions which affect the consumer. While a number of consumer aid programs currently exist, they are often diffused, they lack adequate authority, and they do not effectively represent the consumer. In the name of economy and efficiency, then, the concept of the Consumer Protection Agency was born.

Many people have stated that the ACA—which in name has replaced the CPA—bill will establish a new, monstrous "umbrella" bureaucracy, unnecessary in light of the number of consumer aid programs which currently exist. Actually, the bill is a compromise which provides for an agency to gather information and represent legitimate consumer interests before the various Government regulatory agencies. It could obtain consumer

information directly from businesses to publicize hazards and serve as a clearing house of consumer complaints and request enforcement actions by other agencies. The ACA itself would have no regulatory powers whatsoever, and it would be subject to the rules and regulations of the existing agencies. Its function is to represent arguments, not make decisions.

Mr. President, this approach offers the best opportunity to insure that legitimate consumer interests are aired along with other views so that the best decision can be reached fairly and efficiently. The agency would be beneficial to the legitimate businessman who provides quality merchandise to his customers because it would bring to task those few unscrupulous businessmen who profit at the expense of the consumer. No honest businessman who tries diligently to provide adequate products and services need fear this legislation.

That is why the bill commands such widespread support. In addition to the unanimous support of the various consumer groups and Virginia Knauer, Consumer Adviser to the President, the American Bar Association, the American Trial Lawyers Association, and business representatives ranging from Motorola, Montgomery Ward, and Business Week magazine support this bill. A New York Times editorial of July 16, 1974, cogently summarizes the basis for support, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. CLARK. Mr. President, the ACA can have a significant impact on the fight against inflation, because the ACA administrator will have the authority to appear before the respective agencies on behalf of the consumer and argue the consumer's case for lower prices. The problem of the price spread in food prices is a good example of how that might work. The price spread, of course, is the difference between what the farmer is paid for his product and what the consumer pays for it. This spread has grown consistently larger over the last year, and there is no indication that the trend will be reversed.

The 46 cents the farmer was receiving out of the food dollar in 1973 had dropped to 42 cents earlier this year—and it is expected to drop even further. But the consumer would never know that according to an Agriculture Department study earlier this year, the retail price of bread increased by 2 cents over a 4-month period at the same time the farm value of the bread ingredients dropped by 2 cents. The difference went to the middlemen—there was no savings for the consumer.

The same phenomenon extended to other food prices as well. As John Hightower noted in an article earlier this year.

> The Federal Reserve Bank of Chicago said in its May 31 agricultural letter that "the available evidence suggests that higher profits have contributed to the widening farm-to-retail price spreads." That conclusion is supported by Business Week magazine figures showing that in the first three months of this year, the largest food retailers had profits that were 59% higher than a year ago, even though their sales were up just 14%.

When farm income drops month after month, but the consumer continues to pay higher and higher retail prices, something is wrong. When businesses are hurt, they appeal directly to the appropriate regulatory agency or the Congress for assistance. The consumer should also have the ability to hold the attention of the proper authorities, and the APA will give that ability to the consumer.

The Federal Trade Commission is investigating the price spread in food prices. We can be sure that the arguments and evidence most favorable to the Grocery Manufactures of America and the National Association of Food Chains will be more than adequately presented to the Commission. This ACA bill would merely guarantee that some adequate representation for the consumer would be provided for, so that the FTC has access to all the facts. To insure that the APA can effectively fulfill this function, it will have the authority to subpena information directly from the middlemen to pinpoint the impact of their economic decisions on the consumer and guarantee that such relevant information is bought within the scope of the Commission's inquiry. And, if policy decisions are ultimately made which unfairly ignore the consumer vantage point, the administrator can appeal those decisions in the courts in the same manner businesses can appeal them right now. It is only fair that both consumers and businesses have equal treatment, and these provisions of the APA bill will help correct these historical inequities. In this way, the consumer protection bill can be an effective tool in fighting inflation.

Even with the ACA the consumer will still be at a disadvantage. The petroleum institute, for example, has an annual budget of over $17 million at its disposal to present its case before a few select agencies; the ACA will have less money than that to represent the consumer on a wide range of issues at all levels of government. But at long last, the consumer argument can be made and the agencies can better analyze the merits of the issues. That is all this bill really attempts to do: present all the relevant facts before the proper authorities in the hopes that the traditional adversary system, which has served us so well in the judiciary, can be brought into play in the vital decisions made by the regulatory agencies.

Mr. President, the ACA is one of the most creative legislative proposals in years. It is not just another Government bureaucracy or Cabinet post created to solve an urgent problem; rather, it is a limited response devised to get the facts. But in my judgment, this limited vehicle will be the most effective vehicle yet to insure that consumer interests are aired. The Senate owes the American people a vote on the merits of this proposal, and I sincerely hope that my colleagues will not allow another filibuster to kill this vital legislation.

The issues on both sides have been raised. The arguments have been made. If the bill deserves to be defeated, it should be defeated on its substantive contents—not on obstructionist ploys. That is the democratic process. Let us stop debating and vote for this bill.

EXHIBIT 1

CONSUMERS' VOICE

For the third time in four years the Congress is attempting to create an institutional voice for consumer interests in Washington, to balance the well-organized activities of business lobbies and trade associations. Only the prospect of a filibuster, perhaps starting today, seems to stand between this much-needed legislation and Senate passage, following last April's overwhelming approval by the House of Representatives.

The bill would create a Consumer Protection Agency, a relatively small bureau whose function would be to present the consumer viewpoint in hearings and other proceedings before Federal regulatory agencies. It would have no regulatory power of its own.

In any administrative procedure, the presentation of adversary voices is the best guarantee against domination by one or another vested interest. "Consumers" are no monolithic or exclusive bloc of society, any more than is "business." Yet for too long an imbalance has existed in Washington that allowed the business-financed trade organizations to present their viewpoints on any issue pending in regulatory proceedings, without an equally coherent and informed presentation of how decisions might affect consumers. The Consumer Protection Agency is aimed at correcting this imbalance, not at imposing a veto power or superagency control.

In 1972 similar legislation passed the House, but was filibustered to death in the Senate. The leader of that filibuster, Senator James B. Allen of Alabama, has signaled his intention of trying to repeat his previously successful obstructionism. But this issue cannot be allowed to fail once again on a procedural ploy; the Senate owes the electorate a straightforward vote on its merits.

Mr. GOLDWATER. Mr. President, I listened with a great deal of interest to the comments that have just been made, because I want to address myself very briefly in opposition to the consumer bill.

I hear that another cloture motion will be filed this afternoon, and this seems rather unusual to me. I have checked up on what this so-called filibuster amounts to.

I might say that the term "filibuster," as I learned it here years ago, meant almost around-the-cleck sessions in an effort to wear out the opposition. We commenced consideration of the consumer bill on July 16. Since that time, the Senate has been in session 12 days—it will be 14 days—and a total of approximately 90 hours. The consumer bill has been before the Senate for varying periods of time for 9 of those days. Fourteen amendments to the bill have been considered in that time, and two cloture votes have been taken.

During the period of time the consumer bill was not before the Senate, 39 other bills, including 4 appropriations bills, have been acted on. Also, a number of conference reports were disposed of in that time.

The number of hours a consumer bill has been before the Senate since July 16 is not available from the Senate records.

I make those comments, Mr. President, to point out that we have not been

engaged in a filibuster. We have actually gotten a lot more work done in this last 2 or 3 weeks than we have in comparable times before that. So, as one who learned what a filibuster was the hard way, I have to deny that we are engaged in a filibuster at the present time.

In fact, this is the first time that I have spoken against this proposal, and I had not intended to until we were forced to by these repeated cloture votes. I think it is becoming very obvious that as the American people get wise to the consumer bill they do not want it.

In fact, one of the surprising things to me is that, reading the records, I cannot find anyone who appears in favor of it from the business community.

The answer may be that, naturally, business does not want to be more encumbered by the Federal Government, and, Mr. President, I can tell you they do not. I have often told people that the reason I got into politics at the national level was precisely this reason. When I came back from World War II, I found people on my payroll who did not contribute 1 cent to the profit of the corporation. That is the whole name of the game in this country, to make money out of a business. These people were employed to keep my brother and me out of trouble because we might inadvertently violate a regulation or a rule set up by a Federal bureau.

This consumer bill has a lot of political sex appeal to it, but I can tell you, Mr. President, as a man who has engaged in business—although I am no longer in business or interested in the firm, although it does carry my name—that the more we encumber American business with Federal regulations, the less productive it becomes.

One of the major problems facing the American enterprise system today is that we are slowly but surely socializing the whole thing. Others may not like that term. Let me use "federalizing." It means the same thing.

There is talk about too big a spread between what the farmer gets and what the grocery man gets. We never hear about all the demands made by consumers for better packaging, for less fat here and there, for better marketing, for better pricing. Those things are part of the problem of doing business.

Mr. President, I have with me two volumes of a manual of Federal trade regulations affecting retailers. Mind you, this is for just the retailer. These affect the big merchant, the middle merchant, the small merchant, the family store on the corner, wherever it may be. I am going to ask to have these put in the RECORD, just the index, after I have finished.

Mr. President, I want to give Senators some idea of what every retailer in America today is faced with. There are 20 pages, just of a listing of the laws that I speak of. Of course, there are the antitrust laws, then the statutory provisions of the antitrust laws, the compliance with enforcement of antitrust laws, price discrimination and the Robinson-Patman Act, advertising, and promotional allowances under Federal Trade laws.

Here is an area that I feel can stand some cleaning up. But the law is already there. Not only the law, but the responsibility of a newspaper or a radio station or a television station to have some responsibility, some honor with respect to matters about which they advertise.

I sit here sometimes on a Sunday in the winter, and I watch land being advertised by prominent athletes, land in my State of Arizona, showing a picture of lakes, streams, trees on ground that is so dry and barren that the jack rabbits carry canteens.

Now, there is no reason that this television station has to do that. It is just the buck in it. We have tried to get laws to prevent that; we cannot.

I read in a newspaper yesterday that someone selling carpets has been called on the carpet—if Senators will pardon the pun—because they advertised one thing: "Come in and cover two rooms or three rooms of your house for, say, $189." When the customer walks out with the bill, it is $400 or $500.

Those things can be controlled under many local ordinances and communities under straight laws, and particularly can be controlled by the media, the TV, radio, and newspapers and magazines paying more attention to what they advertise.

I must admit, we see a lot of phony, crooked advertising today. I would call on the advertisers and the proprietors and the media displaying those ads to do something about it. We have many laws under the cover of advertising and promotional effects in retail. We have a retail pricing under the Federal Trade Commission Act.

We have exclusive franchises and refusals to deal; monopolies, price fixing, and other trade restraints under the antitrust laws; resale price maintenance, fair trade, deceptive advertising, and other mispresentations under the Federal Trade Commission Act; analysis of the Textile Fiber Products Identification Act.

I might explain that, Mr. President, in case you do not understand what it is. If your wife goes to a store looking for a coat and she finds two that she likes, but she is not sure you are going to like them—not that it makes any difference in the long run, I might say—she would take them out on approval. Both of those coats, if they happen to be wool, would have a tag explaining the content of wool in that coat, and many other tags by this time. She naturally would remove those tags, because they would not be attractive when she wore them before you.

Then, you did not like either one of them and she respected your judgment, so she took them both back. The storekeeper inadvertently, through no fault of his own, forgot to put the tag back on. The poor man could go to jail or be fined for $10,000 for a supposed mistake over which he had no control.

This is the kind of thing that the small businessmen of America really resent, the fact that they have to pay so much of their money, so much of their profits to the Federal Government in a roundabout way to enforce the rules and regulations that have been promulgated—not by the Congress, but by the bureaus set up by the Congress; and then, added to that, laws that the Congress has actually passed.

We have Federal Trade Commission guides for shoe labeling and advertising. That is the only thing I never sold in my life, a pair of shoes—a pair of shoes and a brassiere. Those are the only two things I never sold; not that I have any resistance to it; I just could not do it right.

To have laws covering how one is going to handle the sale of a pair of shoes, to me, is ridiculous. Yet we are going to go right into the same type of thing under the rather appealing title of consumer protection. I know the housewife says, "Oh, I am going to be protected. I can run down town to the local office of the Consumer Protection Agency, and I can go down to Jones' store, and I can get him in trouble." And Jones knows that.

It is just like malpractice among doctors; it has gotten to be a sort of racket. I do not mean malpractice as between doctors, but a doctor being able to be sued for malpractice, in many cases by patients who literally set themselves up for the purposes of making that suit.

It will be the same way if this consumer act is passed. We will have Government investigation and litigation under trade regulation laws, restrictions under the Flammable Fabrics Act, the Fair Packaging and Labeling Act—Mr. President, as I say, I could go on for 20 pages. I ask unanimous consent that this entire index, in its proper order because it is out of order now, be printed in the RECORD at this point.

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

CHAPTER I—THE AUTHORITY OF THE FEDERAL GOVERNMENT TO REGULATE THE RETAIL TRADE

CHAPTER VIII—DECEPTIVE ADVERTISING AND OTHER MISREPRESENTATIONS UNDER THE FEDERAL TRADE COMMISSION ACT—Continued

CHAPTER IX—FEDERAL LABELING LAWS AND REGULATIONS

CHAPTER X—TRADE PRACTICE RULES AND THE RETAILER

Mr. GOLDWATER. Mr. President, I just hope that we act wisely on this consumer protection bill. It is not needed. It is not called for. I am not standing here as a former merchant and former businessman, and saying that 100 percent of the business people of this country are honest. They are not. There is about as much dishonesty among that group as one will find in a political body, a church group, a YMCA, or anything else. But the way to solve that problem is not to penalize the small group that do wrong things in retailing and merchandising but to make it possible for the honest merchandiser to get rid of the dishonest merchandiser. The biggest thing would be to induce the newspapers, magazines, radio, and television to refuse to take advertising from people about whom they know there is something not quite right.

The enactment of this legislation would hurt small businesses all over the country; even though there is a provision that 25 people or more have to be involved, that can be gotten around, I am sure. The first time a labor union files a case before the National Labor Relations Board, we will find all kinds of things happening to this consumer bill.

I stand here, Mr. President, speaking from experience. I wish we had more businessmen in Congress. I can tell you, it is no longer easy to make money in the retailing, merchandising business in this country. It used to be, but no longer. In fact, if you make 2 percent today on your investment, you are doing pretty good. When we say to a retailer, "Here is one more Federal agency that is going to be hung around your neck," that is just a few more pennies which will be taken out of that man's profit, which means a few more will go out of business, and that much more shoddy merchandise will come into the market.

I hope we will defeat this measure. I hope we will be able to muster the few votes necessary to convince people that this bill should go down the drain, which is exactly where it should go.

Mr. President, that is all I am going to say about this measure. I yield the floor.

Mr. DOMINICK. Mr. President, will the Senator yield to me before he does that?

Mr. GOLDWATER. I yield to the Senator from Colorado.

Mr. DOMINICK. I want to ask the Senator one or two questions. I want to be sure I am correct, that the index the Senator put in the RECORD covered only regulations by the Federal Trade Commission. Is that correct?

Mr. GOLDWATER. It is the requirements of the Federal Trade regulations that affect just retailers.

Mr. DOMINICK. Just retailers?

Mr. GOLDWATER. Just retailers; not manufacturers, not wholesalers, not even druggists or any other specialties. This is just for a man in the retail business.

Mr. DOMINICK. So when we are talking about consumer "regulations," we have a lot more than just the index the Senator has put in the RECORD?

Mr. GOLDWATER. I tried to compile a total index, and I finally gave up. I do not think one issue of the CONGRESSIONAL RECORD would carry all the regulations and rules under which American business has to operate, all spelling "Government control."

Mr. DOMINICK. I thank the distinguished Senator from Arizona. I am reminded of a case that I once defended of a large grocery store, which was retailing food, but not other types of merchandise. A small independent mom-and-pop store brought the suit against two large chains, one of which I was representing, the theory being that they were selling too cheaply.

This is an interesting thought, in view of current inflation and everybody complaining about what his grocery bill is, including myself when I go shopping. But they were accused of selling too cheaply.

My client defended on the ground that it was lowering its price in order to offset stamps which were being given by the other chain store. The other chain store, by giving stamps, was doing something the consumer wanted. My client was also doing something the consumer wanted; namely, pricing more cheaply. This independent was caught right in the middle, and he got squeezed badly, there is no doubt about it.

We spent 4 months in the summer of 1955—before I was in politics—before the judge finally decided it was hopeless, and ruled that the law was unconstitutional, which was probably the only thing he could do.

The reason I bring that up is that my question is, what consumer are we protecting?

I had lunch the other day with a professor from the Yale Law School, to whom I was introduced by the junior Senator from New York.

He said, "Suppose we have a consumer protection agency. Let us take the case of the ICC. We will say that from Washington to Baltimore we had a train which was not making ends meet insofar as passenger traffic was concerned. But all the people in Baltimore and all the people in Washington would protest like crazy the minute that train was proposed to be abandoned."

He said, "That would go directly to the consumer protection agency, and they would leap in. But the fact of the matter is that by virtue of keeping that train running, the other consumers that are using the same line, say, from Washington to Philadelphia, are going to have to pay a higher price in order for the railroad to come out even on the segment from Washington to Baltimore."

So, as I say, what consumer are we talking about? Whom are we representing, and why?

I invite my distinguished colleague from Connecticut to express his thoughts on this matter, because I do not, frankly, know who is the consumer. How do we distinguish the consumer from anyone else? The largest consumer in the whole country is probably in the agricultural production area. They not only consume everything that everyone else produces, but they also consume all the agricultural equipment that is put out so that we can eat.

Mr. RIBICOFF. Mr. President, if the Senator will yield——

Mr. DOMINICK. I am happy to yield.

The PRESIDING OFFICER (Mr. DOMENICI). The Senator from Connecticut is recognized.

Mr. RIBICOFF. The consumer administrator would intervene on behalf of only one particular consumer interest where that interest is the only one present. Where there are conflicting consumer interests the administrator could intervene by giving both sides of the question where he finds a way to reconcile the interests he could say so. Where he is not able to do so, he could say so also. Where he believes one consumer interest is far more substantial than another, conflicting one, he could say so also.

Keep in mind that the consumer advocate will act only in an advisory capacity. He is an advocate. He does not make any regulations or any decisions. If there were conflicting consumer interests raised by a question before the ICC, the administrator could present a memorandum containing all of the facts to the ICC.

The ICC, for example, would have to make the decision whether to shut down the train between Washington and Baltimore or let it go. The administrator could present the arguments for keeping the train open between Washington and Baltimore; but also he could point out the additional cost this service would place upon the shoulders of the consumer between Baltimore and Philadelphia. These are factors that the ICC would take into account. On the other hand, if the facts indicate that keeping the service open would place only a minimal cost on other passengers, the Administrator could point this out and argue in favor of maintaining service between Washington and Baltimore.

Mr. DOMINICK. Right.

Mr. RIBICOFF. This is how I conceive of the advocate carrying out his job.

Mr. DOMINICK. All right. Does not the ICC get into that anyhow because they have to determine what the rate structure is and what the route structure is?

Mr. RIBICOFF. Well, the ICC could or would not. The ICC often finds itself, like any regulatory agency, overburdened with many cases where only one point of view is represented. The consumer interest is out-represented before Federal opinions on a ratio of about 100 to 1. As a result, the ICC might hear from the railroad many reasons for abandoning the service, but none of the arguments in favor of continued service.

This is because the consumer individual is part of a disorganized, unorganized, group of 210 million people. Very seldom does the consumer have the opportunity of going down and hiring a lawyer, an auditor, an accountant, or an engineer. The railroads, the truckers, everyone whose business is directly affected by ICC actions, are very well represented. The consumer advocate would right this balance where there was a clear and substantial consumer interest.

If there were not, he would not get involved. The agency will have too much work as it will only have 250 people to do anything else except intervene in those cases where there is a clear consumer interest affecting consumers on a nationwide basis.

But, in all truth, I would say that in the case that the Senator from Colorado brings up, the Administrator would have the ability to go in and present both sides of the picture if there really prove to be substantial, conflicting consumer interests. Frankly I think in most cases all the consumer interests will clearly fall on one side or the other, not both.

Mr. DOMINICK. I thank the Senator from Connecticut.

I am reminded of another thing. I think Mr. Ralph Nader is supposed to be the leading consumer advocate these days, and initially what he started in with was the automobile business by saying that the Volkswagen was too unsafe to be imported. I would presume in that situation he could have cut the Volkswagen out. That would have made a considerable number of consumers who now drive Volkswagens, which does not include me, rather annoyed. I drive a 1963 car that does not have flashing lights and buzzers and interlocks, and other blooming things that Nader got put on the car, presumably in the interest of safety.

What it really does is to increase the cost and the annoyance to an awful lot of drivers.

I was going to buy two cars this year. I hope to be able to because one is to replace my 1963 car, and the other is to get rid of that perfect marvel of engineering ingenuity, the Chevrolet Nova, which gets 8.4 miles to a gallon, which seems to me somewhat incomprehensible at a time of energy shortage.

But I would not do it because I had the interlock, I had to put the safety belt on, not only on myself but on the dog that I had to carry on my front seat or a bag of groceries, in order to get the blooming thing to start.

Mr. RIBICOFF. I just want to point out to the Senator that all those factors that he is complaining are already part of the automobile. The Government made these decisions without a consumer advocate agency telling it anything.

Mr. DOMINICK. That is right.

Mr. RIBICOFF. But from what the Senator is saying, I would assume that a consumer advocate, in order to carry out his function properly, would have the duty, in preparing his briefs, to point out to the safety administrator the factors that are involved. The ACA administrator would point out both the costs of the new devices and the extent they contribute to his safety. He would also be in a position, due to his familiarity with the consumer point of view, to warn the decision, making authority of consumer opposition to these new requirements.

Again we do not look at the consumer advocate as being an ax man, and I hope he would not be. I assume that the President, in appointing the consumer advocate, would take a man of commonsense and good judgment. We would assume that this man of commonsense and good

judgment would take into account all these factors.

Mr. DOMINICK. I would hope so, but I would doubt it.

Mr. RIBICOFF. I would hope so or the agency is not going to last very long. We have written into this bill a 3-year authorization. The agency will have to come back to Congress after 3 years for a new authorization. At that time the Congress can assess how the advocate agency is doing. It can determine whether it is working, or not working.

The agency will be a very small agency. The act provides for a $15 million authorization. We contemplate this will permit the agency to hire about 250 people. With 250 people the administrator is not going to be able to get into every grocery store and department store in Hartford, Denver, or Phoenix.

Mr. DOMINICK. I would like to ask the Senator another question, if I may, because I think I still have the floor.

In Colorado, as the Senator probably knows, it snows. In Connecticut, where I was born, it also snows.

What happens when we have an interlock situation and our windshield ices over, and one gets out of his car and he cleans off the windshield. This happened to our colleague, the Senator from New Hampshire, incidentally, in New Hampshire, but I am using our States as an example.

Then, by the time he gets in and gets that interlock situation in again, he has cleaned the windshield off but, by the time he gets it going so that the car will turn on, the windshield is iced over again, and one can do it four or five times.

Mr. RIBICOFF. I would file a complaint with the consumer advocate that the safety administrator promulgated regulations that were nonsensical.

Mr. DOMINICK. I almost bought a car so that I could sue the manufacturer. I did not because I did not have that much money to waste.

Mr. RIBICOFF. I think that the Senator needs a consumer advocate to fight his battles for him.

Mr. DOMINICK. What we need then is a consumer advocate on regulatory boards, not to set up another regulatory agency, which is exactly like the ones we have, which the Senator now says do not represent the consumer.

Mr. RIBICOFF. But this man is not a regulator. The consumer advocate has no regulatory function at all.

Mr. DOMINICK. Except to come in and——

Mr. RIBICOFF. He is an advocate who comes in——

Mr. DOMINICK. To create more problems.

Mr. RIBICOFF. To represent the consumers' point of view to the regulatory agency. The regulatory agency is the one that makes the decision. The consumer advocate makes no decision.

Mr. DOMINICK. If my memory is correct, from 31 years in the State of Connecticut, it still has problems, if I may say so, on fence lines, and on the question of who has got what fence and who has to put it in.

Now, if two neighbors who know each other well and, presumably, have gotten along for a long time cannot agree on a simple thing like a fence line in the State of Connecticut—and we have this in Colorado, too, so it is nothing new—how in the world are we going to find 250 million consumers agreeing on anything? We are never going to be able to do it.

Mr. RIBICOFF. In the great majority of cases the consumer in trust will be clearcut. Let me list just as few examples: a steep rise in the price of telephone calls set by the FCC; the review by the Food and Drug Administrator of a new drug where the drug's effectiveness has not been proven; unsanitary conditions in a packing house inspected by the Agriculture Department; unsafe equipment in a new airplane regulated by the FAA; a failure of the Food and Drug Administrator to implement a new act regulating the safety of medical X-ray machines; false and misleading advertisements being reviewed by the Federal Trade Commission.

There is plenty of work to be done by a consumer advocate, involving important consumer interests that are clearcut. There will be other agency decisions where it is absolutely obvious there is no substantial consumer interest. There will be a few cases where there are legitimate and substantial arguments in favor of conflicting consumer interests. I would hope the consumer advocate would present arguments for both consumer interests if he is convinced both are substantial and that there is no way to reconcile them.

My feeling is that there are a sufficient number of problems, involving what are clear and substantial consumer problem, that the Administrator will have no opportunity or interest in getting into matters where the consumer interest is fuzzy or unclear.

Mr. DOMINICK. I could obviously give the Senator a lot more examples which, I am sure, the Senator from Connecticut is aware of, as I am, whether it is in the energy field or whether it is in the telephone field or whether it is anywhere else, the question of what they build up as energy sources for power, and a whole bunch of other things.

What I am concerned with is there is going to be a general feeling around the country that this consumer agency is designed for their benefit regardless of what their neighbors' benefit may be, and to such an extent we are going to get an agency which is at cross purposes with itself all the way through. We can do it for far less expense by saying that one of the people appointed to any of the regulatory agencies—which I am told now are not representing the consumers, although I doubt that, but nevertheless we are so told—by putting a member on that Commission or on that body who is consumer-oriented, as you are, as I am.

I had a big argument with my farmers at one point in Colorado. I do not think the same problem exists except maybe in the tobacco area of Connecticut, but not quite as much as we do in our State, as to the question of what is a consumer. They kept saying, "The consumers are putting us out of business." I said, "Farmers are the biggest consumer there is, so why not call yourself a consumer?"

Then you have a whole different image. The image now of a housewife is that anybody that produces anything is not a consumer. Well, that is not true. They consume as much or more than the average housewife does, and they are under usually a far harder economic stress than the ordinary housewife is.

I can say that because I know what has happened. We have lost one-third of our dairymen, for example, in the last 10 years out of the whole State of Colorado, one-third of them are gone.

I am told the milk fund came around, as I said many times, milk was already considered a health food, now it is considered something dirty and awful, but that is ridiculous. It is still fine.

What I am saying is that I think we have the beginning of a whole camel with just its little nose under the tent, and that is the thing that scares me.

I yield the floor.

EMPLOYMENT OF WHITE HOUSE OFFICE AND EXECUTIVE RESIDENCE PERSONNEL—CONFERENCE REPORT

Mr. McGEE. Mr. President, I submit a report of the committee of conference on H.R. 14715, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DOMENICI). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14715) to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of August 1, 1974, at pages 26360–26363.

Mr. McGEE. Mr. President, in this conference report, we are referring to the measure that sought to address itself to the problem of supergrade and top-grade employees at the White House level; and likewise to point to the problem of the numbers of such White House staffers, their identification, and the like.

As a result of the conference, I think we arrived at a reasonable compromise that would allow the existing White House complement to be grandfathered into the situation, but that beginning at the end of this period of time we would begin to phase down the numbers of White House members of the staff at the topmost levels. We would, likewise, grade all those levels and define not only the holders of the jobs, but the duties and responsibilities of each position.

We believe that it is a responsible piece of legislation: that the compromise represents the basic judgment of the two Houses.

Also in the conference, as part of the Senate bill, was the amendment proposed from the floor by the distinguished Senator from Connecticut (Mr. WEICKER).

The measure that was very strongly endorsed by all of us in this body attached to the original legislation the proviso that no officer or employee of the executive branch, other than the President personally, upon written request, could use income tax returns for whatever discretionary purpose they had in mind.

The Senator from Hawaii (Mr. FONG), the ranking minority member of the Senate Post Office and Civil Service Committee, raised a point of order at that point in the colloquy on the floor on the grounds that this measure not only had not been heard in committee but also that it was not germane to the substance of the legislation.

However, the point of order was removed by unanimous consent between both the Senator from Hawaii and the Senator from Connecticut. The Senate agreed to take it to conference with the House.

Among the House conferees the position was unanimously expressed, minus one member who was unable to attend that day because of duties on the House floor, that it would run smack into the automatic point of order in the House procedure and that as a result the whole bill would go down the drain because of that procedure.

Mr. President, we have been advised by letters from the distinguished senior Senator from Utah (Mr. BENNETT) as well as from the House side by communications the House members of the conference had with Representative WILBUR MILLS of the Ways and Means Committee that both in the Treasury Department on this side and the Ways and Means Committee on the House side they were undertaking in-depth and extensive studies of the Weicker proposal.

In the light of that, the House felt it could not even call up a point of order for a test on the floor.

In the wake of that information, I wanted to be able to report to the distinguished Senator from Connecticut that it was the judgment of his colleagues among the Senate conferees that we had no other direction to go then to save as much as we could out of our legislative endeavors here.

For that reason, we bring back the conference report which I have submitted to the President of the Senate.

Mr. President, the conference substitute which emerged from the Senate-House conference on H.R. 14715 was the result of two meetings, the conferees failing to agree at the first meeting. We arrived at provisions agreeable to both sides only after extensive discussion and the weighing at both meetings of the various alternatives in an effort to arrive at a satisfactory compromise. The conferees brought views to the meetings which were substantially at odds, but they believe, that in substance their views were reflected in the conference substitute. The Senate did not get all the Senate conferees wanted, but negotiation was intense and neither side could have its way entirely.

Members will recall that H.R. 14715 resulted from an effort in both bodies to comply with rule XXI of the House which provides that no appropriation may be reported by the House Appropriations Committee in any general appropriation bill for expenditures not previously authorized by law. H.R. 14715 authorizes appropriations for the appointment of employees and the expenditure of funds for the White House office and the Executive residence at the White House.

The chief point at issue in the conference was the number of top-level employees who may be authorized for the President's staff in the White House and the Executive residence at the White House.

The Senate version authorized a total of 75 such employees: 15 at not to exceed the rate for executive level II; 25 at not to exceed the rate for executive level III; and 35 at not to exceed the rate for grade GS–18.

The House version did not use the not-to-exceed language. It authorized 65 employees at specific levels and grades: 5 employees at executive level II; 5 employees at executive level III; 10 employees at executive level IV; 15 employees at executive level V; and 30 employees at grades GS–16, GS–17, and GS–18.

Currently authorized for White House employment are 14 employees at level II, 21 employees at pay not to exceed the rate for level III, 27 ungraded employees whose rates of pay do not exceed GS–18, and 3 supergrades in GS–16 and GS–18. This makes a total of 65 employees above grade GS–15.

In the House bill, the number of top-level Presidential aides would have been reduced. In the Senate bill they would have been marginally increased and the total increased by 10 positions.

The conferees, unable to agree on compromise figures to become effective upon enactment, decided to authorize for the present essentially the same numbers of positions currently authorized—14 level II's and 21 ungraded positions not to exceed level III, for a total of 35 positions. Additionally, the conference substitute allows 35 positions in grades GS–16, GS–17, and GS–18 as provided in the Senate version.

In the conference substitute, these numbers of authorized positions will be diminished beginning January 1, 1976, and a new authorization will become effective on that date until January 20, 1977: 12 employees at executive level II; 10 employees at executive level III; 9 employees at executive level IV; and 9 employees at executive level V.

On and after January 20, 1977, the totals authorized will diminish further: 8 employees at executive level II, 10 employees at executive level III; 11 employees at executive level IV; and 11 employees at executive level V.

Through grandfather provisions, present incumbents will be allowed to remain in their positions, but for new hires the numerical provisions of the conference substitute will prevail.

The thrust of the conference committee's action is clear here, I believe. The President is allowed to continue his present staff with the addition of 5 supergrades, but beginning in January 1976, the numbers of top White House staff authorized will begin a phased reduction.

A compromise—not involving phasing—was agreed to in the case of the appointments allowed the Vice President. Under the conference substitute, he is allowed one employee at level II, three employees at level III, and three employees at levels IV and V.

Similarly, negotiations resulted in a settlement of the question of funds for the President for unanticipated personnel needs. The House bill was silent on this question, and the Senate bill authorized $1 million to meet unanticipated personnel needs and to pay administrative expenses incurred with respect to them. The conferees agreed to $500,000 for this purpose, adding the requirement that the President must report to the Congress in detail on the funds expended under this authorization.

When this measure was considered on the floor of the Senate, the Senator from Connecticut (Mr. WEICKER) introduced an amendment prohibiting the use of tax-return information by any officer or employee of the executive branch other than the President personally upon written request and, for certain purposes, officers and employees of the Justice and Treasury Departments.

The Senator from Hawaii (Mr. FONG) raised a point of order that the Weicker amendment ought not to be considered on the ground that it was not germane. The Chair sustained the point of order that the amendment was not germane and Senator WEICKER appealed the Chairs' ruling. Then Senator FONG withdrew his objection, and the Chair vitiated the point of order, and the appeal was withdrawn. The Weicker amendment was agreed to by the Senate.

Prior to the conference, I received a letter from the Senator from Utah (Mr. BENNETT) urging the conference committee to delete the Weicker provision from the measure approved by the conference. His letter states that the provision would preclude Treasury officials from analyzing tax returns and from furnishing congressional committees needed information to develop tax legislation. The Departments of Justice and Commerce would be deterred from the complete performance of some of their duties, his letter states.

The letter of the Senator from Utah states his understanding that the Treasury Department has developed a legislative proposal governing disclosure and inspection of tax returns to tighten safeguards of taxpayer privacy. This proposal is intended for congressional consideration.

Mr. President, I ask unanimous consent that the complete text of the letter from the Senator from Utah (Mr. BENNETT) be printed in the RECORD.

There being no objection, the letter

was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 31, 1974.

Hon. GALE W. McGEE,
U.S. Senate,
Washington, D.C.

DEAR GALE: It has come to our attention that H.R. 14715, the White House appropriations bill, was amended on the Senate floor by the addition of the Weicker amendment restricting access of executive branch employees to federal tax returns. Although we are very sympathetic with the objectives of Senator Weicker's proposal, it would severely limit a number of legitimate and important uses of tax return information, would significantly affect the operations of our committees, and for those reasons is of great concern to us.

The amendment would prohibit the use of tax return information by any officer or employee in the executive branch, other than the President personally upon written request and, for certain purposes, officers and employees of the Departments of Justice and the Treasury. The purposes for which tax returns could be used by officers and employees of the Justice Department and the Treasury Department would be limited to "filing and audit of such return, the payment, collection, or recovery of the tax with respect to which such return was made, or the prosecution of any offense arising out of that return."

Such a statute for example, would appear to preclude Treasury officials concerned with legislation from analyzing tax returns and from furnishing our committees with the kind of statistical information we need in developing tax legislation. Other agencies could be similarly precluded from carrying out legitimate functions. The Department of Justice would be precluded from access to tax returns in certain areas of its enforcement activities. The Department of Commerce would be affected in a major way, as it uses tax data in preparing the national income accounts, i.e., GNP and similar figures. Similar situations may exist in other agencies.

We are all concerned with strengthening statutory protections for taxpayer privacy, but we need to do so in a manner consistent with legitimate needs of a complex government. That is a difficult and intricate task.

We understand the Treasury Department has developed a lengthy legislative proposal for a comprehensive revision of the provisions governing disclosure and inspection of tax returns (mainly sections 6103 and 7213 of the Internal Revenue Code). This proposal, which we understand will tighten safeguards for taxpayer privacy, will be submitted to the Domestic Council Committee on the Right of Privacy and to other executive agencies for comment, and then to our committees for the close scrutiny and careful consideration that it requires and deserves.

Under these circumstances, we believe enactment of the Weicker amendment would now be premature and for the above reasons we urge the conferees on H.R. 14715 to delete that provision from the bill. It should also be noted that the amendment was ruled nongermane but that ruling was withdrawn by consent.

Sincerely,

WALLACE F. BENNETT.

Mr. McGEE. Mr. President, similarly, prior to the conference meeting, the Bureau of the Census issued a statement that passage of the Weicker amendment "would have a disastrous effect upon the basic statistical program of the Bureau of the Census." The Bureau states that tax records serve as important source data for numerous Bureau data-compiling programs.

The position of the House conferees was that the Weicker amendment was not germane to the bill and would be subject to a point of order in the House of Representatives. A letter to the House conferees from Representative WILBUR MILLS advised that the Ways and Means Committee was studying the problem and cited the Treasury Department study mentioned in Senator BENNETT'S letter to me.

In view of the foregoing, especially the point-of-order problem in the House and the parliamentary situation it could create, the Senate conferees receded and the Weicker amendment was not included in the conference substitute, which I hope Members will confirm.

Mr. FONG. Mr. President, I strongly urge the Senate to approve the conference report, 93–1066, on H.R. 14715, a bill to authorize the appropriation of funds for staffing the White House Office and the executive residence at the White House, for official entertainment and reception expenses of the President, for staffing of the Vice President's office and for making available to the President a fund for unanticipated personnel needs.

This legislation is necessary to insure the appropriation of funds for the operation of the White House Office and the executive residence at the White House.

In previous years no authorization bill was sought nor acted upon by the Congress. However, under the Legislative Reorganization Act of 1970, a change in the House rules was made requiring that before any appropriation is acted upon, there be general authorization in law. Since there was no authorization in law for these White House appropriations, it was necessary to pass such a bill. H.R. 14715 is that bill.

In effect, this measure only authorizes what has already been done in appropriations bills for a number of years.

It authorizes specific staff allocations for the President and the Vice President as follows:

It specifically grandfathers every incumbent employee to retain his position to December 31, 1975, so that no one loses his position.

Beginning with January 1, 1976, the White House will be allowed 12 employees in level II, 10 employees in level III, 9 employees in level IV, 9 employees in level V, making a total of 40 employees in that category, whereas the White House now has 35.

The White House will also be allowed 35 employees in the GS–16, 17 and 18 grades, making a total of 75 employees in the level II to 16 grade.

Beginning with January 20, 1977, when a new President begins his term, the White House will be allowed 8 employees in level II, 10 in level III, 11 in level IV, and 11 in level V, or a total of 40, the same number as we have now, and 35 in GS–16, 17, and 18, making a total of the same 75.

For the Office of Vice President, employees allowed will be 1 at level II, 3 at level III, 3 at levels IV, V, and 7 supergrade 16, 17, and 18, making a total of 14 employees. The Vice President presently has six.

The conference bill also authorizes the appropriation of the necessary funds for official entertainment, reception and representation expenses for the President. It authorizes the appropriation of $500,000 to meet unanticipated personnel needs of the President. In the past, this fund has been used for startup money for the Federal Energy Office, the Drug Abuse Prevention Commission, and others.

It further authorizes and sets out the rules for detailing of employees from the various executive departments and agencies to the White House and provides for annual reports to the Congress on the detailing of such employees.

The authorizations provided for in H.R. 14715 would cease on October 1, 1978, at which time the Congress would again have a chance to review the staff operations and needs of the White House and act on another similar authorization bill.

The Senate conferees met with the House conferees on two separate occasions. No progress at all was made in reaching a compromise at the first meeting. However, after very hard bargaining and intense discussions at the second meeting, the conference report now before the Senate was agreed to.

It is a good compromise. The Senate prevailed in most instances. Unfortunately, the House was adamant in its position against the adoption of the Weicker amendment restricting the availability of Federal income tax returns.

The House conferees were in receipt of a letter from House Ways and Means Committee Chairman WILBUR MILLS and the ranking minority member HERMAN T. SCHNEEBELI, expressing their agreement with the intent of the Weicker amendment but expressing grave reservations about the amendment's wording. The letter pointed out that the House Ways and Means Committee had requested a report with recommendations from the Treasury Department to prevent abuses in the use of Federal income tax returns by Federal agencies.

Congressmen MILLS and SCHNEEBELI urged deletion of the Weicker amendment in the conference report and assured the conferees that the Ways and Means Committee would be acting on legislation restricting the use of such returns very shortly.

In view of the letter from Representatives MILLS and SCHNEEBELI and the attendant parliamentary problems presented by the nongermaneness of the Weicker amendment under the House rules, the Senate conferees receded and the amendment was not adopted.

Mr. President, I ask unanimous consent that the letter from Representatives MILLS and SCHNEEBELI to the House conferees be printed in the RECORD.

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

COMMITTEE ON WAYS AND MEANS,
Washington, D.C., July 30, 1974.

Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service, U.S. House of Representatives.

DEAR MR. CHAIRMAN: It has been drawn to our attention that H.R. 14715, the White House appropriations bill, was amended on the Senate Floor by the addition of an amendment by Senator Weicker restricting access of Executive Branch employees to Federal tax returns.

We have not had an opportunity to study this amendment in detail, but as we understand it, the amendment would prohibit the use of tax return information by any officer or employee in the Executive Branch, other than the President personally upon written request and, for certain purposes, officers and employees of the Departments of Justice and the Treasury. The purposes for which tax returns could be used by officers and employees of the Justice Department and the Treasury Department would be limited to "filing and audit of such return, the payment, collection, or recovery of the tax with respect to which such return was made, or the prosecution of any offense arising out of that return."

We are not unsympathetic with the objective which Senator Weicker obviously has in mind with reference to his amendment. However, we have received a letter from Mr. Frederic W. Hickman, Assistant Secretary, Department of the Treasury, a copy of which is enclosed, which does raise some important issues in connection with this amendment, which issues do give us some considerable concern.

It appears that the amendment, for example, might very well preclude officials of the Treasury Department concerned with tax legislation from analyzing taxpayer returns for the purposes of furnishing statistical and other data to the Committee on Ways and Means which the Committee needs in the development of sound tax legislation. In our day-to-day activities, it is of course quite important that this Committee be able to obtain various types of analyses and statistical data from the Treasury Department and also from other Departments of the Government which are charged with keeping economic data which may be based upon broad categories of statistics derived from income tax returns.

I think we all would subscribe to the view that there does need to be a tightening of the statutes regarding disclosure of information from income tax returns. Indeed, this is an issue which has concerned the Committee on Ways and Means and some time ago we asked the Treasury Department to give us certain recommendations in this regard. We also have our own staff working on the matter with a view toward developing amendments to the Internal Revenue Code which would give taxpayers greater protection to privacy of their returns. The Treasury has advised that they are completing a comprehensive and lengthy legislative proposal dealing with the subject. We expect that the Committee on Ways and Means will give this expeditious consideration when it is sent to us.

Under these circumstances, we believe that by far the sounder approach would be to delete the subject provision from H.R. 14715 and permit the Committee on Ways and Means to develop comprehensive legislation on the subject.

Sincerely yours,
WILBUR D. MILLS,
Chairman.
HERMAN T. SCHNEEBELI,
Ranking Republican Member.

Mr. FONG. Mr. President, I believe the conference report is a fair one and meets the goals of the Senate bill in almost every respect.

I urge Senate approval of this report.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I rise to oppose the conference report. I do so reluctantly because certainly 90 percent of what was accomplished in conference is worthy of approval by the Senate. I do not oppose, in other words, those portions of the bill which deal with White House personnel limitations that I am sure have been well handled by experts in the field, such as the distinguished Senator from Hawaii and the distinguished Senator from Wyoming, and also my colleagues on the House side.

My purpose in speaking here today, and possibly throughout the rest of the week, is to focus attention on that portion of the bill commonly referred to as the Weicker amendment which concerns the availability of Internal Revenue Service information to the executive branch of Government.

Mr. President, before I proceed I ask unanimous consent that during the period of debate and the votes on this measure, Robert Dotchin, Geoffrey Baker, and Searle Field of my staff be permitted access to the floor.

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

Mr. WEICKER. Mr. President, the real test of Watergate is now clearly before this legislative body. The eyes of the Nation are upon us. They look to see whether their elected leaders will, by their actions, and not just their words, stand firmly against the recent abuses that have eroded the integrity of Government.

Insofar as the Senate is concerned, this can no longer be considered finger-pointing exercise. It is a matter for which we have to accept the responsibility to act affirmatively, and the American people have every right to assign us that responsibility.

The test at hand is simple but of great significance. Two weeks ago a White House and executive personnel authorization bill came to the Senate floor. At that time the Senate passed an amendment prohibiting those personnel from having access to private Internal Revenue Service information.

Mr. President, I now refer to page 11 of the conference report:

ACCESS TO FEDERAL TAX RETURNS

SENATE AMENDMENT

Section 6 of the Senate amendment added a new section 113 to title 3 to provide that no Federal tax return shall be made available for inspection by, nor shall any copy be furnished to, any officer or employee of the executive branch, other than the President (upon his written request), or any officer or employee of the Department of the Treasury or the Department of Justice who is concerned with the filing and audit of such returns, the payment, collection, or recovery of the tax for which such return was made, or any offense arising out of that return.

Very simply put, in other words, this amendment declares that the tax return which each American citizen files is nobody's business but the business of that citizen, the Internal Revenue Service, the Treasury Department, and the Justice Department, as they have to pursue the proper filing of such returns, and the President of the United States upon his request, over his signature.

Otherwise, it is nobody else's business, period.

Last week in conference with the House that amendment was killed, as has been described by the distinguished Senator from Wyoming and the distinguished Senator from Hawaii.

I again refer to the conference report and the explanation of why it was killed:

This provision of the Senate amendment is omitted from the conference substitute.

The position of the House conferees was that this amendment was not germane to the bill and would be subject to a point of order in the House of Representatives. Further, a letter to the House conferees from Representative Wilbur D. Mills, Chairman of the House Ways and Means Committee, and Representative Herman T. Schneebeli, ranking minority member, expressed their deepest concern with the possible abuse of Federal tax returns. However, the letter also advised that the Ways and Means Committee was studying this matter and that the Department of the Treasury recommendations would be forthcoming very shortly. In view of the Committee's work, the letter recommended deletion of the amendment from H.R. 14715.

Because of the very strong feeling on the part of the House conferees against including the amendment in the conference substitute, the parliamentary problems, the concern of the Ways and Means Committee, and the Treasury Department study, the Senate conferees receded to the House.

I think it would have been more satisfactory from the Senate's point of view if it had just ended at the sentence which read:

The position of the House conferees was that this amendment was not germane to the bill and would be subject to a point of order in the House of Representatives.

But apparently we needed some reinforcing to justify the elimination of this most important amendment, to justify the ducking of this most important principle.

I cannot speak for my colleagues on the conference committee, but several incidents occurred simultaneously with the conference which I think are worthy of note. At the same time the Treasury Department was saying, "This is a good idea, and we have specific recommendations," their lobbyists were around here trying to get everybody to agree that this piece of legislation should not come up now, in other words, "it should be killed." At the same time this reform proposal was before the conference committee, all of a sudden, lo and behold, who steps out of the woodwork but various members of the administration, saying, "Don't worry; we're working on the problem." This was on the very day that Commissioner Alexander, of the Internal Revenue Service, was making his promise of future legislative proposals before the Committee on the Judiciary.

Again, we have other representations that Representative WILBUR MILLS and Representative HERMAN SCHNEEBELI expressed their deepest concern with the possible abuse of Federal tax returns. Expressed their concern. Where has that

concern been over the years? Now, all of a sudden, the minute a reform proposal is presented, concern is expressed.

It seemed to me that their concern should have been aroused, at the very latest, when I testified before a combined Senate Judiciary-Foreign Relations Committee, where the abuses of the Internal Revenue Service were laid out in complete detail, and even, I might add, before these matters came to light as a matter of the various White House transcripts. Now they express their concern, when they have had months to do so and to take action. But this time the concern is expressed in order to delay and, in this instance, kill the first reform proposal to come along insofar as the abuse of the Internal Revenue Service is concerned.

I read from the report:

> Because of the very strong feeling on the part of the House conferees against including the amendment in the conference substitute, the parliamentary problems, the concern of the Ways and Means Committee, and the Treasury Department study, the Senate conferees receded to the House.

The Treasury Department study. The concern of the House Ways and Means Committee. The Senate conferees find that this is a reason to recede from this particular amendment.

The conference report has now been presented to the Senate for its approval. I am hereby putting my colleagues on notice that this Senator will oppose the adoption of that conference report by every means possible. I seek to have a full and complete debate of the issue, and I do not intend to see that debate ended until the report is rejected. The original bill must be returned to conference with a clear instruction of the U.S. Senate, to insist upon the Senate amendment restricting White House and executive branch tampering with confidential tax returns.

My position in this matter is not directed against a Republican administration or a Republican President. What I am trying to establish, once again, is that we are a Nation of laws and not of men.

It is the laws of this country which give us guidance, not the political philosophies of either party or the candidates of either party.

I have no doubt that the policies of the Internal Revenue Service have shifted over the years as between Democratic and Republican administrations, that access to Internal Revenue Service information may have increased or diminished, depending on the individual who occupied the White House, and that these variations will continue in the future, unless the laws of this country are clear as to these matters.

As long as there is a void, as long as we do not establish what the policy should be, then the door for abuse is wide open, and the matters that we have reviewed in the months past have absolutely no significance.

I have said many times, Mr. President, and I say especially now, at this moment of focus on the Office of the Presidency, that the real issue of Watergate is not the guilt or innocence of any individual but whether or not we are going to reestablish ourselves as a government of laws, and whether or not we are going to adhere to the Constitution of the United States—more particularly, that portion of it known as the Bill of Rights.

These are the matters that can survive no further delay, that are far more important than the fate which befalls any particular individual, either within or without the framework of government.

Why take such a firm stand? I think the answer can be found in the needs of all citizens and taxpayers in these times. They seek and deserve decisive leadership—men and women who will assert principles that are fundamental to a constitutional democracy.

How often do my colleagues in this Chamber and those in the other body stand up and berate the executive branch of Government or berate the judicial branch of Government or point a finger at the American people, all the while failing to exercise the enormous power that sits in this Chamber, and along with the exercise of that power fail to take upon their shoulders the responsibility of such decisions?

The fate of this amendment highlights the kind of con game that is going on in politics today. It aggravates a bad situation and makes it worse. I do not think cynicism of politics and politicians is well founded; but when we do the type of thing which is represented in the matter of this conference report, then obviously people wonder whether or not we are living up to the obligations and the trust placed upon us when we were elected.

Everybody goes on the public record as deploring the recent abuse of the IRS. Everybody calls for legislative reforms. Members of the administration, and Members of Congress, all are united in cries for good government, and protection of the individual against the power of the Government.

Then comes the actual legislation. Suddenly, the Halls of Congress are filled with the lobbyists of the same administration working to defeat the legislation, and quietly, behind the scenes, in the conference room, not on the open floor, in the light of public scrutiny. And rationalizations pour forth: new bills are on the way; better ideas can be found; this is not precisely the way the bill ought to be amended; all sorts of difficulties will arise if we protect our citizens and taxpayers.

It is the old business, always within this bureaucracy, of those who have been here too long trying to find out how to say no, instead of trying to find out how to say yes, and to bring our Government in tune with these times—and, more particularly, in tune with the intelligence of the people in these times.

This type of rationalization is all too familiar. Unfortunately, it is all too familiar on the Senate floor. There is no way we are going to reestablish the balance of power between the executive and the legislative branches of Government unless we are willing to take the responsibility upon our own shoulders to make the tough decisions. As long as we are unwilling to do that and to have the lollipops stuck in our mouths by the lobbyists because it is too tough a job to do, we do not stand a chance of gaining that respect so essential, not only in the eyes of the people but in the eyes of any administration, Republican or Democratic.

People today are no longer satisfied with being lulled by the rhetoric of promises. They can and they do look at the truth. What are the facts?

First, what does this amendment do? In the words of the amendment:

> No Federal tax return shall be made available for inspection by, nor shall any copy be furnished to, any officer or employee of the executive branch, other than the President (upon his written request), or any officer or employee of the Department of the Treasury or the Department of Justice who is concerned with the filing and audit of such returns, the payment, collection, or recovery of the tax for which such return was made, or any offense arising out of that return.

Perhaps it would be helpful to summarize the amendment. It would prohibit executive branch access to actual tax returns. This includes the White House, as well as such recent incidents as the request by Department of Agriculture for farmers' tax returns; except by the President for his personal use on written request, such requests to be routinely transmitted to the Joint Committee on Internal Revenue Taxation; except by the Justice Department or the Treasury Department with respect to official tax matters.

What does the amendment not do? It does not restrict the dissemination of generalized statistical data based on tax returns. Let us just examine that point for 1 minute.

Do I think the executive branch has a right to the generalized data that comes forth, or which can be put together by the Internal Revenue Service? Yes. But I say the Commerce Department does not have the right to go after any individual's tax return, even though it comes under the excepted reason of being for the purposes of a census, for example.

Furthermore, I do not think the Department of Agriculture has a right to the individual's tax return. Do I think they are entitled to the generalized information that is compiled by the Internal Revenue Service? The answer is yes.

If the Department of Agriculture or the Department of Commerce, of course, needs information for its census, let them get it themselves, but not by the means of the individual taxpayer who sits down voluntarily and bares his life to his Government, and does so with the expectation that that information will be held in confidence. That information does not belong to anyone in the Government except the Internal Revenue Service.

The amendment does not restrict the Internal Revenue Service from responding to inquiries which can be handled without furnishing an individual return, such as social security cross-references. And it does not prohibit the subpena of tax returns in a case at law.

Why is this the appropriate legislative vehicle? The amendment is indeed germane because, among other things, the bill authorizes additional executive employees who "shall perform such official duties as the President may prescribe."

That is the language of the bill. I repeat: "shall perform such official duties as the President may prescribe."

Do I think it is proper for us as a legislative body to indicate, then, what it is that the President cannot prescribe? The answer is clearly yes.

This amendment addresses a questionable practice which may presently be prescribed by the President and, in fact, as we know, was prescribed by the President—and, I might add, probably not only by this President, but other Presidents, also. It does not amend the IRS Code. It amends title III, United States Code, entitled, "The President," the very title amended by the bill itself.

Whereas additional areas for possible legislation may present themselves, the immediate issue that goes to the integrity of the IRS is precisely that of the White House and Executive-prescribed access to personal and corporate tax returns. In this regard, I should like to dwell for a few minutes on a conversation which I had yesterday with the Commissioner of the Internal Revenue Service.

I want to make it clear, in the course of my remarks, that I have the highest respect for Commissioner Alexander. I think he is as much concerned with reform as anyone in this country; certainly as much as this Senator. I have indicated to him my fullest cooperation in trying to achieve reform in the legislative sense and that, in order to bring that to pass, I would have my staff cooperate with his in order that legislation might be brought to the floor this year. But I did not see any conflict between that and pursuing this particular amendment which, in the broadest way, attacks the problem that now confronts us.

Mr. Alexander obviously has to deal with the executive branch of Government and with various demands for compromise that are placed upon him by those who would like to continue the present system. He has to deal with all the agencies which, in the past, have been able to run footloose and fancy free through everybody's tax returns. It is doubtful, I think, that he can achieve the rather simple and effective reform that is necessary. That is going to have to be done on this floor.

Oh, he will come forth with a good bill, and I think if he had his druthers, it would be along the lines of my amendment. But he does not have his druthers. He has to deal with the White House and the various departments and agencies. So what comes out in the way of an eventual recommendation will have exception after exception.

Bureaucracies never like to change. Power is something that I have yet to see anybody give away in this town. Everybody likes to hang on to what they have.

I am not satisfied with what they have. What they have is an enormous power relative to the privacy of the individual citizen, and that is power that should be taken away.

Mr. President, there is no way it can be taken away without a fight; no way. If it is acceptable to the bureaucracy, to the executive branch of the Government, believe me, it does not achieve the reform that all of us feel is necessary. There will be loads of rhetoric and nothing in the way of a practical effect.

Let us take a close look at the parliamentary issue. It was not the Senate that failed to avail itself of legislation to correct the abuses of Watergate. It was the House that apparently faced the choice between parliamentary niceties and the merits of this legislation. If that is indeed the issue, then let it be brought to a vote. Let every Member of the House have an opportunity to address the merits in the open forum in the full view of the people he or she represents.

I am well aware as to how the other body operates, having come from it and having been a very proud Member of it. Certainly the reforms they have effected in the past couple of years as to bringing important matters to a public vote, I think, have created a far better system. But there are still too many ways to decide these rather important issues without going on the record. That is what has been done here.

We have nothing to be ashamed of in the Senate. The Senate passed this amendment saying, "Enough to this type of abuse. Let us protect the privacy of each American citizen. Let us protect it specifically as far as his income tax is concerned."

This amendment was the first major piece of Watergate reform approved by the Senate. Now let the House get on the record. Let every Member of the House have that opportunity to address the merits of this legislation—not as to whether or not there is a parliamentary defect, or whether we have a letter from WILBUR MILLS, or the Treasury Department has something in the works.

This is going to come to pass only if the Senate stands fast and reasserts its original position. If the question belongs in the House, let it be sent to the House, and not decided behind the doors of a conference meeting. That is why I ask my colleagues, to join me in sending this measure back to conference, so that the procedure may begin.

To those who say that the parent legislation is too important, I reply that no bill authorizing a few additional employees in the executive branch is more important than a clear measure to the American taxpayer. Above all, that taxpayer must have full confidence that in fulfilling his duty as a citizen, he is not exposing himself to secret exploitation of private, personal information. And make no mistake, in the next several days, as we discuss this matter, I intend to cite examples. This is not some fear that I harbor as to an ill that might come to pass. The record is replete with violations by the executive branch of Government, by the Internal Revenue Service, where, indeed, the taxpayer has been severely harmed, and where his private life has been placed in the public record in a manner never intended by our internal revenue laws.

The taxpayer must have full confidence that he is not exposing himself to secret exploitation. I will tell the Senate a story on that.

During the course of the Watergate hearings, I had occasion to meet with some of our former Commissioners of Internal Revenue, and separately each one would state the same thing, which was that representatives of foreign countries would come here, to the United States, to find out why our Federal tax system worked so well. They could not understand it. They thought maybe we had a computerization process that gave us an edge over their nations, where they had difficulty in collecting taxes, or possibly some administrative setup in the way of personnel that gave us that edge.

After visiting our Nation and seeing the Internal Revenue Service in operation, and after delving into every aspect of its operation, they would return to their homes after coming to the conclusion that it was not computers, it was not the personnel within the Internal Revenue Service itself, but rather it was that every American took upon himself the job of self-policing, if you will, to assure that this piece of paper which he filled out adhered to the law, and that he did so voluntarily, without being held accountable by either the agency or the courts. It was a spirit, a frame of mind, not to be bought in the manner of a computer or hired in the manner of personnel, but rather that those who were taxed had such confidence in the system, such a belief in the system and in their Nation, and such a belief in the trust that was imposed upon them, that almost 99 percent of them did it the right way, and within the law.

That is an attitude which, as I say, is not for sale. It is probably impossible to attain insofar as any foreign nation is concerned.

The tragedy of some of the revelations made in the past several months is not that some of the people did not pay their taxes, but that they were people entrusted with executing the laws of this land and with setting the example insofar as obeying those laws is concerned.

This Nation, more than any other nation in the world, is founded on the voluntary payment of taxes. More than 98 percent of returns in this Nation are filed without any contact, ever, with a Government official. Ninety-eight percent of the people, with any contact whatsoever with a Government official. This is the system that has been exploited and this is the system which will collapse unless the American people have complete confidence in it.

What other nation in the world has achieved greatness in so many areas? Think of the excellence that has been created in housing, in transportation, in education and in health. These are fine achievements, but they cost money, and the American people have provided that money. The system through which it has been provided is the system of the Internal Revenue Service. That is the system which has been exploited, and this is the point we are at now, where people, losing their confidence in the system, will all of a sudden start to chisel a little here, cheat a little there, start to follow the

examples of those in high office, and all of a sudden the receipt of money will start to dwindle and dwindle. The end result will be that which can be accomplished when the taxpayer funds will start to dwindle.

No greatness is possible out of a system that is rotten.

So many times I hear, "The Senator from Connecticut gets all upset about these philosophies, these ideals, these principles. Tell the Senator from Connecticut I am interested in my job, in my house, in my school, in my automobile, in my roads."

How is it, then, or could it ever be, that a system that is rotten can deliver excellence in meeting these vital necessities of life? Obviously it cannot.

As I have stated many times before, it is the state of our spirits that determines the state of this Union. You do not start off with the television set, with the house, with the automobile, or with the high salaried job. These things have come to each of us because of the principles that have guided the Nation to greatness.

So, yes, it is important, in this field of taxation and collection of revenue, that people have absolute confidence in the integrity of that system. And they do. They do as we meet here today, because over almost 200 years we have established that figure, that 98 percent of us could do the job by ourselves, without ever seeing anyone from the U.S. Government.

But now different examples have appeared, and not only have they appeared, but they have been defended as being of little consequence. That is the danger, is it not? That is the danger, to feel that everyone's eyes are focused on one individual on this day as to his particular guilt or innocence, everyone forgets the broader principles which are of even greater importance than any one of us.

These abuses have taken place. People say, "Forget about it; everybody does it."

Mr. President, everybody does not do it. I just gave the statistics: 98 percent do not do it.

But if we sit here and accept these examples without protest, then what we will have established is the fact that everyone is going to do it. And that is a little bit different. I might add, it would insure a guarantee of mediocrity to a nation that has never stood for mediocrity.

Hundreds of billions of dollars are at stake in this amendment. The very foundation of our Government's operating capacity is at stake.

That is the important issue, and it cannot be shunted aside to speed the way for a few more people in the executive office.

Which brings us to the merits.

First, we should examine some of the arguments thrown up by those who would prefer to wait for another day, keeping in mind that arrayed against these arguments is the very fate of our revenue system and confidence in our Government in general.

There are the procedural matters. IRS stores old tax returns at the Archives, possibly subjecting them to access by General Services personnel. This is one of the arguments thrown up against it.

The solution is simple. The returns can be placed in sealed boxes. Should access be required, an IRS official can be given that task. Alternatively, IRS could assume storage responsibility.

Then there is the argument that the IRS furnishes tax returns to Government attorneys involved in litigation. An appropriate answer is again available. Every other litigant in a civil or criminal case in this country has to subpena his evidence, including the private citizen defending himself against the Government.

Why a different standard for the Government? When we furnish information to the IRS, fulfilling our obligation to pay fair share for the services we enjoy, we do not by any means consent to furnishing evidence for an unrelated case at law.

What if we had a valid privilege or defense we wished to assert with respect to that evidence? Should that right be cut off because we did our duty and paid our taxes? Keep in mind that this amendment in no way restricts the ability of a Government attorney to subpena evidence from a taxpayer, which is the way it should be.

We hear that there is much valuable statistical information in those tax returns that is desired by other agencies. Two solutions come to mind. First, there is no restraint on the IRS compiling that data. Clearly that is where it should be done. The practice of distributing tax returns around the Government is wrong. The last people in Government who should see the tax returns of large agribusiness taxpayers are the officials in the Department of Agriculture.

The second solution would be for the agencies or departments themselves to collect the information they need. This insures that only relevant information will be available and it gives the person furnishing the information full notice. In the case of the Commerce Department or the Census Bureau, the process of collecting information is already in place and could be expanded to suit their reasonable needs.

The argument is raised that the Social Security Administration must coordinate its information with that filed with the Internal Revenue Service. This amendment would in no way restrict IRS in furnishing certain data, such as the use of multiple social security numbers, to Social Security. It likewise does not restrict IRS in coordinating and cross-referencing information furnished by the Social Security Administration to check for discrepancies. With that information, Social Security can proceed to take action, and failing voluntary compliance it can duly subpena the necessary records. It is a sound procedure, and once again guarantees that only relevant and necessary evidence is exposed.

So much for the merits of the objections.

The positive merits are legion. They are born in the abuses of Watergate, and are found in a wide range of recommendations . . . from Vice President FORD's Domestic Council Committee on the Right of Privacy to the Commissioner of the IRS.

Mr. President, I would now like to cite some of the findings as to IRS abuses, followed by statements recognizing the need for this legislation. First of all I will read my own individual views as contained in the final report of the Select Committee on Presidential Activities, starting on page 61.

One of the significant patterns of evidence that emerged from this Committee's investigation relates to the operation of government.

In the climate of Watergate there is a tendency to dismiss anything short of crimes. But there is great value to the facts that follow, not because they contain sensational crimes, but because they confirm a misuse of the intended functions of important institutions. It reflects a departure from legitimate government that if allowed to persist would be of far greater significance, over time, than any short-term criminal event.

I think it is important to point out here to my colleagues that we continually legislate for the moment, for ourselves. I think perhaps it is time we started to go ahead and legislate once again, to go ahead and draft the laws and make the interpretations for our children, our grandchildren, and those generations yet unborn rather than just to consider the expedient as to what will get the United States of America through today. Why not once again put it on the basis of what it is that we can do for the United States of America tomorrow.

At this point, let me refer back to the report.

The attitudes and policies that led to Watergate had a profound impact on the intelligence community, from the FBI and the CIA to the lesser intelligence sections of other agencies.

Soon after the new administration took office in 1968, there seems to have been a basic dissatisfaction within the White House as to our existing intelligence capabilities. They were variously considered too timid, too bound by tradition, and generally incapable of acting effectively with respect to what the White House perceived as necessary intelligence.

One of the responses by the White House was to set up a plan, an intelligence plan, so that the objectives, methods, and results of the intelligence community would coincide with the White House. This plan was drafted by Tom Charles Huston in early 1970, and came to be known as the 1970 Domestic Intelligence Plan, or the Huston Plan.

Much of the plan, which has been described previously, was illegal, either in its objectives or in the methods it proposed. Nevertheless, there are numerous indications, in evidence received by this Committee, that the types of activities recommended in the plan were carried out in the following years. The net effect was to subvert or distort the legitimate intelligence functions of the government.

The plan recommended an expanded use of electronic surveillance. However, the expanded wiretapping that took place in succeeding years was done outside legitimate channels, such as the 17 so-called Kissinger taps, the tap on Joseph Kraft, the Watergate wiretaps, and even the wiretap on the President's brother.

The second element of the plan called for surreptitious entries. Burglaries in fact took place at the office of Dr. Ellsberg's psychiatrist, at the Democratic National Committee, at the office of publisher Hank Greenspun, according to multiple evidence; and were

suggested or planned for the offices of the Potomac Associates, The Brookings Institute, and Senator McGovern's campaign headquarters.

Mail sent to an affiliate of the Democratic party was opened and photographed by the United States Army, in a well-documented and apparently massive operation, and military agents spied on the Concerned Americans in Berlin, a group of McGovern supporters who were officially recognized by the Democratic party.

The specific actions proposed by Huston are only one aspect of the plan. Equally important are the policy recommendation. The heart of this new policy was better coordination and use of existing intelligence from all areas of the government. The means of carrying it out was to be a new intelligence "Committee" sitting above all the agencies. Again, the plan was carried out.

On September 17, 1970, an Intelligence Evaluation Committee was set up in the White House. It was to receive information from the CIA, the FBI, the National Security Agency, and other intelligence sections. Notwithstanding the fact that the statutes prohibit the CIA from participating in any domestic intelligence function, it was called upon to evaluate domestic intelligence-gathering by the other agencies when the Intelligence Evaluation Committee was set up. This intelligence was to be digested by the CIA experts and then disseminated for use wherever useful, regardless of the statutory limits placed on the agency that collected the information.

What was important about setting up that Committee was not the work it actually did, but rather the legitimization of a concept. That concept was that intelligence functions of the various agencies were there for whatever purpose the Executive decided it wanted, not for the purposes Congress decided by statute.

Mr. President, there you have it. We know Congress wishes to act as soon as possible—wants to make the law clear. If Congress wants to sit by and have some rather flexible wide open standards, then the abuses will occur.

As an illustration, Mr. McCord testified that he eventually received information for use by CRP from the Internal Security Division of the Justice Department, on a daily basis. It included information from the FBI, pertained to individuals, and was of a political as well as non-political nature. This arrangement was made pursuant to a request sent to Mr. Mitchell from Mr. McCord, which led to a call from Assistant Attorney General Mardian in which he replayed the Attorney General's approval and told McCord to work through the Internal Security Division.

The Internal Security Division of the Justice Department also provided political legal assistance to the White House. For example, it provided information regarding demonstrators, and information that would embarrass individuals in connection with their relationship with demonstrators and demonstration leaders.

Another illustration of misuse of intelligence was the request made to the IRS, on July 1, 1969, by Mr. Huston, to set up a means of "reviewing the operations of Ideological Organizations."

I never dreamed of the fact that in this country of ours, the existence of an ideological organization or being a member of an ideological organization such as the Republican Party or the Democratic Party was a crime, or something to have the enforcement agencies set upon.

Soon the IRS had set up an "Activists Organizations Committee." Mr. President, this is your IRS, the one that has access to your returns, that is in the confidential position of the fiduciary position, taxpayer, and the receiving organization.

Soon the IRS had set up an "Activists Organizations Committee," collecting intelligence to "find out generally about the funds of these organizations." An internal memo pointed out that "its activities should be disclosed generally only to those persons who need to know, because of its semi-secretive nature.

Now, listen to this if Senators really want to find out what was going on. If Senators really want to understand, listen to the next statement after this was recommended:

We do not want the news media to be alerted to what we are attempting to do or how we are operating because the disclosure of such information might embarrass the Administration.

I would like to state, as an aside, it is just words like that that make each one of us realize the importance of the first amendment of the Constitution, a free press, always there to be able to give us the facts.

As a free people, I never have any doubt that America will make the right decisions, as long as America is in possession of the facts. Without those facts, indeed, we are blind, and indeed the incorrect posture will come to us with a greater frequency.

The type of organization in which we are interested may be ideological . . . or other.

Now, that includes everybody. Everybody, in other words, to come under the purview of this intelligence operation, this enforcement operation.

In effect, what we will attempt to do is to gather intelligence data on the organizations in which we are interested and to use a Strike Force concept. This was not tax collection; it was the IRS being converted into an intelligence agency; and it was stopped in the midst of this Committee's hearings in mid-1973.

For 3 years, this Nation had this type of operation going on.

Now, if anybody feels that they are immune from the impact of Watergate, they do not have to sit in the White House, or in the Senate or the House of Representatives. All they have to do is read that kind of language. As citizens of this Nation, we are all involved in that type of operation. And that it happened in this country for 3 years is a disgrace, not to the Senate or House of Representatives, but to every American, and far from something which is to be condemned as the product, if we will, of a biased news media or those that have partisan or personal differences with individuals.

Those are the facts. Those are the words of this administration, that is the organization that was in being for 3 years under the auspices of the IRS, that service which I am now asking the Senate of the United States to put under some sort of a system of accountability rather than just the good wishes and the good words of the distinguished chairman of the House Ways and Means Committee and the ranking Republican and the various members of the Treasury Department who, themselves, have had more than one experience with rather questionable retrieving of data from the IRS.

The next step was when the IRS began gathering intelligence from other parts of the government, with no attempt made to restrict this to tax-related information. Arrangements were made with the military, the Internal Security Division of the Justice Department, and the Secret Service to turn over information on individuals or groups.

So long as the IRS had power to be a potential harassment for the average citizen, so long as audits were not conducted on an objective basis, this procedure of developing files on dissenting citizens must be questioned.

The more important point is that the duties and responsibilities of IRS are spelled out by Congress.

That is one aspect I think that needs clarification and debate.

The IRS is not a law enforcement agency; it is not an intelligence agency. It has one job and one job only, and that is to be the collector of revenues on behalf of the Government from each individual taxpayer. It is as simple as that. It is not a question of trying to weaken us in a law enforcement or an intelligence sense. We have the agencies that have been granted specific powers to do those types of jobs. Admittedly, they have not done their jobs too well either.

The CIA, the FBI, the Secret Service, military intelligence, State police, we can go down the entire list; these are the individuals and organizations entrusted with the duty of law enforcement and intelligence. That is not the job for the IRS.

That is not what it was set up for by Congress. There is nothing in the Constitution which says the Internal Revenue Service is out from under the scrutiny of Congress. Yet that is exactly what Congress has allowed to happen, as indeed it has also happened to the aforementioned intelligence agency.

So long as the IRS has the power to be a potential harassment for the average citizen if audits are not conducted on an objective basis, this procedure of developing files on dissenting citizens must be questioned. The more important point is that IRS duties and responsibilities are spelled out by the Congress, and such an intelligence operation is not one of them.

The IRS and the Justice Department were not the only agencies pressured into assisting White House intelligence demands. A Secret Service agent spied on Senator McGovern, when supposedly protecting him during the campaign. When the White House was informed of this, no objection was made.

An FBI agent was used by a White House staff member to spy on a Long Island newspaper doing an article on one of the President's friends. The Commerce Department was called on to provide commercial information in a project that it was hoped would embarrass Senator Muskie. The Department of Defense was used to find out information as to Senator McGovern's war records, at a time when there were public charges that he may have acted with cowardice—

Which he did not.

There was testimony to the effect that there was nothing short of a basic policy to use any governmental agencies to seek politically embarrassing information on individuals who were thought to be enemies of

the White House. The so-called "enemies list" was maintained in the White House for this purpose, and a memo was prepared to implement a means of attacking these enemies.

Apparently it was not enough to maneuver the intelligence community and related agency functions. Plans were made to take what is clearly a function of government outside the government, to set up an independent intelligence operation.

Let me depart from the text for a minute. These matters which I now recite are not new. No headline will be made out of what I read here this afternoon.

These are indisputable facts of Watergate. This is what happened. Now it is up to the American people to decide whether or not we are going to take the legislative remedies. Impeachment is not one of them. The legislative remedy, Mr. President, is for us to do our job in a positive sense to make certain that these abuses will not occur again. Here we have our first attempt at a legislative remedy to make sure that the Internal Revenue Service could not be used in a political way. We, the Senate, having been the first out of the gate to advocate bold reform, find ourselves now in headlong retreat before the vagaries of the House.

To continue reading the report:

The first plan was put forth by Mr. Caulfield, in proposals to Messrs. Dean, Mitchell and Ehrlichman. He suggested a private security entity that would be available for White House special projects, thereby insulating the White House from its deeds. It was called Operation Sandwedge.

Mr. Caulfield rejected the Sandwedge plan, and it was apparently replaced with an operation that came to be known as the "Plumbers." In the meantime, Caulfield began conducting intelligence functions from a position on the White House counsel's staff, functions that properly belonged in the agencies, if anywhere.

Caulfield was instructed, for example, to develop political intelligence on Senator Kennedy, including instructions from the Assistant Attorney General to obtain certain information about the travels of Mary Jo Kopechne. When he took the job, he told Mr. Ehrlichman that he would hire an ex-New York City policeman to do investigative work.

Mr. Ulasewicz was then used to collect information on various enemies, political, ideological, and personal. A sample of his activities reveals not only why intelligence should not be outside the checks of a professional organization, but also the rather broad scope of what the White House was in fact doing. His investigations included such things as Richard Nixon's old apartment in New York, a Kennedy official trip to Hawaii, name checks on White House visitors, the President's brother, political contributions to a dozen Senators who opposed the administration, Jefferson Hospital in Philadelphia, Louis Harris Polls, the Businessmen's Education Fund, the House of Mercy home for unwed mothers, the U.S. Conference of Mayors, a comedian named Dixon, Mrs. Rose Kennedy's secretary, and Birmingham, Alabama City Council, Mayor, and Executive Staff. And that is just a sample of the much larger number of its investigations. Many of them are clearly the responsibility of established agencies, if they are anybody's responsibility at all.

Eventually, a semi-official unit, the Plumbers, was established within the White House, with a combination of police and intelligence duties. It conducted what Mr. Mitchell referred to in his testimony as the "White House horrors". According to Mitchell, these operations were so wrong that if the President had heard about them he would have "lowered the boom", even though there is other evidence that the President did not know about them and didn't lower any boom.

The legitimate intelligence agencies were used to support this operation, specifically by providing materials for their operations. General Cushman of the CIA testified that after a personal request from Mr. Ehrlichman, CIA technical services people provided Mr. Hunt with a driver's license, social security card, wig, and speech altering device, which were delivered to a "safe house" off CIA premises per Hunt's instructions.

Around August, 1971, Hunt began to make additional demands on the CIA: first, for a stenographer to be brought in from Paris, which Cushman and Director Helms considered merely a face-saving move and rejected. Later demands were made for a tape recorder in a typewriter case, a camera in a tobacco pouch, for film development, and for an additional alias and false papers for another man ("probably Liddy"), which requests came to Cushman's attention after they had been granted by the technical services people.

After Hunt's additional demands and a subsequent request for a New York address and phone services, Cushman and Helms decided Hunt's requests had exceeded his original authority. On August 31, 1971, Hunt made a final request, for a credit card, which was denied.

Mr. Young of the Plumbers unit asked the CIA to do a psychological profile of Dr. Ellsberg. It was clearly a domestic project, the only one of its type ever requested, according to Gen. Cushman of the CIA, who also testified that such profiles are reserved for foreign leaders. Nevertheless, it was done, but Mr. Young considered it unsatisfactory, so another profile was prepared and sent. Other projects spanned a broad range, such as spiriting Dita Beard from the East Coast to a Denver hospital, and a subsequent trip to Denver by Hunt in disguise to question her about the ITT affair. To bring the full influence of the White House to bear on this extraordinary activity, Mr. Ehrlichman testified that he personally introduced Messrs. Krogh and Young who headed up the Plumbers to the heads of various agencies, such as the Secretary of Defense, the Attorney General, and the Director of the CIA.

Members of the Plumbers eventually went on to similar work for the Committee to Re-Elect. Although they were clearly outside the government, they again used the legitimate agencies. Ex-CIA employees were recruited on the basis of their loyalty to the CIA. National security responsibilities were misused. Mr. Barker was even told that the interests of national security he was serving were above the FBI and the CIA. To reinforce this position, classified and critical information about the mining of Haiphong harbor was relayed to Barker the day before the President's announcement.

That was even before Senators received it.

This was not only a misuse of secret Defense Department intelligence, but it also furthered a misuse of national security entrustment in the executive branch.

In a different type of situation, Mr. Haldeman was appointed "the Lord High Executioner of leaks." This technique of attacking and solving the leaks problem illustrates the contempt for normal government functions. It resulted in Mr. Caulfield, by his own testimony, being directed by Ehrlichman to wiretap a newsman's telephone (Joseph Kraft) in pursuit of a leak, outside the safeguards of government wiretap procedures and regulations. There are capabilities within the legitimate operations of our government for handling such a problem. The attitude that these problems had to be treated independently was the same attitude that led to the 17 Kissinger taps being installed outside normal FBI channels and Mardian's instructions from the President regarding the disposition of those wiretap logs "that related to newsmen and White House staff suspected of leaking," and that led to unusual and perhaps illegal White House involvement in the Ellsberg case itself.

There is a reason for demanding that government officials use only the tested and accountable facilities of government. It has been illustrated by the kind of projects undertaken independently by the White House.

The final contempt for the intelligence community can be seen in efforts to exploit them in the coverup. Mr. Ehrlichman said that he and Mr. Haldeman had spoken to General Walters and Mr. Helms of the CIA shortly after the Watergate break-in. Ehrlichman further said that Walters was a friend of the White House and was there to give the White House influence over the CIA. Dean testified that Ehrlichman asked him to explore the possible use of the CIA with regard to assisting the Watergate burglars.

On June 23, 1972, Mr. Haldeman and Mr. Ehrlichman met with Director Helms and General Cushman of the CIA. According to Director Helms, Haldeman said something to the effect that it had been decided that General Walters was to go talk to FBI Director Gray and inform him that "these investigations of the FBI might run into CIA operations in Mexico" and that it might be best if they were tapered off—or something like that.

According to General Walters, Haldeman directed Helms to inhibit the FBI investigation on grounds that it would uncover CIA assets in Mexico. Haldeman also indicated he had information the CIA did not have, and that five suspects were sufficient. When Director Helms and Director Gray of the FBI scheduled a meeting between themselves on June 28, 1972, Mr. Ehrlichman intervened and canceled the meeting, thus preventing any independent contacts.

At a later time, Mr. Dean discussed with General Walters the possibility of using covert CIA funds to pay the Watergate defendants. In February 1973, the CIA was asked by the White House to take custody of Justice Department files on Watergate, but the request was denied.

Mr. McCord testified that at the time of the Watergate trial, pressure was brought on himself and other defendants to claim for purposes of a defense that Watergate was a CIA operation.

The FBI was likewise abused in numerous ways. Some of these, such as turning over Hunt's files to Mr. Gray, have been well documented. But there were other examples. The FBI set up the so-called Kissinger wiretaps outside channels, effectively insulating them from routine discovery and accountability, and at the President's instructions, Mr. William Sullivan (who had supervised the wiretaps) turned over all evidence of them to the White House when it was reportedly related to the President that Hoover might use them to preserve his job. The FBI ran an investigation of CBS newsman Daniel Schorr, in what was a White House tactic to embarrass him, according to one witness.

Mr. Ehrlichman testified that he was instructed after the Watergate break-in to see to it that the FBI investigation did not uncover the Ellsberg break-in or get into the Pentagon Papers episode.

In the end, the wake of Watergate left a distorted intelligence community whose historic professionalism has been badly damaged.

B. LAW ENFORCEMENT AGENCIES

The primary responsibility for law enforcement falls to the Department of Justice. To the extent that White House or political considerations interfered with that responsibility, it interfered with a critical part of our government.

There was considerable evidence of White House contacts, including pressure and interference, with respect to the Watergate investigation. It began almost immediately after the break-in, with a request to the Attorney General that he try to obtain the release of Mr. McCord. In the following days, he was warned about a too aggressive investigation, he was warned in mid-1972 that Magruder might have to plead the Fifth Amendment, he was asked to provide raw FBI files on the case, and he was asked to be the White House secret contact with this Committee. As noted earlier, an agency of the Justice Department, the FBI, was consciously lied to, was asked for raw files, its Director was given potentially embarrassing evidence from the safe of one of the Watergate burglars, with instructions he interpreted as a request to destroy that evidence.

The White House counsel testified that he in fact received information from the Justice Department and the FBI on the Watergate case. Mr. Dean stated that he was asked by Mr. Mitchell, after Mitchell had left CRP, to get FBI 302 reports of interviews with witnesses, and that Mr. Haldeman and Mr. Ehrlichman also thought it would be a good idea to get those reports. Mr. Mardian, attorneys O'Brien and Parkinson, and Mr. Richard Moore all viewed those files after Dean obtained them. Dean pleaded guilty to an "information" charge in October 1973, which charge included a conspiracy based on White House access to those files.

There were similar pressures as to the whole Ellsberg matter. When Assistant Attorney General Petersen advised the President of the Ellsberg break-in, he was told, "I know about that," and "You stay out of that."

The Anti-trust Division of the Justice Department received requests, which have been reviewed earlier as to the media, to go after targets of White House dislike.

After the association of milk producers pledged $2 million to the President's campaign, a grand jury investigation of their association was halted by the Attorney General. Nevertheless, anti-trust violations were allowed to be pursued as a civil, as opposed to criminal, suit. The anti-trust suit was in fact brought in February, 1972, in spite of much White House concern by Messrs. Colson and Haldeman. The milk producers discussed their anti-trust suit with Treasury Secretary Connally in March, 1972, resulting in a call to the Attorney General. Other contacts with the Attorney General were made on behalf of the milk producers, and an attempt was made to give additional contributions in return for dropping the anti-trust suit.

A similar pattern of efforts to obtain favorable treatment from the Attorney General in an anti-trust matter followed the transfer of $100,000 by the Hughes Tool Co. to a friend of the President. The Hughes Corporation was involved in anti-trust problems related to pending purchases of a hotel in Las Vegas and an airline corporation. At the time the money was being transferred, a representative of the Corporation met with the Attorney General. The anti-trust problems were subsequently resolved.

The grand jury system, an essential element of the prosecution process, was subverted by members of the administration and CRP, even to the point of special favors for such officials when they were to be called before the grand jury. According to one witness, Mr. Ehrlichman attempted to prevent former Commerce Secretary Stans from appearing before the Watergate grand jury by directing Assistant Attorney General Petersen not to call Stans. Stans' testimony was eventually taken in private, as was the testimoney of Messrs. Colson, Kehrli, and Young.

It should be recalled that the Attorney General doubled as a campaign manager from July 1971, until he resigned in April 1972. When asked if it wasn't improper "for the chief law enforcement officer of the United States to be engaging in, directly or indirectly, managing political activities," the Attorney General responded, "I do, Senator." He held this dual role while a number of large campaign contributors, such as the association of milk producers, the Hughes Tool Co., and International Telephone and Telegraph had important cases under investigation by the Justice Department. The Attorney General who succeeded him pleaded guilty to a charge pertaining to the ITT matter.

The prestige of the Attorney General's office was misused. Mr. McCord testified that a very important reason for his participation in the Watergate operation was "the fact that the Attorney General himself, Mr. John Mitchell, at his office had considered and approved the plan, according to Mr. Liddy." Mr. Baldwin was told that if at any time he had trouble establishing his authority for being in a certain place or for having a weapon, he was to mention John Mitchell. In an outrageous insult to our law enforcement institutions, it was in the Attorney General's office on January 27, 1972, and on February 4, 1972, that Liddy's plan was presented, including expensive charts outlining mugging, bugging, burglary, kidnapping, and prostitution.

The Justice Department was not alone.

Some of the most blatant attempts to pressure an agency charged with enforcing laws were aimed at the IRS. The conversation between the President and Messrs Dean and Haldeman on September 15, 1972, states this clearly criticizing the IRS for not being sufficiently "responsive" to personal and political demands.

I shall give a footnote on that:

Mr. Dean testified that on September 15, 1972, he discussed with the President "using the Internal Revenue Service to audit the returns of people," and that this was in keeping with earlier discussions with Haldeman wherein Dean was requested that "certain individuals have audits commenced on them." Dean replied to the President that the IRS had not been happy with the prior requests and, according to Dean, the President told him to keep a good list, so that "we would take care of these people after the election." Haldeman added "that he had already commenced a project to determine which people in which agencies were responsive and were not responsive to the White House."

I might add, along the same line, that a good example of the way in which the White House approached confidential tax return information is contained in the talking paper prepared by Mr. Gordon Strachan, of the White House staff for Mr. Haldeman, the President's chief of staff. This is an internal White House memo. It should make everybody very happy:

(A) THE BUREAUCRACY

I.R.S. is a monstrous bureaucracy, which is dominated and controlled by Democrats. The I.R.S. bureaucracy has been unresponsive and insensitive to both the White House and Treasury in many areas.

In brief, the lack of key Republican bureaucrats at high levels precludes the initiation of policies which would be proper and politically advantageous. Practically every effort to proceed in sensitive areas is met with resistance, delay and the threat of derogatory exposure.

(B) ADMINISTRATION APPOINTEES

Randolph Thrower became a total captive of the Democratic assistant commissioners. In the end, he was actively fighting both Treasury and the White House.

Johnnie Walters has not yet exercised leadership. Unevaluated reports assert he has been either reluctant or unwilling to do so.

Walters has appointed as his deputy, William Loeb, career Democrat from Georgia. Loeb has asserted his Democratic credentials in staff meetings according to reliable sources.

Walters appears oversensitive in his concern that I.R.S. might be labelled "political" if he moves in sensitive areas (e.g. audits, tax exemptions).

During the Democrat Administrations, I.R.S. was used discreetly for political purposes, but this has been unavailable during this Administration.

SUGGESTIONS

Walters should be told to make the changes in personnel and policy which will give the Administration semblance of control over the hostile bureaucracy of I.R.S. Malek should supply recommendations.

Walters must be made to know that discreet political actions and investigations on behalf of the Administration are a firm requirement and responsibility on his part.

We should have direct access to Walters for action in the sensitive areas and should not have to clear them with Treasury.

Dean should have access and assurance that Walters will get the job done—properly!

(A) To accomplish: Make IRS politically responsive. Democrat Administrations have discreetly used IRS most effectively. We have been unable.

(B) The Problem: Lack of guts and effort. The Republican appointees appear afraid and unwilling to do anything with IRS that could be politically helpful. For example:

We have been unable to crack down on the multitude of tax exempt foundations that feed left wing political causes.

We have been unable to obtain information in the possession of IRS regarding our political enemies.

We have been unable to stimulate audits of persons who should be audited.

We have been unsuccessful in placing RN supporters in the IRS bureaucracy.

(C) HRH should tell the Sec.

Walters must be more responsive, in two key areas: personnel and political actions.

First, Walters should make personnel changes to make IRS responsive to the President. Walters should work with Fred Malek immediately to accomplish this goal. (NOTE: There will be an opening for a General Counsel of IRS in the near future—this should be a first test of Walters' cooperation).

Second, Walters should be told that discreet political action and investigations are a firm requirement and responsibility on his part. John Dean should have direct access to Walters, without Treasury clearance, for purposes of the White House. Walters should understand that when a request comes to him, it is his responsibility to accomplish it—without the White House having to tell him how to do it!

That type of memorandum, I think, highlights the problem to which I have asked the Senate to address itself. I do not think the American people care whether it has been a Republican administration or a Democratic administration that is messing around in this way. But I think the American people expect that, now that we know about it and

it has been laid out in the RECORD, we do something about it.

I think it is an absolute disgrace that the Congress of the United States, given the opportunity to correct this very type of abuse, has chosen to duck the issue. We want to know why we get low marks from the people of this country. It is exactly because of that type of weaseling—and that is what it has been.

Who, when he files his tax return, expects that this is going on in the background? He probably thought all he had to do was sit up a few hours in the night and, according to the law, compute that which came in and that which came out.

The average citizen never suspected that not only were his calculations of concern but also his personal politics, what he believed in, his associations, all this was of concern to someone else in the background, and that this document, which we freely fill out, is going to be used as a basis for somebody else to use to evaluate us politically or ideologically, or whatever.

I have no desire to stay on the floor for the next several days. I hope that somewhere along the line I might pick up some support among my colleagues, but I am going to do it nevertheless, because to me, the principle involved here is far, far more important.

So far, the Senate has seen fit not to acknowledge that this type of activity goes on when, indeed, it is there, not as a matter of speculation or some newsman's column, but as a matter of black and white documentation coming out of the White House of the United States.

To return to the report,

It is buttressed with evidence that the Internal Revenue Service was contacted in relation to cases involving friends of the White House.

The footnote states:

Mr. Dean testified to several requests made to him to intervene on behalf of "friend" tax reports. One case involved the Justice Department, and two other cases resulted from complaints by John Wayne and Billy Graham, who felt they were being harassed by the IRS. Dean's assistant, Mr. Caulfield, contacted the IRS, which allowed him to see Graham's Sensitive Case Report out of Atlanta and which forced the local agent to justify his audit of Wayne. Testimony of John Dean, Vol. 4, pp. 1530, 1559; Executive Session of John Caulfield, March 23, 1974, pp. 47–48; interview with Mike Acre, September 27, 1973, p. 7.

Now we also know that in this relationship between the executive branch of the Government and the Internal Revenue Service, there not only exists a negative relationship, but, if one happens to be the right person, he does not need H & R Block, Inc.; all he needs is a friend at the White House.

The tax data for a prominent Jewish leader in Rhode Island was given to Mr. Dean's office, along with confidential tax return information on a number of prominent entertainers. Tax audits of Democratic party Chairman Lawrence O'Brien were sought in an attempt to come up with damaging information. In contrast, IRS contacts were used to help in audits of the President's friends, including actor John Wayne, the Reverend Billy Graham, and Mr. Charles G. Rebozo.

The confidential tax return information of Mr. Harold J. Gibbons, Vice President of the Teamsters, was turned over to Mr. Colson. It is significant that the memo discussing Gibbons' taxes points out that he supported Senator McGovern; in fact, he was the only major Teamster official to support McGovern, and the only one whose taxes were apparently sent to the White House.

Mr. Colson's memo not only mentioned "that there are income tax discrepancies involving the returns of Harold J. Gibbons," but was also interested that "if there is an informer's fee, let me know." Vol. 4, Ex. 45, p. 1686. It is worth pointing out that none of the official duties of Mr. Colson at the White House would legally justify him having access to citizens' tax returns, except upon specific request of the President.

Here we see how the information that a citizen supplies can be used against him or her politically. So the next time he goes to the polls, he might give a second thought, either in his actual vote or in his campaign activity, as to whether or not he will vote that way or campaign that way, because in the back of his mind, he will know who has access to his tax returns and, invariably, it would be an incumbent administration.

A close friend of the President's, according to Mr. Dean, "thought he was being harassed by the agents of the Internal Revenue Service". Dean raised this with Mr. Walters (Commissioner of the IRS) who said that could not be the case. Dean kept checking the status of the case, because he "got questions on it with considerable regularity." Dean stated that "it was Rosemary Woods who kept asking me the status of the case because this individual was seeing the President a good deal." The case was referred to the Criminal Division of the Justice Department. Dean was told he had to do something about it, so he eventually saw Mr. Ralph Erickson at the Justice Department, who said "there is one more thing we can do; there are some weaknesses in the investigation and we may send it back to the Internal Revenue Service for one last look to see if this follows, it really is a solid case," which to Dean's recollection was done.

In other words, the President was not satisfied and suggested that the changes be made in the Internal Revenue Service after the 1972 election.

Nevertheless, the President was not satisfied and suggested that changes be made at the IRS after the 1972 election. In addition, Mr. Dean prepared a briefing paper for Mr. Haldeman with respect to a meeting with the head of the IRS, to make the IRS more responsive to the White House. Mr. Strachan testified that Mr. Haldeman discussed a more politically responsive commissioner of the IRS so that it could be used against political opponents such as Clark Clifford.

The IRS was not only contacted with respect to individual cases, it was also the focal point of certain questionable policies. One of these policies was to "punish" groups, tax exempt groups in particular, who were thought to hold ideological views different from the White House. There was no evidence that these organizations advocated or did anything illegal or unconstitutional, or that they in any way violated the tax laws. Nevertheless, they were singled out for challenge as to the tax exempt benefits they enjoyed under the law. Groups enjoying the same benefits who were sympathetic to the administration did not received the same attack.

So there in the report we have a pretty thorough view of the actions of the Internal Revenue Service.

Let me repeat the amendment that has been thrown back by the House of Representatives:

Notwithstanding any other provision of law or of any regulation made pursuant thereto, no return made with respect to any tax imposed by the Internal Revenue Code of 1954 shall be open for inspection by, nor shall any copy thereof be furnished to, any officer or employee of the executive branch other than the President personally upon written request, or an officer or employee of the Department of Justice concerned with the filing and audit of such returns, the payment, collection, or recovery of the tax with respect to which such return is made, or the prosecution of any offense arising out of that return.

It is so simple, merely saying that an individual's tax return is the proper business of that individual or employees of the Internal Revenue Service or of the Justice Department who might have to be involved were there any violation of the tax law, and the President, on his own written signature, in case any matter of supreme importance was raised.

That is it. Internal Revenue says nobody else has any business with that return. And I would like to see who, either in this body, in the House of Representatives, or among the American people, is going to justify that someone else has an interest in that tax return.

No such justification has been demanded. No one is willing to stand up, as an individual, and say we have got to have that kind of a system; but rather, behind the closed doors and with the wrappings of conference secrecy, the matter is just quietly eliminated, so that we can go back to business as usual.

Business as usual. I repeat, just to emphasize, what "business as usual" means:

We have been unable to obtain information in the possession of IRS regarding our political enemies. We have been unable to stimulate audits of persons who should be audited.

That is "business as usual."

I have no doubt in my mind, Mr. President, that the present Commissioner of Internal Revenue will do everything within his power to see that the abuses that I have referred to are not repeated. And it could be that he is sincere in his efforts to bring about reform during his term in office. In fact, I believe that to be the case regarding Commissioner Alexander.

But this is not the point. Commissioner Alexander could very well be gone tomorrow. What, then, about the attitudes of his successor? What about the attitudes of the person who follows his successor? This is the difference in this Nation of ours as compared to other forms of government: a difference that relies on the fact that we are a nation of laws, not of men. This is our guarantee against the types of abuses to which I have made reference.

The regulatory agencies, as much as any other area of government, fit the references in a White House memo which addressed the general problem of how to use the "incumbency" and power of the White House against opponents, or "how we can use the avail-

able federal machinery to screw our political enemies."

This power is available not only to Republican administrations but to Democratic administrations. When left unregulated and unattended, the power is there to go ahead and "screw your political enemies."

This is the problem that confronts the Senate, not only in the matter of the Internal Revenue Service, but the problem will repeat itself. It is my intention, in the weeks and the months ahead, to pursue legislation insofar as the FBI is concerned, the CIA, the Secret Service, the Justice Department, and so on down the list.

Whose fault is it that these agencies went far beyond the pale of anything contemplated within our Government? Whose fault? The executive branch of the Government, to some extent.

But nothing takes place in this country that is not passed upon by the executive branch of the Government, the legislative branch of the Government, and the judicial branch of the Government, and it is totally unfair for us to sit here in judgment on others and on other branches of the Government unless we are willing to point the finger of guilt at ourselves.

The reason why these agencies exceeded their powers was that there was no accountability. No one asked the Internal Revenue Service, when budget time came up and they requested their funds, "What have you people been doing? What are your policies?"

Nobody did the digging so necessary to achieve accountability as between this branch of the Government and that Federal agency.

Nobody, for 50 years, has questioned what it is the FBI is doing. Nobody has questioned what the CIA is doing. Oh, we have our oversight committees, but they are adjuncts; they are ancillary to the other duties of the particular committee. It is only when we go ahead and ask the hard questions and try to bring about a sense of accountability that we achieve the best in the way of results for this country.

What was it, 15, 20 years ago, all one needed was to put four stars on his shoulder and he could walk before any House or Senate committee and ask for whatever he wanted and walk out with it. All of a sudden, some of our bolder colleagues in this body—some still with us, I particularly think of the Senator from Wisconsin (Mr. PROXMIRE)—started to ask questions, and far from diminishing the military strength of this Nation we became stronger.

Accountability was established then between the Defense Department and Congress, and the beneficiary was the country and the people of this Nation who rely on a strong defense.

We departed, in other words, from the theory that more money meant better defense. More money did not mean better defense. It meant a lot of people were getting rich; and it meant a lot of money was wasted. It did not mean better defense.

So I would apply the same observations to the Internal Revenue Service and, as I stated earlier, to the Justice Department, the FBI, the CIA, to the Secret Service, and to military intelligence.

When Congress is willing to take the time to inquire and to supervise what goes on in these agencies, then these abuses will disappear. If we weakly come back into this body and claim that legislation is promised some time in the future—various individuals have said they are working on the problem—then, believe me, no respect will accrue to us and no reform will take place.

The Senate Watergate Committee was not established to get Richard Nixon. It was established as a legislative fact-finding body with the idea being that it would go ahead, dig up the facts as to various abuses which have taken place, and then come forth with legislative recommendations.

I do not know what anybody else is going to do with those facts. I would hope that this body would responsibly act and take those facts and make sure those abuses do not take place any more.

If we do not care about ourselves, for heaven's sake, let us go ahead and take care that our children and our grandchildren do not have to live under this type of a system.

It seems to me we owe them some foresight and some courage to go ahead and do what is necessary, and what is necessary clearly is to assure an accountability as between, in this instance, the Internal Revenue Service and Congress of the United States. Without it the abuses we have seen in Watergate will be minimal. Indeed, the privacy of every American will be nonexistent.

We have already reviewed numerous misuses of the IRS against political opponents. We have likewise reviewed evidence of plans to make the IRS more responsive to White House problems and demands.

A prime example of the distortion of regulatory power is contained in the record of the administration's plans to attack the media. The agency at the center of this plan was the FCC.

I think, again, it is important to go back to that piece of factual information which I gave to the Senate earlier on in this discourse where the plan to establish a special unit of the Internal Revenue Service was to be kept from the news media, that it would be potentially embarrassing, in other words, if these facts were made known.

Do not forget when we talk about the news media we do not talk about a particular profession; we talk about all. In other words, it would be embarrassing if all of us knew the facts and, indeed, I would say it would be clearly embarrassing now that we know all the facts, but what is going to be more embarrassing is after knowing the facts we do not do anything about it, and that is what is at issue on this floor today and in the days ahead:

The Federal Communications Commission licenses radio and television stations, and is thereby in a unique position to hurt the networks or any other organization such as a newspaper that owns a local station. The memos on this subject which have been reviewed previously, were frightening at best. They demonstrate clear contempt for statutory restraints on the power given to the FCC by Congress.

A good sample of the attitude toward agencies is a memo from Mr. Jeb Magruder to Mr. Ken Reitz which notes that ACTION, the agency that coordinates government volunteer programs, "is an agency that we should be able to use politically." The memo recommends a meeting with ACTION's director to discuss how "we used their recruiters (who talked to 450,000 young people last year), advertising program, public relations effort, and public contact people, to sell the President and the accomplishments of the Administration. We should be involved and aware of everything from the scheduled appearances of ACTION's recruiters to the format and content of its advertising."

I intend to return, Mr. President, to this report, but I would like to get into that portion of the report with comments on much of the facts which I have set forth here today and, in fact, I ask unanimous consent that excerpts of the report be included in the RECORD at this point.

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

II. THE GOVERNMENT

One of the significant patterns of evidence that emerged from this Committee's investigation relates to the operation of government.

In the climate of Watergate there is a tendency to dismiss anything short of crimes. But there is great value to the facts that follow, not because they contain sensational crimes, but because they confirm a misuse of the intended functions of important institutions. It reflects a departure from legitimate government that if allowed to persist would be of far greater significance, over time, than any short-term criminal event.

A. The intelligence community

The attitudes and policies that led to Watergate had a profound impact on the intelligence community, from the FBI and the CIA to the lesser intelligence sections of other agencies.

Soon after the new administration took office in 1968, there seems to have been a basic dissatisfaction within the White House as to our existing intelligence capabilities. They were variously considered too timid, too bound by tradition, and generally incapable of acting effectively with respect to what the White House perceived as necessary intelligence.

One of the responses by the White House was to set up a plan, an intelligence plan, so that the objectives, methods, and results of the intelligence community would coincide with the White House. This plan was drafted by Tom Charles Huston in early 1970, and came to be known as the 1970 Domestic Intelligence Plan, or the Huston Plan.

Much of the plan, which has been described previously, was illegal, either in its objectives or in the methods it proposed.

Nevertheless, there are numerous indications, in evidence received by this Committee, that the types of activities recommended in the plan were carried out in the following years. The net effect was to subvert or distort the legitimate intelligence functions of the government.

The plan recommended an expanded use of electronic surveillance. However, the expanded wiretapping that took place in succeeding years was done outside legitimate channels, such as the 17 so-called Kissinger taps, the tap on Joseph Kraft, the Watergate wiretaps, and even the wiretap on the President's brother.

The second element of the plan called for surreptitious entries. Burglaries in fact took

place at the office of Dr. Ellsberg's psychiatrist, at the Democratic National Committee, at the office of publisher Hank Greenspun, according to multiple evidence; and were suggested or planned for the offices of the Potomac Associates, The Brookings Institute, and Senator McGovern's campaign headquarters.

Mail sent to an affiliate of the Democratic party was opened and photographed by the United States Army, in a well-documented and apparently massive operation, and military agents spied on the Concerned Americans in Berlin, a group of McGovern supporters who were officially recognized by the Democratic party.

The specific actions proposed by Huston are only one aspect of the plan. Equally important are the policy recommendations. The heart of this new policy was better coordination and use of existing intelligence from all areas of the government. The means of carrying it out was to be a new intelligence "Committee" sitting above all the agencies. Again, the plan was carried out.

On September 17, 1970, an Intelligence Evaluation Committee was set up in the White House. It was to receive information from the CIA, the FBI, the National Security Agency, and other intelligence sections. Notwithstanding the fact that the statutes prohibit the CIA from participating in any domestic intelligence function, it was called upon to evaluate domestic intelligence-gathering by the other agencies when the Intelligence Evaluation Committee was set up. This intelligence was to be digested by the CIA experts and then disseminated for use wherever useful, regardless of the statutory limits placed on the agency that collected the information.

What was important about setting up that Committee was not the work it actually did, but rather the legitimization of a concept. That concept was that intelligence functions of the various agencies were there for whatever purpose the Executive decided it wanted, not for the purposes Congress decided by statute.

As an illustration, Mr. McCord testified that he eventually received information for use by CRP from the Internal Security Division of the Justice Department, on a daily basis. It included information from the FBI, pertained to individuals, and was of a political as well as non-political nature. This arrangement was made pursuant to a request sent to Mr. Mitchell from Mr. McCord, which led to a call from Assistant Attorney General Mardian in which he relayed the Attorney General's approval and told McCord to work through the Internal Security Division.

The Internal Security Division of the Justice Department also provided political legal assistance to the White House. For example, it provided information regarding demonstrators, and information that would embarrass individuals in connection with their relationship with demonstrators and demonstration leaders.

Another illustration of misuse of intelligence was the request made to the IRS, on July 1, 1969, by Mr. Huston, to set up a means of "reviewing the operations of Ideological Organizations." Soon the IRS had set up an "Activists Organizations Committee," collecting intelligence to find out generally about the funds of these organizations." An internal memo pointed out that "it's activities should be disclosed generally only to those persons who need to know, because of its semi-secretive nature." "We do not want the news media to be alerted to what we are attempting to do or how we are operating because the disclosure of such information might embarrass the Administration." 'The type of organization in which we are interested may be ideological . . . or other." 'In effect, what we will attempt to do is to gather intelligence data on the organizations in which we are interested and to use a Strike Force concept." This was not tax collection; it was the IRS being converted into an intelligence agency; and it was stopped in the midst of this Committee's hearings in mid-1973.

The next step was when the IRS began gathering intelligence from other parts of the government, with no attempt made to restrict this to tax-related information. Arrangements were made with the military, the Internal Security Division of the Justice Department, and the Secret Service to turn over information on individuals or groups. So long as the IRS has the power to be a potential harassment for the average citizen if audits are not conducted on an objective basis, this procedure of developing files on dissenting citizens must be questioned. The more important point is that IRS duties and responsibilities are spelled out by the Congress, and such an intelligence operation is not one of them.

The IRS and the Justice Department were not the only agencies pressured into assisting White House intelligence demands. A Secret Service agent spied on Senator McGovern, when supposedly protecting him during the campaign. When the White House was informed of this, no objection was made.

An FBI agent was used by a White House staff member to spy on a Long Island newspaper doing an article on one of the President's friends. The Commerce Department was called on to provide commercial information in a project that it was hoped would embarrass Senator Muskie. The Department of Defense was used to find out information as to Senator McGovern's war records, at a time when there were public charges that he may have acted with cowardice.

There was testimony to the effect that there was nothing short of a basic policy to use any governmental agencies to seek politically embarrassing information on individuals who were thought to be enemies of the White House. The so-called "enemies list" was maintained in the White House for this purpose, and a memo was prepared to implement a means of attacking these enemies.

Apparently it was not enough to maneuver the intelligence community and related agency functions. Plans were made to take what is clearly a function of government outside the government, to set up an independent intelligence operation.

The first plan was put forth by Mr. Caulfield, in proposals to Messrs. Dean, Mitchell and Ehrlichman. He suggested a private security entity that would be available for White House special projects, thereby insulating the White House from its deeds. It was called Operation Sandwedge.

Mr. Caulfield rejected the Sandwedge plan, and it was apparently replaced with an operation that came to be known as the "Plumbers." In the meantime, Caulfield began conducting intelligence functions from a position on the White House counsel's staff, functions that properly belonged in the agencies, if anywhere.

Caulfield was instructed, for example, to develop political intelligence on Senator Kennedy, including instructions from the Assistant Attorney General to obtain certain information about the travels of Mary Jo Kopechne. When he took the job, he told Mr. Ehrlichman that he would hire an ex-New York City policeman to do investigative work.

Mr. Ulasewicz was then used to collect information on various enemies, political, ideological, and personal. A sample of his activities reveals not only why intelligence should not be outside the checks of a professional organization, but also the rather broad scope of what the White House was in fact doing. His investigations included such things as Richard Nixon's old apartment in New York, a Kennedy official trip to Hawaii, name checks on White House visitors, the President's brother, political contributors to a dozen Senators who opposed the administration, Jefferson Hospital in Philadelphia, Louis Harris Polls, the Businessmen's Education Fund, the House of Mercy home for unwed mothers, the U.S. Conference of Mayors, a comedian named Dixon, Mrs. Rose Kennedy's secretary, and Birmingham, Alabama City Council, Mayor, and Executive Staff. And that is just a sample of the much larger number of his investigations. Many of them are clearly the responsibility of established agencies, if they are anybody's responsibility at all.

Eventually, a semi-official unit, the Plumbers, was established within the White House, with a combination of police and intelligence duties. It conducted what Mr. Mitchell referred to in his testimony as the "White House horrors". According to Mitchell, these operations were so wrong that if the President had heard about them he would have "lowered the Boom", even though there is other evidence that the President did know about them and didn't lower any boom.

The legitimiate intelligence agencies were used to support this operation, specifically by providing materials for their operations. General Cushman of the CIA testified that after a personal request from Mr. Ehrlichman, CIA technical services people provided Mr. Hunt with a drivers license, social security card, wig, and speech altering device, which were delivered to a "safe house" off CIA premises per Hunt's instructions.

Around August, 1971, Hunt began to make additional demands on the CIA: first, for a stenographer to be brought in from Paris, which Cushman and Director Helms considered merely a face-saving move and rejected. Later demands were made for a tape recorder in a typewriter case, a camera in a tobacco pouch, for film development, and for an additional alias and false papers for another man ("probably Liddy"), which requests came to Cushman's attention after they had been granted by the technical services people.

After Hunt's additional demands and a subsequent request for a New York address and phone services, Cushman and Helms decided Hunt's requests had exceeded his original authority. On August 31, 1971, Hunt made a final request, for a credit card, which was denied.

Mr. Young of the Plumbers unit asked the CIA to do a psychological profile of Dr. Ellsberg. It was clearly a domestic project, the only one of its type ever requested, according to Gen. Cushman of the CIA, who also testified that such profiles are reserved for foreign leaders. Nevertheless, it was done, but Mr. Young considered it unsatisfactory, so another profile was prepared and sent. Other projects spanned a broad range, such as spiriting Dita Beard from the East Coast to a Denver hospital, and a subsequent trip to Denver by Hunt in disguise to question her about the ITT affair. To bring the full influence of the White House to bear on this extraordinary activity, Mr. Ehrlichman testified that he personally introduced Messrs. Krough and Young, who headed up the Plumbers to the heads of various agencies, such as the Secretary of Defense, the Attorney General, and the Director of the CIA.

Members of the Plumbers eventually went on to similar work for the Committee to Re-Elect. Although they were clearly outside the government, they again used the legitimate agencies. Ex-CIA employees were recruited on the basis of their loyalty to the CIA. National security responsibilities were misused. Mr. Barker was even told that the interests of national security he was serving were above the FBI and the CIA. To reinforce this position, classified and critical information about the mining of Haiphong harbor was relayed to Barker the day before the President's announcement. This was not only a misuse of

secret Defense Department intelligence, but it also furthered a misuse of national security entrustment in the executive branch.

In a different type of situation, Mr. Haldeman was appointed "the Lord High Executioner of leaks". This technique of attacking and solving the leaks problem illustrates the contempt for normal government functions. It resulted in Mr. Caulfield, by his own testimony, being directed by Ehrlichman to wiretap a newsman's telephone (Joseph Kraft) in pursuit of a leak, outside the safeguards of government wiretap procedures and regulations. There are capabilities within the legitimate operations of our government for handling such a problem. The attitude that these problems had to be treated independently was the same attitude that led to the 17 Kissinger taps being installed outside normal FBI channels and Mardian's instructions from the President regarding the disposition of those wiretap logs "that related to newsmen and White House staff suspected of leaking", and that led to unusual and perhaps illegal White House involvement in the Ellsberg case itself.

There is a reason for demanding that government officials use only the tested and accountable facilities of government. It has been illustrated by the kind of projects undertaken independently by the White House.

The final contempt for the intelligence community can be seen in efforts to exploit them in the coverup. Mr. Ehrlichman said that he and Mr. Haldeman had spoken to General Walters and Mr. Helms of the CIA shortly after the Watergate break-in. Ehrlichman further said that Walters was a friend of the White House and was there to give the White House influence over the CIA. Dean testified that Ehrlichman asked him to explore the possible use of the CIA with regard to assisting the Watergate burglars.

On June 23, 1972, Mr. Haldeman and Mr. Ehrlichman met with Director Helms and General Cushman of the CIA. According to Director Helms, Haldeman said something to the effect that it had been decided that General Walters was to go talk to FBI Director Gray and inform him that "these investigations of the FBI might run into CIA operations in Mexico" and that it might be best if they were tapered off—or something like that. According to General Walters, Haldeman directed Helms to inhibit the FBI investigation on grounds that it would uncover CIA assets in Mexico. Haldeman also indicated he had information the CIA did not have, and that five suspects were sufficient.

When Director Helms and Director Gray of the FBI scheduled a meeting between themselves on June 28, 1972, Mr. Ehrlichman intervened and canceled the meeting, thus preventing any independent contacts.

At a later time, Mr. Dean discussed with General Walters the possibility of using covert CIA funds to pay the Watergate defendants. In February 1973, the CIA was asked by the White House to take custody of Justice Department files on Watergate, but the request was denied.

Mr. McCord testified that at the time of the Watergate trial, pressure was brought on himself and other defendants to claim for purposes of a defense that Watergate was a CIA operation.

The FBI was likewise abused in numerous ways. Some of these, such as turning over Hunt's files to Mr. Gray, have been well documented. But there were other examples. The FBI set up the so-called Kissinger wiretaps outside channels, effectively insulating them from routine discovery and accountability, and at the President's instructions, Mr. William Sullivan (who had supervised the wiretaps) turned over all evidence of them to the White House when it was reportedly related to the President that Hoover might use them to preserve his job. The FBI ran an investigation of CBS newsman Daniel Schorr, in what was a White House tactic to embarass him, according to one witness.

Mr. Ehrlichman testified that he was instructed after the Watergate break-in to see to it that the FBI investigation did not uncover the Ellsberg break-in or get into the Pentagon Papers episode.

In the end, the wake of Watergate left a distorted intelligence community whose historic professionalism had been badly damaged.

B. Law Enforcement Agencies

The primary responsibility for law enforcement falls to the Department of Justice. To the extent that White House or political considerations interfered with that responsibility, it interfered with a critical part of our government.

There was considerable evidence of White House contacts, including pressure and interference, with respect to the Watergate investigation. It began almost immediately after the break-in, with a request to the Attorney General that he try to obtain the release of Mr. McCord. In the following days, he was warned about a too aggressive investigation, he was warned in mid-1972 that Magruder might have to plead the Fifth Amendment, he was asked to provide raw FBI files on the case, and he was asked to be the White House secret contact with this Committee. As noted earlier, an agency of the Justice Department, the FBI, was consciously lied to, was asked for raw files, its Director was given potentially embarrassing evidence from the safe of one of the Watergate burglars, with instructions he interpreted as a request to destroy that evidence.

The White House counsel testified that he in fact received information from the Justice Department and the FBI on the Watergate case. Mr. Dean stated that he was asked by Mr. Mitchell, after Mitchell had left CRP, to get FBI 302 reports of interviews with witnesses, and that Mr. Haldeman and Mr. Ehrlichman also thought it would be a good idea to get those reports. Mr. Mardian, attorneys O'Brien and Parkinson, and Mr. Richard Moore all viewed those files after Dean obtained them. Dean pleaded guilty to an "information" charge in October 1973, which charge included a conspiracy based on White House access to those files.

There were similar pressures as to the whole Ellsberg matter. When Assistant Attorney General Petersen advised the President of the Ellsberg break-in, he was told, "I know about that," and "You stay out of that."

The Anti-trust Division of the Justice Department received requests, which have been reviewed earlier as to the media, to go after targets of White House dislike.

After the association of milk producers pledged $2 million to the President's campaign, a grand jury investigation of their association was halted by the Attorney General. Nevertheless, anti-trust violations were allowed to be pursued as a civil, as opposed to criminal, suit. The anti-trust suit was in fact brought in February, 1972, in spite of much White House concern by Messrs. Colson and Haldeman. The milk producers discussed their anti-trust suit with Treasury Secretary Connally in March, 1972, resulting in a call to the Attorney General. Other contacts with the Attorney General were made on behalf of the milk producers, and an attempt was made to give additional contributions in return for dropping the anti-trust suit.

A similar pattern of efforts to obtain favorable treatment from the Attorney General in an anti-trust matter followed the transfer of $100,000 by the Hughes Tool Co. to a friend of the President. The Hughes Corporation was involved in anti-trust problems related to pending purchases of a hotel in Las Vegas and an airline corporation. At the time the money was being transferred, a representative of the Corporation met with the Attorney General. The anti-trust problems were subsequently resolved.

The grand jury system, an essential element of the prosecution process, was subverted by members of the administration and CRP, even to the point of special favors for such officials when they were to be called before the grand jury. According to one witness, Mr. Ehrlichman attempted to prevent former Commerce Secretary Stans from appearing before the Watergate grand jury by directing Assistant Attorney General Petersen not to call Stans. Stans' testimony was eventually taken in private, as was the testimony of Messrs. Colson, Kehrli, and Young.

It should be recalled that the Attorney General doubled as a campaign manager from July 1971, until he resigned in April 1972. When asked if it wasn't improper "for the chief law enforcement officer of the United States to be engaging in, directly or indirectly, managing political activities," the Attorney General responded, "I do, Senator." He held this dual role while a number of large campaign contributors, such as the association of milk producers, the Hughes Tool Co., and International Telephone and Telegraph and important cases under investigation by the Justice Department. The Attorney General who succeeded him pleaded guilty to a charge pertaining to the ITT matter.

The prestige of the Attorney General's office was misused. Mr. McCord testified that a very important reason for his participation in the Watergate operation was "the fact that the Attorney General himself, Mr. John Mitchell, at his office had considered and approved the plan, according to Mr. Liddy." Mr. Baldwin was told that if at any time he had trouble establishing his authority for being in a certain place or for having a weapon, he was to mention John Mitchell. In an outrageous insult to our law enforcement institutions, it was in the Attorney General's office on January 27, 1972, and on February 4, 1972, that Liddy's plan was presented, including expensive charts outlining mugging, bugging, burglary, kidnapping, and prostitution.

The Justice Department was not alone.

Some of the most blatant attempts to pressure an agency charged with enforcing laws were aimed at the IRS. The conversation between the President and Messrs. Dean and Haldeman on September 15, 1972, states this clearly, criticizing the IRS for not being sufficiently "responsive" to personal and political demands. It is buttressed with evidence that the IRS was contacted in relation to cases involving friends of the White House.

The confidential tax return information of Mr. Harold J. Gibbons, Vice President of the Teamsters, was turned over to Mr. Colson. It is significant that the memo discussing Gibbons' taxes points out that he supported Senator McGovern; in fact, he was the only major Teamster official to support McGovern, and the only one whose taxes were apparently sent to the White House.

The tax data for a prominent Jewish leader in Rhode Island was given to Mr. Dean's office, along with confidential tax return information on a number of prominent entertainers. Tax audits of Democratic party Chairman Lawrence O'Brien were sought in an attempt to come up with damaging information. In contrast, IRS contacts were used to help in audits of the President's friends, including actor John Wayne, the Reverend Billy Graham, and Mr. Charles G. Rebozo.

A close friend of the President's, according to Mr. Dean, "thought he was being harassed by the agents of the Internal Revenue Service". Dean raised this with Mr. Walters (Commissioner of the IRS) who said that could not be the case. Dean kept checking the status of the case, because he "got ques-

tions on it with considerable regularity." Dean stated that "it was Rosemary Woods who kept asking me the status of the case because this individual was seeing the President a good deal." The case was referred to the Criminal Division of the Justice Department. Dean was told he had to do something about it, so he eventually saw Mr. Ralph Erickson at the Justice Department, who said "there is one more thing we can do; there are some weaknesses in the investigation and we may send it back to the Internal Revenue Service for one last look to see if this follows, it really is a solid case," which to Dean's recollection was done.

Nevertheless, the President was not satisfied and suggested that changes be made at the IRS after the 1972 election. In addition, Mr. Dean prepared a briefing paper for Mr. Haldeman with respect to a meeting with the head of the IRS, to make the IRS more responsive to the White House. Mr. Strachan testified that Mr. Haldeman discussed a more politically responsive commissioner of the IRS so that it could be used against political opponents such as Clark Clifford.

The IRS was not only contacted with respect to individual cases, it was also the focal point of certain questionable policies. One of these policies was to "punish" groups, tax exempt groups in particular, who were thought to hold ideological views different from the White House. There was no evidence that these organizations advocated or did anything illegal or unconstitutional, or that they in any way violated the tax laws. Nevertheless, they were singled out for challenge as to the tax exempt benefits they enjoyed under the law. Groups enjoying the same benefits who were sympathetic to the administration did not receive the same attack.

Use of the Secret Service to spy on Senator McGovern has already been reviewed.

The misuse of the CIA and the FBI have likewise been examined earlier.

It is quite a record for a "law and order" administration.

C. Regulatory Agencies

The regulatory agencies, as much as any other area of government, fit the references in a White House memo which addressed the general problem of how to use the "incumbency" and power of the White House against opponents, or "how we can use the available federal machinery to screw our political enemies."

We have already reviewed numerous misuses of the IRS against political opponents. We have likewise reviewed evidence of plans to make the IRS more responsive to White House problems and demands.

A prime example of the distortion of regulatory power is contained in the record of the administration's plans to attack the media. The agency at the center of this plan was the FCC.

The Federal Communications Commission licenses radio and television stations, and is thereby in a unique position to hurt the networks or any other organization such as a newspaper that owns a local station. The memoirs on this subject which have been reviewed previously, were frightening at best. They demonstrate clear contempt for statutory restraints on the power given to the FCC by Congress.

A good example of the attitude toward agencies is a memo from Mr. Jeb Magruder to Mr. Ken Reitz which notes that ACTION, the agency that coordinates government volunteer programs, "is an agency that we should be able to use politically." The memo recommends a meeting with ACTION's director to discuss how "we used their recruiters (who talked to 450,000 young people last year), advertising program, public relations effort, and public contact people, to sell the President and the accomplishments of the Administration. We should be involved and aware of everything from the scheduled appearances of ACTION's recruiters to the format and content of its advertising."

D. THE DEPARTMENTS

The variety and scope of evidence bearing on the functions of the Departments stretches all the way from fabricating a false historical record of the State Department in the Vietnam war to using the Department of Interior to punish a newscaster.

The State Department incident shows the extremes that were followed to achieve the political ends of the White House. In apparent anticipation that Senator Kennedy would be the opposing nominee for the presidency, an attempt was made to falsify President Kennedy's role in the assassination of President Diem early in the Vietnam war.

The strategy used to implicate President Kennedy in Diem's death was to make up phony telegrams between the White House and South Vietnam during that critical period. One particular telegram indicated that Kennedy did not offer safe refuge to Diem, thereby insuring his assassination. To be able to do this, the State Department was contacted by Mr. Young of the White House Plumbers, resulting in Hunt's authorization to go over and review the appropriate cables between the United States and Saigon. Arrangements were made to "leak" the story to appropriate news persons. When Hunt's safe was opened on June 30, 1972, the bulk of the papers, according to testimony, were classified cables from the State Department relating to the early years of the Vietnam war.

The Department of Commerce was more directly used. The Secretary of Commerce attended meetings on campaign matters and campaign contributions while still in office. In order to put out a story demonstrating that help provided to the Maine sugar beet industry by Senator Muskie was going to cost taxpayers $13 million in defaults by that industry, the Department of Commerce was requested to provide the research material for that story. The correspondence flowed between the White House and Commerce, until the White House feared that their respective roles might be discovered.

Because of a rather hostile comment former newscaster Chet Huntley once made regarding the President, there was an effort to make it as difficult as possible for him to get his Big Sky project in Montana moving. Apparently, Huntley needed assistance from the Interior Department, which was periodically contacted by the White House in this regard. For whatever reason Huntley eventually agreed to back the President in the 1972 campaign and the attack was called off.

The Department of Agriculture announced, on March 12, 1971, that price supports for milk would not be increased. Board members of the Commodity Credit Corporation, which has responsibility for clearing such a decision, was unanimous in its recommendation not to increase supports.

On March 25, 1971, the President reversed the decision of the Agriculture Department. There is much evidence of White House awareness and attention at that time to a $2 million campaign pledge by the milk producers.

Whether or not the President's decision was the result of a dairy industry bribe, it is important to note that the legitimate functions of the Agriculture Department were circumvented and interfered with. In the reversal process, none of the Assistant Secretaries at Agriculture or their staffs were consulted. These were the professionals who had the expertise, who knew the reasons for the initial decision, who would have to enforce and live with the new decision by the President. Their opinion or expertise as to the President's reversal was never given; it was never solicited, even indirectly.

Instead, at 10:30 a.m. on March 23, 1971, the President met with the milk producers, saying, "I know, too, that you are a group that are politically very conscious . . . And you are willing to do something about it." After a flurry of meetings between other administration officials and milk producers' representatives the President changed the Department of Agriculture's position on March 25, 1971. Thus, regardless of other issues involved, the acceptable processes of government were evaded for apparently personal and political interests.

A memo was presented which revealed a Cabinet session in which Mr. Fred Malek told the assembled Cabinet members of a plan to make the Departments more "responsive" to the political needs of the administration. It was this program that led to some of the more unique abuses of the Departments and agencies.

It was this program that led to evidence of quid-pro-quos for the contracts from the Department of Health, Education, and Welfare, the Department of Housing and Urban Development, the Department of Labor, the Department of Interior, the Office of Economic Opportunity, the Office of Minority Business Enterprise, the Federal Home Loan Mortgage Association, the General Services Administration, ACTION, and the Veteran's Administration.

For example, a June 3, 1971, White House memo noted that the head of the Federal Home Loan Bank Board "has given a great deal of thought to, and designed, a sound economical plan to use federal resources (projects, contracts, etc.) for advantage in 1972."

A June 23, 1971, White House memo recommended that "In addition to designating 'must' grants from pending applications there may be occasions in which political circumstances require a grant be generated for a locality." This, of course, is in direct contravention of equal treatment under the laws that control federal awards, which are supported by taxpayers funds and are to be distributed only on the basis of merit and need, by law.

By March 1972, this program, according to a memo to Mr. Haldeman citing success at the Commerce Department as an example, had "resulted in favorable grant decisions which otherwise would not have been made involving roughly $1 million." It was then recommended that someone was needed to take "the lead in the program to politicize the Departments and Agencies . . . and closely monitor the grantsmanship project to ensure maximum and unrelenting efforts."

A December 23, 1971, memo to Mr. Haldeman noted that "this program, even if done discreetly, will represent a substantial risk. Trying to pressure 'non-political' civil servants to partisanly support the President's re-election would become quickly publicized and undoubtedly backfire. Consequently the strategy should be to work through the top and medium-level political appointees who exercise control over most of the Departmental decisions and actions."

By June 1972, Mr. Malek reported he had "reviewed the program with each Cabinet Officer (except Rogers) and with the heads of the key Agencies," and "had them name a top official who would be the political contact for this program," as well as "educate loyal appointees . . . thus forming a political network in each Department." Aside from abuse of the laws which authorize federal grants, there are numerous indications that this program violated the Hatch Act. That Act specifically protects against politicizing the government, and makes such efforts criminally illegal. In addition, much

of this conduct may have involved a conspiracy to defraud the United States, under the criminal laws of Title 18, United States Code, Section 371, as well as criminal violations of at least three sections of the campaign laws.

So much for our independent Departments and Agencies.

The executive department diverted a substantial portion of its payroll, privileges, and power into non-governmental activities. Mr. Frederick Malek, for example, held an official position at the Committee to Re-Elect the President as of June 1972, while on the White House payroll until September 1, 1972. Mr. Gordon Strachan likewise was employed as a liaison to CRP, while being paid as an assistant to the White House Chief of Staff. Political advertising was supervised from the office that was supposed to be White House Chief of Staff. Mr. McCord testified that he took part in Watergate partly because "the top legal officer in the White House" had participated in the decision to undertake the operation.

The prerogatives granted the executive were misused, as has been detailed earlier. The effect is well summed up by Mr. McCord's testimony that he was told the President of the United States was aware of meetings offering him payoffs and clemency, that the results of the meetings would be conveyed to the President, and that at a future meeting there would likely be a personal message from the President himself. This supplemented threats that "the President's ability to govern is at stake," and "the government may fall" if Mr. McCord did not follow the "game plan." Mr. Caulfield confirmed that when he met with Mr. Dean that Dean wanted to transmit the message to McCord that the offer of executive clemency was made with the proper authority, and that he made such representation to McCord.

Not only were the department functions abused, but the executive power of appointing department officials was likewise used. It was Herbert Porter who testified that he reminded the White House of the things he had done in the campaign when they dragged a bit in finding him a new job after the election. It was Jeb Magruder who was awarded with a high ranking job at the Commerce Department for his misdeeds in the re-election campaign.

These examples are minor compared to the general plans that were discussed to restaff the departments after the election to make them more subservient to the White House.

As a final, rather tragic note, this is the White House that used its power over department appointments to nominate Mr. Gray to the FBI Directorship, decided not to support him any longer, and rather than tell him of that fact, decided to let him "hang there, and twist slowly, slowly in the wind."

UNDERSTANDING WATERGATE

Alright, what to do with the raw data of Watergate? Unless positive understandings and actions emanate from this negative sequence, then it seems to me nobody really was caught breaking into Watergate.

The gut question this summer is what do Americans now know and what are they going to do about it? By way of dramatizing the need for a proper answer to that question, let me cite the following example. I recently received a critical letter which read:

"Really, Senator, all is fair in 'love and war' ".

American elections—war?

Members of another party—enemies?

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Is that the lesson America is taking home from the Watergate? Because if such is the case, then a whole new era in American politics will have dawned and Gordon Liddy will not be recognized as peculiar but as a visionary. Also at such time we of the Select Committee would have failed. Though a year has gone by between the time of the Senate Watergate hearings and this Senator's Watergate conclusions, it is a matter of Constitutional life and death that the American people make a connection between those two events.

What about the Constitution? Is it up to our times? Certainly it never before has obtained such visibility. But how about acceptance?

I. THE CONSTITUTION

Later in this section I intend to editorialize on the abuses to our governmental and political institutions. However the pivotal struggle of Watergate is one between men who play for the moment and look upon the Constitution as a 4th of July interruption to their own charter and men who play for tomorrow and understand it to be the force that has given America success beyond America's natural abilities for success.

Never first in population, land mass or natural resources, why have we attained a national greatness and personal affluence beyond that achieved by any country or people?

Because we perjured? Because dissent was disloyalty? Because justice was political? Because our concern was developing fear? Because we burgled? Because we thought the worst of each other?

Or, because

"All men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness . . ."

Or, because

"Congress shall make no law . . . abridging the freedom of speech or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

Or, because

"The right of the people to secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated . . ."

Or, because

"No person shall be deprived of life, liberty or property without due process of law. . . ."

Or, because

"In all criminal prosecutions the accused shall enjoy the right . . . to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor. . . ."

Or, because

"The President . . . shall take the following Oath: 'I do solemnly swear that I will faithfully execute the office of President of the United States and will, to the best of my ability, preserve, protect and defend the Constitution of the United States."

I catch none of the "everybody's doing it" or "transcripts" spirit in any of those words.

The Constitutional history of Watergate to this date has been that of a President and his Ministers who de facto have tried to "yes—but" most sections of the Constitution.

I feel Article V to be preferable to Administration amending methods.

Several years ago many Americans were willing to silently tolerate illegal government activity against militants, terrorists or subversives as an expeditious way to circumvent the precise processes of our justice system. Though quick, it also proved to be only a short step to using such illegal tactics against any dissenting Americans. The result was we almost lost America. Not to subversives, terrorists or extremists of the streets but to subversives, terrorists and extremists of the White House.

That is why there can be no acquiescence, now, to a few "yes—buts" to the Constitution. To do so would be just as big a cop-out as those who espouse violence in the name of peace.

American Constitutional democracy is not the tidiest, most orderly, most efficient, most expeditious, quietest political system on earth. It is in fact raucous, off in a thousand directions of concern, involved with millions of individuals rather than a mass, revolutionary and querulous. But what some deem as flaws are precisely its genius. For those who have made it, it's a pain. For those who haven't, it rebuts predestination.

Our greatness will always be in direct proportion to our freedoms. Yes, that includes the freedom to be wrong.

Free spirits, not measured freedom, has been the promise of the Constitution. We can have peace in Vietnam, on campus and in the neighborhood without forfeiting that promise and no man or group of men deserve leadership if they would put the nation to such a choice.

II. GOVERNMENT

The offices of government in this nation are complex and awesomely powerful. Even if engaged on legal pursuits. It's not an exaggeration to state that a United States Senator needs every bit of his clout to move effectively within the bureaucratic maze. Insofar as the 99.9% of Americans who are not Presidents, Congressmen or Senators, if anything goes wrong with either end of the governed-government equation, the mismatch of the century ensues. And that's so even though the slip-up is innocently legal. Fully 50% of a Senator's time and staff are devoted to resolving the innocently legal slip-ups between his constituents and their government. And I'm sure those who speak up are no more than 5% of those being wronged.

What then if agencies and officers of the United States government become involved, not in innocently legal mistakes, but purposefully illegal vengeance? In light of the facts already presented, the greatest danger of this section is for me not to overeditorialize the case so as to engender disbelief. Of those who read this report, 99% of them know Senators, Congressmen, successful lawyers and other powerful persons. But America is not supposed to be about the powerful—rather the frail. And they're the ones who will eventually suffer the most if the White House record on using the government agencies politically to bring about conformity is allowed to go unchallenged.

The "enemies list", revealed in the dialogue I had with John Dean, has received much hoopla. But aside from the fact that today it has become a badge of honor, have you ever thought what it feels like to be an American and have the highest office in the land look upon you as an enemy? To be spied on, to be investigated, to be harrassed, to be reviled by your own country? It may be a badge of honor when revealed but it's frighteningly disheartening while it's going on and no one believes that these things are happening in America.

Oh, yes, I've heard the excuses for the illegal use of the federal law enforcement/intelligence community. National security, domestic security, terrorists, law and order, subversives, militants. But let me put the White House record in the proper factual context.

No administration within my lifetime has a worse record of convictions in relation to indictments than the Nixon Administration. Why? Because it tried to achieve law and order by lawlessness. It was the courts that said no, not the Justice Department.

In the matter of the Special Compliance Division of the IRS and their keeping tabs on "militants, subversives, terrorists, ideological and other organizations," it is fact that in all the IRS files that came into White House possession, there is not one militant, subversive, terrorist individual or organization. That is the lesson of a White House

gone ape. Our lesson is that you can't protect the rights of anyone unless you protect the rights of everyone.

The differences between myself and this Administration on Watergate are not philosophical, political, historical, personal or regional. They are Constitutional, pure and simple. A better summation of our differences could not be found than the surreptitious entry language of the "1970 Spy/Huston/Sullivan Plan" and again in the words of the President on September 15, 1972:

"Use of this technique is clearly illegal: it amounts to burglary. It is also highly risky and could result in great embarrassment if exposed. However, it is also the most fruitful tool and can produce the type of intelligence which cannot be obtained in any other fashion."

You can't have that and democracy.

"I want the most comprehensive notes on all those who tried to do us in. They didn't have to do it. They are asking for it and they are going to get it. We have not used the power in this first four years as you know. We have not used the Bureau (FBI) and we have not used Justice. But things are going to change now. And they are either going to do it right or go."

You can't have that and democracy.

Remember what Pat Gray said?

"I said early in the game that I thought that Watergate would tarnish everyone with whom it came in contact and I am no exception. *I had a responsibility not to permit myself to be used, not to permit myself to be deceived* and I failed in that responsibility and I have never failed in anything that I have undertaken until this point in time. And it hurts."

The Congress and the American people, with more facts in hand than Pat Gray ever had, have an even greater responsibility not to be used or deceived in this matter of abuses to our governmental agencies and political processes.

Because most elected officials or citizens haven't had the FBI, IRS, CIA, MI, SS, Justice Department, Defense Department, Commerce Department, "Fat Jack" or Tony Ulasewicz on their tail does not mean the abuses of Watergate passed them by. It only means that if they don't speak out now, they've got no complaint later. A little less spectating Watergate and a little more speaking out is very much in order.

Admittedly to speak out is tough. Just as the Bill of Rights and democracy is tough.

But speaking out is a patriotism far better suited to 1974 than 1972's wearing of flag lapel pins by White House and CREP employees while they advocated burglary, wiretapping, committed perjury, politicized justice, impugned the patriotism of those who disagreed with them and threw due process in the shredder.

Americans of all generations have suffered and died at their best because they were uncompromising in the idealism they wished for their country. Who of this generation, then, wants to declare a lesser truth for America?

It is the answer we give to that question which matters. It will decide America.

III. POLITICS

In November, 1962 I was elected to my first public office—State Representative to the General Assembly in Hartford, Connecticut.

Now, some 12 years and 8 elections later, I am rounding out my first term in the United States Senate—a boyhood dream come true.

Yes, it's time consuming and rough on the family life. To that extent it's tough. But each dawn for 12 years has me looking forward to the day. Politics is a clean business with dedicated people. The terms "9–5" and "5-day week" are seldom heard. The winning politician is in the business of love and not hate. The average politician takes the cost of serving out of his pocket and not the public's taxes.

These things need saying to challenge the "end justifies the means" image, the "everybody's doing it" image that the White House knowingly and a few ignoramuses unwittingly would give politics.

We're replete with failings personally as I, my staff and my family know all too well. But with the public trust given us by our constituencies—we'd no more see that in the mud than the American flag.

Can I prove the above? Sure. Look at your America as I've asked the people of Connecticut to look at their State.

The truth of American politics is in the schools of this country, not a wiretrap; in the hospitals, not a burglary; in the housing projects, not a scurrilous letter; in the parks, not in hush money; in facilities for the retarded, not in spying; in people who volunteer in a thousand ways, not in dirty tricksters; in politicians who reach for the weak first, the strong second, not in hatchet men. In short, dirt does not conceive so much tangible excellence as we have in our country.

The truth of America is not in the deeds of men and women at their worst but rather at their best. Government with its politicians and the people are not apart in a democracy. They are one.

And so it is we will not get any better ethics or more idealism in the Oval Office or on the Senate floor than we do in the voting booths.

Watergate was conceived in an ignorant apathy of the electorate and was executed in semi-conscious apathy. Its greatest danger is that it will be forgotten in an apathy of total knowledge. That kind of voting booth acquittal means that American politics has officially joined the Administration on the dark side of the manhole.

Thank you, no!

PEOPLE AND POWER

Watergate is not the story of one powerful man. It is a story of people. Though my efforts have been directed toward the principles and institutions of this nation, I am well aware that their existence or disappearance reflects human behavior.

It is no source of pride to me as an American that the coinage of responsibility has been in inverse measure to rank and power. I was taught early on, first by my Dad and then by the United States Army, that rank has its privileges because rank has its responsibilities.

Yet in the case of this President, I've heard the word "privilege" used over and over again as a dodge of responsibility.

The word "stonewall" has been used to describe the President's defense. Believe me, it has been and continues to be a "human wall."

REPUBLICANS

Obviously this has been rough duty in a Republican sense. However, from the outset I've operated on the basis that the best investigation was the best politics. I couldn't change the facts. I couldn't silence those who knew the facts. All I could do was to make sure that a Republican spoke the facts if not before, then simultaneously with a Democrat.

On page 103 of the "Transcripts", President Richard Nixon is talking to John Dean:

"I don't know what we can do. The people who are most disturbed about this (unintelligible) are the (adjective deleted) Republicans. A lot of these Congressmen, financial contributors, et cetera, are highly moral. The Democrats are just sort of saying, '(expletive deleted) fun and games.' "

Richard Nixon understood the strong base of integrity that is a Republican heritage. Because he rejected it then is no reason for any Republican to do so now.

Because the Republican National Committee and its Chairman, Senator Robert Dole of Kansas, were in the traditional Republican mold of decency and honesty is exactly the why of a Committee to Re-Elect the President. At an executive session of the Select Committee held on Wednesday, June 19, 1974, I inquired of the staff and the committee whether after one year of investigation there was evidence of wrongdoing by either the RNC or Senator Dole. The answer was a clear-cut "no" in both instances. Republicans who now state that "everybody does it" dishonor the men and women of their own official party organization and Bob Dole who didn't do it and wouldn't have done it.

One last comment.

The record establishes that:

1. The White House took a dive on the Congressional races of 1972 insofar as many Republican candidates were concerned.

2. Democratic candidates were actively assisted in some instances.

3. The White House expended considerable resources and energies zapping Republican Senators and Congressmen.

4. The Justice Department was consulted as to how to keep a Republican off the Florida primary ballot.

Along with a will to pursue the truth, I would hope the will to win for the Republican Party is slightly stronger and fairer in its next titular head.

TOMORROW

No, this won't be the Watergate to end all Watergates.

Other men will tape the doors of America in other times.

Whether they succeed will be a matter of spirit.

For then as now, the state of our spirit will determine the state of this Union.

Mr. WEICKER. Transition—from fact to opinion:

At the conclusion of the fact-gathering phase of the Committee's mandate, I met with legislative assistant, A. Searle Field, and assistant minority counsel, H. William Shure, to discuss what shape our report on Watergate should take. We settled upon the following "woulds" and wouldn'ts":

1. We would emphasize the known in order to impress upon the reader the importance of its implications rather than explode new facts of scandal. We were convinced White House strategy was (is) geared to numbing America past concern by inundating America with one White House horror after another.

2. We would report within a framework of principles and institutions rather than people.

3. We would opine and editorialize but separately from the factual presentation.

4. We would recommend remedial legislation.

1. We wouldn't try and resolve conflicting testimony.

2. We wouldn't make judgments on individual guilt or innocence.

3. We wouldn't cite "shaky" material as proof.

If what you've read up to now in these pages is not new, neither is it susceptible to argument.

The indisputable ugliness of Watergate is of such scope as to categorize it as a sheer insanity; either for those who participated in it or have since defended it.

I don't know, except as the courts have already passed judgment, who is guilty or who is innocent.

But I do know that to accept the *White House* version of your Constitution, your

government and your politics is to counterfeit America.

Had I only known my colleagues in the Senate were going to submarine the first reform proposal, I probably would have underlined this section. This report was written on June 27.

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Also at such time, we of the Select Committee would have failed as, indeed, I personally failed. I have failed in this first attempt to legislatively achieve a reform based on one of the uglinesses of Watergate.

Though a year has gone by between the time of the Senate Watergate hearings and this Senator's Watergate conclusions, it is a matter of Constitutional life and death that the American people make a connection between those two events.

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"In all criminal prosecutions the accused shall enjoy the right . . . to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor. . . ."

Or, because

"The President . . . shall take the following Oath: 'I do solemnly swear that I will faithfully execute the office of President of the United States and will, to the best of my ability, preserve, protect and defend the Constitution of the United States."

I catch none of the "everybody's doing it" or "transcripts" spirit in any of those words.

The Constitutional history of Watergate to this date has been that of a President and his Ministers who de facto have tried to "yes—but" most sections of the Constitution.

I feel Article V to be preferable to Administration amending methods.

Just as, indeed, my faith in correcting the abuses of Watergate here this afternoon is placed in the passage of laws rather than relying on the good intention of those either in office or those who will succeed those in office.

Several years ago many Americans were willing to silently tolerate illegal government activity against militants, terrorists or subversives as an expeditious way to circumvent the precise processes of our justice system.

I suppose if there is a lesson to be gained from Watergate, it is that our Constitution, our system of government, is inefficient. It moves slowly, it does not have any instant solutions, but it has produced a magnificence beyond compare anywhere else in the world or at any time in the history of this world, because its entire emphasis is on the individual; not on society. Each individual. Each person, is the most important thing in this society, and that which they have to contribute artistically, by virtue of brains, athletically, or by whatever means, is going to be given the opportunity to come into fruition.

This is the lesson of Watergate, to preserve that individual, to preserve his and her freedoms, such as the right to privacy, such as the right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated.

Here is the first opportunity on the floor of the Senate to make sure insofar as that security is concerned.

A concern of society as a whole with efficiency, expediency, these do not equate with greatness, at least as achieved by this Nation, and the sooner we come to grips with that, the sooner we have associated our future greatness.

On the other hand, if there is some new system that is more responsive, more efficient, operates quickly, that is all right, we can choose that system. But before we do, I suggest we rely on the one we presently have.

Several years ago, many Americans were willing to silently tolerate illegal government activity against militants, terrorists or subversives as an expeditious way to circumvent the precise processes of our justice system. Though quick, it also proved to be only a short step to using such illegal tactics against any dissenting Americans. The result was we almost lost America. Not to subversives, terrorists or extremists of the streets but to subversives, terrorists and extremists of the White House.

It is a short step from using illegal tactics against those that broke the law to using those tactics against those who are living within the law.

When we, as a Congress, allowed the special tax unit to be set up, all we could conceive in our mind was the bomb thrower. That is not bad, let him go ahead and do it, I do not like those terrorists, I do not like those subversives, I do not like those militants, but what about the "others."

Only a short step then between militant, subversive, terrorist, to other, and other means every law-abiding, decent citizen in the country.

No such broad mandate is to be given to any agency or any individual, not and preserve the democracy that we have. This is what is at issue on the floor today, indeed we try to set forth what it is the Internal Revenue Service can or cannot do.

That is why there can be no acquiescence, now, to a few "yes—buts" to the Constitution. To do so would be just as big a cop-out as those who espouse violence in the name of peace.

American constitutional democracy is not the tidiest, most orderly, most efficient, most expeditious, quietest political system on earth. It is in fact raucous, off in a thousand directions of concern, involved with millions of individuals rather than a mass, revolutionary and querulous. But what some deem as flaws are precisely its genius. For those who have made it, it's a pain. For those who haven't, it rebuts predestination.

Our greatness will always be in direct proportion to our freedoms. Yes, that includes the freedom to be wrong.

Free spirits, not measured freedom, has been the promise of the Constitution. We can have peace in Vietnam, on campus and in the neighborhood without forfeiting that promise and no man or group of men deserve leadership if they would put the nation to such a choice.

On national security, we always think of that in terms of some foreign country. So we have little difficulty choosing as to the freedoms that belong to us and attainment of national security. But what about domestic security?

Mr. President, it is your child on that campus that is in a state of restlessness. Do you really want to go ahead and sacrifice portions of that Constitution to bring that campus into a quiet state, or to assure the fact that there is not going to be trouble in the inner city? That is the choice that is going to be offered. It has been offered in the months past and it will be in the months ahead. But I say to you that there can be quiet on that campus and on those city streets, and all that can be had with your Constitution intact.

All of a sudden what we have to do is to apply a certain logic to our actions—a certain logic—rather than to just impose the opinion of a few in Washington on the many. There is a certain logic when the Senator from Connecticut says, "Your tax return, the tax return of the average citizen, is no one's business, except the taxpayer, the Internal Revenue Service, the Justice Department, and the President, over his signature."

Otherwise, no one else is concerned. That is a logic which gives to the procedure a sense of fairness and integrity.

But, if we want to see the logic that would induce a taxpayers' revolt, then allow the Senate to do nothing at a time when we know of the abuses of the Internal Revenue Service, and when we know that those in high places are free from the consequences of its laws.

The offices of government in this nation are complex and awesomely powerful. Even if engaged on legal pursuits. It's not an exaggeration to state that a United States Senator needs every bit of his clout to move effectively within the bureaucratic maze. Insofar as the 99.9% of Americans who are not Presidents, Congressmen or Senators, if anything goes wrong with either end of the governed-government equation, the mismatch of the century ensues. And that's so even though the slip-up is innocently legal. Fully 50% of a Senator's time and staff are devoted to resolving the innocently legal slip-ups between his constituents and their government. And I'm sure those who speak up are no more than 5% of those being wronged.

What then if agencies and officers of the United States government become involved, not in innocently legal mistakes, but purposefully illegal vengeance? In light of the facts already presented, the greatest danger of this section is for me not to overeditorialize the case so as to engender disbelief. Of those who read this report, 99% of them know Senators, Congressmen, successful lawyers and other powerful persons. But America is not supposed to be about the powerful—rather the frail.

And they're the ones who will eventually suffer the most if the White House record on using the government agencies politically to bring about conformity is allowed to go unchallenged.

The "enemies list", revealed in the dialogue I had with John Dean has received much hoopla. But aside from the fact that today it has become a badge of honor, have you ever thought what it feels like to be an American and have the highest office in the land look upon you as an enemy?

Think. Never mind all the celebrities and the stars who comprise the enemies list. What does it feel to be an American, to live in this country, and to be looked upon by the highest office in the land as an enemy? How does it feel to be spied on by one's own country?

To be spied on, to be investigated, to be harassed, to be reviled by your own country? It may be a badge of honor when revealed but it's frighteningly disheartening while it's going on and no one believes that these things are happening in America.

Oh, yes, I've heard the excuses for the illegal use of the federal law enforcement/intelligence community. National security, domestic security, terrorists, law and order, subversives, militants. But let me put the White House record in the proper factual context.

The White House record—I might add our record. I should not refer to it as a White House record. It is a Senate record also, since we have the opportunity to bring about the reform. If we fail to do it, we are in the exact same category as the White House.

No administration within my lifetime has a worse record of convictions in relation to indictments than the Nixon Administration. Why? Because it tried to achieve law and order by lawlessness. It was the courts that said no, not the Justice Department.

It was not the Justice Department and it was not the Senate or the House of Representatives. That is something to bear in mind, I might add, for those who in other areas tend to look down on the courts or feel that the courts exceed their power.

At one time or another I am sure all of our oxen are going to be gored by the courts. It is as it should be if truly they are an independent branch of Government. But the whistle was blown on behalf of all Americans in this area, not by the Congress, and God know not by the perpetrators—the executive department—but by the judicial system, by the judicial branch of Government.

Another lesson from Watergate: No matter though sometimes it hurts, let each of us fight for the independence of our judicial system, because some day it might be we who stand in the position of the accused; and I think we would want a judge and a jury that presides over our case free from interference either from the legislative or the executive branch of Government.

In the matter of the Special Compliance Division of the IRS and their keeping tabs on "militants, subversives, terrorists, ideological and other organizations," it is fact that in all the IRS files that came into White House possession, there is not one militant, subversive, terrorist individual or organization.

There you go. There is the end of the line. You start it off and you say, "We are going to set up a special compliance division in the Internal Revenue Service and keep tabs on militants, subversives, terrorists, ideological, and other organizations." Tremendous enthusiasm. We are all going to be safe and protected. We tend to sort of gloss over it—the ideological and other, which is what affects and could affect each of us.

In this sudden outburst of emotionalism and concern with our safety from these groups, we say, "OK"; and then when the evidence comes to light and the files are revealed, not one terrorist, not one subversive, not one militant organization or individual out of 10,000 files in the White House.

We got what we deserved. We approved of something that was totally unconstitutional, so that we could play to the moment, a moment of fear. But we deserved the Constitution of the United States, and we are going to take it into our own hands. De facto, we set up this organization, and then we see the fruits of that organization, which have no relationship to the problems which engendered its beginning.

That is the lesson of a White House gone ape. Our lesson is that you can't protect the rights of anyone unless you protect the rights of everyone.

The differences between myself and this Administration on Watergate are not philosophical, political, historical, personal or regional. They are Constitutional, pure and simple. A better summation of our differences could not be found than the surreptitious entry language of the "1970 Spy/Huston/Sullivan Plan" and again in the words of the President on September 15, 1972.

First of all, the spy plan. Listen to this language. This is an official document of our Government.

Use of this technique is clearly illegal: it amounts to burglary. It is also highly risky and could result in great embarrassment if exposed. However, it is also the most fruitful tool and can produce the type of intelligence which cannot be obtained in any other fashion.

You can't have that and democracy.

The President, September 1972:

I want the most comprehensive notes on all those who tried to do us in. They didn't have to do it. They are asking for it and they are going to get it. We have not used the power in this first four years as you know. We have not used the Bureau (FBI) and we have not used Justice. But things are going to change now. And they are either going to do it right or go.

You can't have that and democracy.

Remember what Pat Gray said?

"I said early in the game that I thought that Watergate would tarnish everyone with whom it came in contact and I am no exception."

Now listen to the next words, because they apply not only to Pat Gray but also to every Member of the U.S. Senate, every American citizen:

I had a responsibility not to permit myself to be used, not to permit myself to be deceived and I failed in that responsibility and I have never failed in anything that I have undertaken until this point in time. And it hurts.

Let me repeat that, because the words are our words as much as they are any man's:

I had a responsibility not to permit myself to be used, not to permit myself to be deceived.

I say that that responsibility sits here in the U.S. Senate, as well as on Pennsylvania Avenue and on the Main Streets of America. It is not something that the Nation as a whole can put on the shoulders of any one man or any Senate committee or any House committee. It is something that each of us has to take on our own shoulders.

The Congress and the American people, with more facts in hand than Pat Gray ever had, have an even greater responsibility not to be used or deceived in this matter of abuses to our governmental agencies and political processes.

With respect to this IRS amendment, that is exactly what is happening to the Senate of the United States. It is being used not to go ahead and pass the reform so well justified by the facts already in hand.

Because most elected officials or citizens haven't had the FBI, IRS, CIA, MI, SS, Justice Department, Defense Department, Commerce Department, "Fat Jack" or Tony Ulasewicz on their tail does not mean the abuses of Watergate passed them by. It only means that if they don't speak out now, they've got no complaint later.

I am going to repeat that. There is no point in complaining 2 or 3 or 4 years hence, when the matters are accelerated both in quantity and magnitude. We used to be able to sit in the locker room and sort of give each other a nudge and a wink and say, "Everybody does it," even though we did not have facts in hand.

We did not know that everybody did it, but we assumed it. Now the facts are on the table, and we know that a few do it, but not everybody does it. So the decisions we make now and are going to

make will affect the type of political processes and the type of governmental institutions we have in our children's and our grandchildren's time.

A little less spectating Watergate and a little more speaking out is very much in order.

Admittedly to speak out is tough. Just as the Bill of Rights and democracy is tough.

Read it sometime. It is tough to stand up for those that are not popular. To assure that every American gets his rights—that is tough. To stand in there for the minorities—that is tough. Spying is easy; burglary is easy; lying is easy. This Government of ours and what it seeks to obtain, this concept which we call America, is tough.

But speaking out is a patriotism far better suited to 1974 than 1972's wearing of flag lapel pins by White House and CREP employees while they advocated burglarly, wiretapping, committed perjury, politicized justice, impugned the patriotism of those who disagreed with them and threw due process in the shredder.

Speaking out—that is patriotism for our times.

Dissent—that is a patriotism for our times. Later in this debate I expect, once again, to quote that magnificent passage from Mark Twain where he says that even if there is one individual who sees that something is wrong and he does not speak out, it is he who is the traitor.

How many of us have seen things around us go wrong and have not spoken out? That is a patriotism that I am supposed to live with in the name of the greater good and greater quiet? Not me. Not this American.

In the introduction of this report, I made the following observation. I called it "a stillness:"

In the early 1970's, several independent events took place in the United States of America. On the surface they appeared to lack a common bond.

In June of 1969, a Louis Harris poll found that 25% of all Americans felt they had a moral right to disregard a victim's cry for help. Over the next several years, this mood took the form of countless incidents of "looking the other way" when men and women were assaulted and murdered in full view of entire neighborhoods.

On May 4, 1970 at Kent State University in Ohio, a group of students who refused an order to disperse were fired upon by the National Guard, killing William Schroeder, Sandy Scheuer, Jeffery Miller, and Allison Krause, and wounding nine others. Ten days later, at Jackson State University in Mississippi, police who had been called in to protect firemen from violence, opened up a 28-second fusillade into and around a dormitory killing Phillip Gibbs and James Earl Green, and wounding twelve others.

This was the mood of 1970–72. When asked by the same Louis Harris poll whether we thought these acts were necessary and justified, we responded "Yes." The killing of our children.

In 1974, the same people, asked the same question—the same question asked—said, "No, these things are not necessary and not justified." But this was a part of the stillness of 1970.

During 1971, a decision was reached by the administration to conduct the President's reelection campaign with a special committee totally separate and insulated from the political party which would renominate that President.

The Committee to Re-Elect the President was set up for the purpose of conducting the campaign of Richard Nixon to continue in operation because there were other Republican candidates, specifically Mr. McCLOSKEY and Mr. ASHBROOK. Yet when the reason for that committee disappeared after the convention, the committee continued to operate, and we did not conduct a campaign within the framework of the Republican National Committee.

In early 1972, a young radio reporter in Miami stood outside a supermarket trying to get people to sign a copy of the Bill of Rights. Seventy-five percent refused, many saying it was "Communist propaganda."

Mr. President, 75 percent refused. It could have been Hartford, it could have been San Francisco, it could have been any place else in the United States. Seventy-five percent refused to sign the Bill of Rights, the majority saying that it was a Communist document.

What kind of lifestyle, what kind of stillness had come over the people?

In February of 1972, it was revealed that International Telephone and Telegraph had allegedly offered a campaign contribution of $400,000 in return for the Justice Department dropping an antitrust suit against ITT. The suit was dropped on Presidential order, but when the Attorney General was questioned about the President's role by a Senate committee in March, he lied.

On June 17, 1972, burglars employed by the Committee to Re-Elect the President were arrested inside the headquarters of the Democratic National Committee with bugging equipment and large sums of cash.

When the burglarly took place, I received no mail from the State of Connecticut, not even from Democrats, saying, "What is wrong with you Republicans down there?" I received mail from nobody. One of the most flagrant abuses that could take place in society, which depends on free elections, is a burglarly of an opponent's headquarters, and nobody complained.

Have we come to accept that as part of American life? That was the stillness of 1970 and 1972.

In December of 1972, having failed to obtain congressional approval for a reorganization of the Cabinet, the administration moved autonomously to establish three or four "super secretaries" and to place various executive office employees in key sub-Cabinet posts. The obvious goal was to create a White House-directed network of decisionmaking and reporting quite apart from the formal Cabinet structure which remained subject to congressional scrutiny.

In February of 1973, the White House held a peace-with-honor reception to celebrate the end of the Vietnam war. I was invited to it. I supported the administration on Vietnam. Then I found out that only those Congressmen who had supported the President's Vietnam policies were invited, implying that those who had questioned our involvement in Vietnam were either against peace or were dishonorable men and women. I therefore declined the invitation.

There was a stillness in the early seventies.

Some of these incidents were matters of life and death and were well publicized. Others were matters of principle and were little noticed at the time.

In each instance a significant outrage had taken place.

What was common to all?

In each instance no one complained.

A constitutional stillness was over the land.

It is now 1974. The question is whether or not, once again, this Nation will return to those precepts that gave it greatness.

That American decency, idealism, honesty and reverence for the Constitution that some thought bought off has been stirring and reasserting itself for many months now.

Yes, there are a few who still shout treason when questions are asked.

A few still espouse the end as justifying the means.

A few still goggle at an American title rather than the title of "American."

But it was only yesterday, June 17, 1972, to be specific, that today's few—those few—were part of a large American majority.

The only reason that we have the turnaround is that we now have the truth. Because Frank Wills discovered taped doors at the Watergate, America's doors have not closed in all our faces.

That was the beginning of the report. I went to it because I thought it important in trying to explain what it is that will achieve a hero's honors, a hero's patriotism for us in this year of 1974. It is that we speak out and stand up and get counted.

Americans of all generations have suffered and died at their best because they were uncompromising in the idealism they wished for their country. Who of this generation, then, wants to declare a lesser truth for America?

It is the answer we give to that question which matters. It will decide America.

Embarrassingly for me, and I think for the entire U.S. Senate, we are not giving any leadership to provide the right answer to that question. All was fun when it was sensational to go through the fact-finding phase of Watergate. What about the rather dull but so necessary legislative phase of Watergate, to see that no longer will the kleig lights turn on in the Senate caucus room as when we exposed this country to a mirror and to a sight that was shocking to Democrat and Republican alike?

Everyone says that we all do it; the way we act, the way we speak is merely a grab for power or for advancement for ourselves.

Let me say something. In November 1962 I was elected to my first public office: State representative to the general assembly at Hartford, Conn. It is now some 12 years and 8 elections later, and I am rounding out my first term in the U.S. Senate—a boyhood dream come true.

Yes, it is time consuming and rough

on the family life. To that extent it is tough. But each dawn for 12 years has me looking forward to the day. Politics is a clean business with dedicated people. The terms "9 to 5" and "5-day week" are seldom heard. The winning politician is in the business of love and not hate. The average politician takes the cost of serving out of his pocket and not the public's taxes.

These things need saying to challenge the "end justifies the means" image, the "everybody's doing it" image that the White House knowingly and a few ignoramuses unwittingly would give politics.

We are replete with failings personally as I, my staff and my family know all too well. But with the public trust given us by our constituencies—we would no more see that in the mud than the American flag.

Can I prove the above? The answer is "yes." Look at your America as I have asked the people of Connecticut to look at their State.

The truth of American politics is in the schools of this country, not a wiretap; in the hospitals, not a burglary, in the housing projects, not a scurrilous letter; in the parks, not in hush money; in facilities for the retarded, not in spying; in people who volunteer in a thousand ways, not in dirty tricksters; in politicians who reach for the weak first, the strong second, not in hatchet men. In short, dirt does not conceive so much tangible excellence as we have in our country.

The truth of America is not in the deeds of men and women at their worst but rather at their best. Government with its politicians and the people are not apart in a democracy. They are one.

And so it is we will not get any better ethics or more idealism in the Oval Office or on the Senate floor than we do in the voting booths of America.

Yes, I appeal to the people of this Nation now, on this specific piece of legislation, the first reform to come out of Watergate, to stand up and be counted.

Watergate was conceived in an ignorant apathy of the electorate and was executed in semiconscious apathy. Its greatest danger is that it will be forgotten in an apathy of total knowledge.

Mr. President, since I base my request for remedy on the facts, I now would like to move to several memorandums concerning the activities of the organization known as the Plumbers established within the Committee for the Re-Election of the President at the request of the White House.

This is not a general approach I am taking, but rather a very specific one, based on a track record of abuse unparalleled in our history. And I repeat, because these facts are on the table, whether or not they occur again will be determined by what action we take here.

If we take action at all, I can assure the Senate they will go on again and again, in Republican administrations and Democratic administrations. Only the names will be changed. The occurrences and the revelations will be the same.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. WEICKER. I yield, without relinquishing my right to the floor, to the distinguished majority leader.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR CONSIDERATION TOMORROW OF INTERIOR DEPARTMENT APPROPRIATIONS, 1975; AND FOR FURTHER CONSIDERATION OF THE PENDING CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, with the distinguished Senator from Connecticut holding the floor, I would suggest, with the concurrence of the Senate, that we adjourn shortly.

In line with the announcement made by the joint leadership on Monday, I ask unanimous consent that at the conclusion of morning business tomorrow, the Interior Department appropriation bill, Calendar 1026, H.R. 16027, be laid before the Senate as the pending business.

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

Mr. MANSFIELD. After the disposition of H.R. 16027, I ask unanimous consent that we at that time return to the conference report which is now the pending business, and that when it becomes the pending business again, the distinguished Senator from Connecticut (Mr. WEICKER) be recognized.

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

Mr. MANSFIELD. So that will take care of that for tonight, and if the Senator will now yield the floor, with his rights fully protected——

Mr. WEICKER. I yield the floor. It is my understanding in yielding the floor at this time that I will have the floor again when the bill is again considered.

The PRESIDING OFFICER (Mr. STEVENSON). Under the order, when the Senate resumes the consideration of the conference report, the Senator from Connecticut will automatically be recognized.

Mr. McGEE. Mr. President, reserving the right to object, I ask the distinguished majority leader what time he expects the Senate to convene tomorrow.

Mr. MANSFIELD. I will have to find out whether any Senator has special orders tomorrow. My guess would be either 10:30 or 11, and I would hope we can get on the Interior Department appropriation bill at approximately 11:30.

I would say 11 o'clock.

Mr. McGEE. We would come in at 11 o'clock, and be on the Interior appropriation bill by around 11:30?

Mr. MANSFIELD. Yes. Not later than 11:30.

Mr. McGEE. Not later than 11:30.

Mr. MANSFIELD. And on the disposition of that bill, we will return to the consideration of the pending conference report.

Mr. McGEE. I thank the Senator. I have no objection.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. There is one thing I forgot to mention. I would also like to take up the Truman scholarship bill before the Interior appropriation bill; but, if not, after that bill; and, if it is after, I would amend my unanimous-consent request that the distinguished Senator from Connecticut (Mr. WEICKER) be recognized so that either way he will be fully protected.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

GAME MANAGEMENT

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11537.

The PRESIDING OFFICER (Mr. STEVENSON) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 11537) to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MANSFIELD. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. HART, Mr. MOSS, Mr. STEVENS, and Mr. COOK conferees on the part of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on August 6, 1974, he presented to

the President of the United States the following enrolled bills and joint resolution:

S. 2296. An act to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the productivity and other values of certain of the Nation's lands and resources, and for other purposes.

S. 3669. An act to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes.

S.J. Res. 228. A joint resolution to extend the expiration date of the Defense Production Act of 1950.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily and that the Senate turn to the consideration of Calendar No. 1026, H.R. 16027, an act making appropriations for the Department of the Interior and related agencies.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. Is there objection to present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight it stand in adjournment until the hour of 11 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) be recognized for 15 minutes after the joint leadership has been recognized.

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

ORDER FOR CONSIDERATION OF THE INTERIOR APPROPRIATION BILL TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the hour of 11:30 approximately, the morning business, which I now request, be concluded, and the Senate turn to the consideration of the Interior Appropriation bill.

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

PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, I would like to lay out the schedule for tomorrow and Thursday and, hopefully, tomorrow to lay out the schedule for Friday.

Tomorrow the Senate will take up the pending business, the Interior Appropriations; Calendar No. 1025, the Truman scholarship bill; and, after these two items are disposed of, we will return to the conference report on H.R. 14715.

On Thursday, the D.C. appropriations bill will be taken up under a time limitation. That will be Calendar No. 1024; also, Calendar No. 987, an act to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes; and that will be under a time limitation.

That will be followed either late Thursday—that will be followed at some time—by Calendar No. 975, Amtrak, on which there is no time limitation.

Other matters which will be taken up during this week or next will be Calendar No. 944, the so-called ERDA bill, which has to do with the consolidation and reorganization of certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission, and so forth; Calendar No. 991, U.S.-flag vessels; and Calendar No. 995, the copyright law; Calendar No. 1027, a famine resolution; Calendar No. 1028, the Federal Trade Commission Act and petroleum product costs; and 1029, the Mineral Leasing Act of 1920.

These are not in the order listed, but they indicate the clearness of the calendar because they are the only legislative items which are available to the Senate for consideration at this time.

May I say it is a good indication of how the Senate, throughout this year, has acted with responsibility and restraint and has lived up to its duties in considering legislation of various kinds and disposing of them after due consideration and debate.

ADJOURNMENT TO 11 A.M.

Mr. MANSFIELD. Mr. President, if there is 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 11 o'clock tomorrow morning.

The motion was agreed to; and at 5:39 p.m., the Senate adjourned until tomorrow, Wednesday, August 7, 1974, at 11 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, August 6, 1974*

The House met at 12 o'clock noon.

Rev. Jimmy R. Snow, the Temple, Nashville, Tenn., offered the following prayer:

Lord, we're reminded of Your word, telling us to enter into Your gates with praise and into Your courts with thanksgiving. For all You are, we praise You; for all that You've done and are doing for us, we thank You.

In these days and times of unrest, indecision, and spiritual complacency, we need Your love and grace as never before.

Pity us, O God, and remember that we are dust and have need of Your divine direction. God, grant that Your holy spirit may direct our minds and create within us a new heart, void of pride and yielded to Thee.

Help us, Father, not to be "little people."

Jesus, please place within our breasts Your unselfish love, so demonstrated at Calvary, and help us to be ever aware of so great a salvation. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 574. Concurrent resolution authorizing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 15074.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3489. An act to authorize exchange of lands adjacent to the Teton National Forests in Wyoming, and for other purposes.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar Day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. WYLIE. Mr. Speaker, I ask unani-