

EXTENSIONS OF REMARKS

REUBEN H. MILLER

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1970

Mr. MOORHEAD. Mr. Speaker, Reuben H. Miller is president emeritus of the Pennsylvania State Employees Council.

Mr. Miller has been instrumental in upgrading both the salaries and working conditions of many thousands of government employees in my State.

His tireless efforts on behalf of the working men have long been recognized by those for whom he toils.

Recently the Pennsylvania Senate recognized Mr. Miller's long campaign for employee benefits and honored him with a resolution.

I would like to introduce this document into the RECORD now and add my congratulations to Reuben Miller, for 30 years a tireless worker for employee welfare.

The document follows:

RESOLUTION

Reuben H. Miller, President Emeritus of the Pennsylvania State Employees Council, AFL-CIO, has devoted more than thirty years of dedicated service to the Commonwealth and to the welfare of its employees. His record is unexcelled. He has been commended by many Democratic and Republican administrations for his excellent record of real accomplishment on behalf of State employees. The conditions under which State employees perform their tasks have been greatly improved, in part because of Reuben Miller's efforts.

During Reuben Miller's service, there have been twelve salary increases, ranging from five to ten per cent, for all State employees through January, 1967. There are now forty-hour weeks for fifteen thousand State institutional employees who were earlier working fifty to sixty hours a week, Social Security coverage for all State employees, a classification survey of all positions, and a policy of equal pay for equal work.

The Office of Administration has been created, there are uniform working conditions for all employees, and rules and regulations covering sick leave and vacation for all State employees. There has been an increase in Civil Service coverage and career employment for State employees, from eight thousand in 1938 to fifty-six thousand in 1968, of the total one hundred five thousand employees. Accumulation of sick leave (ninety days) and vacation (thirty days) and a service rating for all State employees, both Civil Service and patronage, are a few of the other benefits of recent years.

Group liability insurance now covers all State employees for accidents or losses that might occur in connection with the performance of the employee's job, and group life insurance covers all State employees at a cost of five dollars and twenty cents per thousand per year, regardless of age or health. Reuben Miller has helped secure for the twelve thousand employees of the Highway Department all benefits but holidays, and in 1967 there was a change from per diem to full-time employees, thus securing holiday benefits. The Commonwealth contributes part of the cost toward hospitalization coverage for State employees. A Statewide and uniform griev-

ance procedure for employees in all departments was instituted by the State Executive Board after ten years of effort by the Council.

Reuben H. Miller should be commended by the Senate for his assistance in securing the welfare of the employees of this Commonwealth; therefore be it

Resolved, That the Senate congratulate and commend Reuben H. Miller, President Emeritus of the Pennsylvania State Employees Council, AFL-CIO, for his accomplishments on behalf of the Commonwealth of Pennsylvania and its employees over the past thirty years; and be it further

Resolved, that a copy of this resolution be transmitted to Reuben H. Miller.

I certify that the foregoing is a true and correct copy of a Senate Resolution introduced by Senators Geo. N. Wade, Wilmot E. Fleming, William B. Lentz, Albert R. Pechan and Ernest P. Kline and adopted by the Senate of Pennsylvania the twenty-fourth day of June, one thousand nine hundred and sixty-nine.

MARK GRUELL, JR.,

Secretary, Senate of Pennsylvania.

[From the Harrisburg (Pa.) Sunday Patriot-News, June 29, 1969]

CITED FOR LONG SERVICE: SENATE RESOLUTION COMMENDS MILLER

Reuben H. Miller, President emeritus and legislative representative of the Pennsylvania State Employees Council, AFL-CIO, was honored by a Commendatory Resolution adopted unanimously by the state Senate.

The resolution, sponsored by Sens. George N. Wade, Wilmot E. Fleming, William B. Lentz, Ernest P. Kline and Albert R. Pechan, called Miller's record, after 30 years of "dedicated service" to the commonwealth and to the welfare of its employees, "unexcelled."

"The conditions under which state employees perform their tasks," the resolution said, "have been greatly improved, in part because of Reuben Miller's efforts."

The resolution recognizes Miller's efforts in securing 12 salary increases ranging from five to 10 per cent for all state employees through January, 1967.

It speaks of Miller's efforts having secured social security coverage for state employees, the creation of the Office of Administration, uniform working conditions, increased Civil Service coverage for employees, accumulation of sick and vacation leave, service ratings, group life and liability insurance and uniform grievance procedure.

Miller is the only state employee in the history of the Legislature who has been honored by resolutions of both the House of Representatives, 1965, and the Senate of Pennsylvania, 1969. He has also been honored in the U.S. Senate and by many governors.

CONGRESSMAN WALTER FLOWERS
REPORTS

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1970

Mr. FLOWERS. Mr. Speaker, I offer for inclusion in the RECORD the text of my yearend report to the residents of Alabama's Fifth Congressional District, highlighting significant legislative issues considered by Congress during 1969.

The report follows:

YOUR CONGRESSMAN WALTER FLOWERS
REPORTS

JANUARY, 1970.

DEAR FRIENDS: Looking back on the 1st session of the 91st Congress and forward into the decade of the 70's, now is a particularly appropriate time for this report. As your Congressman, it has been my purpose to represent you to the best of my ability at all times—to speak up for you when the situation so dictated—to handle your requests promptly—always to keep you informed on major issues and let you know what my positions are.

This first year as your Congressman has been an exciting and fulfilling time for me, my wife Margie and our three children. The move from Alabama, the many round trips back and forth to the District, my being gone so much of the time from the family, meetings and speeches in various places—all this contributed to making it a pretty hectic year as well.

A first responsibility of a Member of Congress is to legislate and my voting record during the 1st session was near 90%. The process and procedures of Congress go back many years, and you have to be present to observe and participate in order to learn.

I intend to continue with my regular weekly reports, District-wide questionnaire, and periodic reports such as this in the coming year. I hope you will let me hear from you also and call upon me or any of my qualified staff members, if we can be of assistance at any time.

With your continued interest and support, I will do my best to represent you, our District and our State in the manner you expect and deserve in the United States Congress.

QUALITY, NOT QUANTITY: THE CONGRESS 1969

The First Session of the 91st Congress has been criticized for not passing enough laws. Actually, a total of 190 general bills were signed into law during 1969. Much important legislation still awaits action—veterans benefits, postal reform, revision of social security laws, to mention a few.

I believe that a legislative session should be judged on quality rather than on the quantity of the work completed. Significant action was taken in many fields—authorization to construct the Anti-Ballistic Missile, vital to this Nation's security; approval of a 15% social security increase designed to benefit the elderly and the disabled; the Draft Reform Act of 1969 which reduced much of the uncertainty surrounding a young man's military commitment; laws dealing with the problems of air and water pollution; comprehensive coal mine safety legislation. And there are many other examples.

Recent Congresses have rushed questionable, and even dangerous, bills through the legislative process. I do not believe that this is good for the country. The American people are tired of their Federal government expanding day after day through the creation of new agency upon agency. We have more than enough government now—it is time to make it work more effectively and efficiently.

REDUCING FEDERAL EXPENDITURES

I let it be known early that I strongly favored a balanced Federal budget as a means to curb inflation. While I advocate reduced Federal expenditures wherever possible, we still have the necessary requirements of national defense and essential domestic programs.

THE ADMINISTRATION

President Nixon has generally received good marks and bi-partisan support in his

conduct of foreign policy. His trip to Europe in February and the Far East in July appear to have increased United States prestige.

However, the Administration's domestic policies deserve sharp criticism in certain fields. With a great deal of help from the Supreme Court, this Administration may go down in history as the destroyer of public education in the South. During the 1968 campaign, President Nixon said that he was for "freedom of choice" and against "forced busing of school children". Yet we receive no help for our embattled schools and school boards in Alabama. It would take only the power of the Executive Branch to begin the reversal of trends established by the Warren Court and the return of our schools to local authority.

CRIME AND CIVIL DISORDER

The mounting rate of crimes of violence gives us all cause for alarm. It is no wonder that this occurs during these times of wholesale disregard for lawful authority. The problem calls for handling at a local level if possible, but there still must be a total national commitment to fight crime and restore civil order.

Our Constitution provides for freedom of speech and the right of every citizen to disagree with the policies of their leaders. However, such disagreement must be kept within the bounds of the law, and the person and property rights of the non-protestor must always be protected.

TAXES, TAXES, TAXES

The most important legislation adopted during the First Session of the 91st Congress was the Tax Reform Act of 1969. Few bills are perfect—and this is no exception. Widely acclaimed as the most comprehensive tax reform measure to pass the Congress since enactment of the Federal income tax in 1913, the Act goes a long way toward a fairer distribution of the tax burden for all U.S. citizens.

For example, parents with two children and a \$6,000 annual income will pay \$150 less in Federal income taxes in 1973 (when the Act becomes fully effective) than they did in 1969. The same family earning \$8,000 will save \$263, and one earning \$10,000, will save over \$320.

I was a strong advocate of tax reform from the beginning in 1969. Early in the session, I sponsored a bill (H.R. 6618) to double the present \$600 personal exemption to \$1,200. The \$600 figure was set in 1947, and it is ridiculous to assume that it is still an adequate personnel exemption. The figure of \$1,200, even though it may be low, is much more realistic in light of the present economic situation in this country.

THE WAR IN VIETNAM

The great overriding concern of most Americans in January 1969 is still very much with us in January 1970. Because of the tremendous importance and effect of our participation in the Vietnam War, I visited the Far East (including South Vietnam, South Korea, Taiwan and Japan) during the August Congressional recess to gain a firsthand knowledge of the fighting and America's commitments in that part of the world. Literally covering much of South Vietnam by helicopter, I was able to see and discuss the situation with American commanders, troops in the field and government and civilian personnel. Generally I found a higher morale and dedication on the part of our servicemen than has been generally recognized by the people at home.

Many believe that the decision to send American combat forces to South Vietnam was wrong. And many others, including myself, have been critical of the way the War has been conducted, but we cannot simply turn back the clock at this point and have this terrible situation go away. Let us not forget either that with the help of the United States, the people of South Vietnam

have blocked the externally directed Communist attempt to overthrow their government by force. From what I was able to see over there and from what I have been able to learn before, during and since my trip, it seems abundantly clear to me that a great deal has been accomplished by our Nation in this regard.

It may be destined that the War simply wind itself down, so to speak, without any formal declaration of a cease fire or truce by either side. If this can be accomplished under the President's policy with relative safety for our men who are still there, and without disregarding our basic commitment that freedom and democracy shall have an opportunity to exist in South Vietnam, then to this extent the policy has my complete support, and I believe it should have the complete support of every American citizen.

NATIONAL DEFENSE AND THE MILITARY

Because of the tremendous expense of fighting the Vietnam War and otherwise maintaining our national defense, demands are coming in from all points that careful consideration and analysis be given to further expenditures on weapons systems and defense installations. Furthermore, this nation cannot allow itself to wake up some day in the future embroiled in another Vietnam-like situation without fully intending and supporting such action.

Although I have favored every measure vital to our Nation's security, I also feel that Congress should look closely at defense spending. In this time of mounting costs, it is obvious that enormous sums will have to be spent in maintaining and forever improving our system of national defense, but as in the other areas, the American people are entitled to a dollar's worth of value for each dollar spent.

TAX MONEY COMING BACK HOME

In 1969, over \$5 million in Federal funds was channeled back into the 5th District through grants and loans. These projects covered a wide range, including funds for water systems, sewage treatment plants, industrial park development, water pollution control, public housing, research projects at colleges and universities, and airport development. One of the most rewarding aspects of my job has been the opportunity to work with many local officials, chambers of commerce and interested citizen groups in obtaining much needed Federal funds for community improvement.

If your community is interested in obtaining Federal assistance for projects such as those mentioned, you should contact one of my District Representatives or write to me in Washington.

LEGISLATION

Other bills sponsored by Walter Flowers are:

H.R. 132 & H.R. 12505—To protect American jobs by limiting the importation of textile goods and steel products.

H.J. Res. 452—A Joint Resolution to amend the Constitution and override the Supreme Court's ruling forbidding prayer and Bible reading in Public schools.

H.R. 13421 & H.R. 13259—Bills that would impose stiff jail sentences on the convicted "smut peddler" and prevent the distribution of pornographic materials through the mail.

H.R. 14830—This bill would provide a tax break for parents who are paying for their children's education in college, junior college, or trade school.

H.R. 10503—A bill to require that all meats imported from foreign countries be clearly labeled so that the consumer will know its origin.

AS YOU SEE IT

Walter Flowers knows that he can better serve as your Representative if he has the benefit of your views and opinions concern-

ing matters which will come before the Congress. Write him as follows: Congressman Walter Flowers, House of Representatives, Washington, D.C. 20515.

His Washington telephone number is [202] 225-2665.

In addition you may contact either of his District offices: Federal Building, Tuscaloosa, Alabama 35401, Telephone: [205] 752-3578, or Bessemer Court House, Bessemer, Alabama 35020, Telephone: [205] 425-5031.

Congressman Flowers also has a Representative who travels throughout the District. A visit can be arranged by contacting the Tuscaloosa Office.

THE GROWING THREAT OF A CREDIT COLLAPSE

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1970

Mr. ULLMAN. Mr. Speaker, one of the great dangers on our present economic course is the real possibility of a financial panic and a collapse of credit. Corporations and consumers are heavily in debt today. Federal monetary policy has forced interest rates on borrowing to historic highs and dried up nearly all monetary liquidity in the marketplace.

On top of this, the Federal Reserve Board persists in holding tight on the money supply, long after many economists and Government officials have recommended that the Fed should ease up.

The possible consequence is discussed in an excellent article in yesterday's Wall Street Journal by Alfred L. Malabre, Jr. This reporter says most economists now believe that—

The danger of a collapse—with major corporate bankruptcies and widespread failure of consumers to pay their debts—appears much greater now than at any other time since World War II.

Malabre notes that indicators pertinent to credit difficulties show that both business and consumers are increasingly in deeper trouble.

He says:

Current liabilities of business that failed rose 16% in a recent 12-month period, and the percent of consumer installment loans delinquent for 30 days or more also climbed, though not quite so sharply.

All this is only one more reason for an immediate change in our monetary policy.

The article follows:

[From the Wall Street Journal, Jan. 29, 1970]
WORRY OVER DEBT: SOME ANALYSTS FEAR CREDIT VOLUME POKES THREAT

(By Alfred L. Malabre, Jr.)

While economists ponder whether the economy is sliding into a recession, a far more ominous question is looming: Would a recession trigger a major credit collapse?

Most economists doubt it, unless a very severe business slump should develop. But most believe the danger of a collapse—with major corporate bankruptcies and widespread failure of consumers to pay their debts—appears much greater now than at any other time since World War II.

The explanation essentially is that debt of all sorts has soared in the postwar years, a

fabulously prosperous time of economic expansion punctuated only by four recessions that were exceedingly mild by prewar standards. So long as prosperity has prevailed, consumers and businesses have been able to shoulder their soaring debt burden without much difficulty. But a sudden end to prosperity now, many analysts fear, could lead quickly to serious trouble.

Some economists, to be sure, have been annually forecasting an imminent credit collapse for a decade or more, right through the longest economic expansion in U.S. history. Until recently, however, these Cassandra represented only a minuscule minority of economic opinion. Such forecasters are still in the minority, but their gloomy views are gaining broader acceptance, as signs of a business downturn grow.

PONDERING A DEBACLE

The head economist of a large New York City bank offers the sort of comment heard much more frequently nowadays. (Like many business economists when they speculate about the possibility of a financial collapse, he requests anonymity on the ground that his superiors at the bank frown on such publicity.) "Ten years ago," the analyst says, "the thought of a 1929-style collapse never entered my head. Five years ago it was something that seemed highly unlikely. Now I still don't expect a debacle, but I think about the possibility a lot."

Evidence that the debt load has soared pervades the economy. Money owed by all levels of government, all varieties of businesses and individuals now is nearing the \$2 trillion mark. The total is about twice the size of the country's gross national product. At the start of the 1960s, total debt was about 70% larger than GNP.

Federal Government debt has grown relatively slowly, despite all the talk over the years about Washington's penchant for spending. If this debt is removed from the total, the borrowing boom appears still more dramatic, as the table below shows. The 1969 debt figure is an estimate based on midyear statistics, the latest available. The totals are in billions, stated in current dollars for the years specified.

	Non-Federal debt	Gross national product
1969	\$1,347	\$933
1960	633	504
1946	167	209
1929	176	103

The GNP figures, of course, provide the broadest possible statistical measurement of the size of the U.S. economy. In 1969, non-Federal debt exceeded GNP by 45%. In 1960, just before the start of the record-smashing economic expansion of the 1960s, the debt figure was 26% greater than GNP. In 1946, after the wartime years of rationing and wage-price controls, GNP actually topped debt. In 1929, at the end of another economic boom, debt was 71% larger than GNP—a fact that may provide some comfort to those who fear another credit collapse impends.

Of the more than \$1.3 trillion of non-Federal debt, corporate debt accounts for \$642.5 billion, easily the largest share. In 1960, this debt totaled \$302.3 billion, less than half the latest sum. The 1969 figure amounts to 69% of last year's GNP. In 1960, the comparable percentage was 60%, and in 1946, it stood at 45%. In 1929, corporate debt came to 86% of GNP, considerably above the 1969 figure.

Few economists view the rise of corporate debt as signaling another 1929 debacle. But many regard the present situation as worse than the so-called credit crunch of 1966-67.

Alan Greenspan, president of Townsend-Greenspan & Co., a New York City economics consulting firm, declares that "corporate illiquidity is obviously eroding." In addition, Mr. Greenspan says, corporations' loan commitments from banks "appear to have run down very sharply," although there are no official statistics to document this. Within the next six months or so, the economist says, "I wouldn't be at all surprised to see at least a couple of major corporate bankruptcies." Also, he fears, "we will probably see some small and medium-sized financial institutions in deep trouble."

A COMPARISON WITH 1966

Altogether, Mr. Greenspan concludes, "this is definitely a worse situation than the 1966-67 crunch." In 1966, he says, most executives were unfamiliar with a severe credit squeeze. Accordingly, "there was perhaps more public expression of concern in 1966 than now," he says. "But the underlying figures are worse today."

There are various ways to look at the figures—and most lend support to Mr. Greenspan's appraisal.

In 1966, corporate debt amounted to 67% of GNP, two percentage points below the 1969 level. In 1966, corporate cash—including Government securities as well as actual cash—stood at about 26% of corporations' current liabilities—obligations that must be paid within a comparatively short time, generally within a year. In 1969, the cash-to-liabilities ratio was 21%. In 1966, corporate profits totaled \$29 billion, after tax and dividend payments. In 1969, the total was some \$3 billion less.

The most obvious significance of the corporate cash squeeze is that it clearly increases the risk of major bankruptcies. But even if such bankruptcies do not materialize, many analysts envisage other troublesome repercussions.

A. Gary Shilling, chief economist of Merrill Lynch, Pierce, Fenner & Smith Inc., believes that general economic activity will respond more slowly now to any easing of Federal Reserve monetary policy, which has been highly restrictive since early last year. "When the Fed starts to ease up, everyone will be busy rebuilding liquidity," Mr. Shilling says. "This will tend to delay the economic impact of renewed monetary growth."

A similar appraisal comes from Smilen & Safian Inc., a New York investment advisory firm. In an economic review, the service warns that "the problems of illiquidity so pervade all sectors of our financial structure that . . . a more permissive (monetary) policy . . . can only allow time to work out problems, but will not induce increased economic growth."

Smilen & Safian, among other observers, also believes that the cash shortage may tend to further depress stock prices in coming months. Rebuilding "financial balance," the firm's report states, probably will require "a massive infusion of equity capital into the aggregate corporate capitalization"—in other words, corporations most likely will be forced to turn increasingly to the stock market to raise cash. The trend, the report predicts, will disabuse investors of the "popular belief" that stock prices must rise in the long run because an "infinite" supply of investment money always chases a "finite" supply of stocks.

Smilen & Safian shares the view that the credit situation today is shakier than in the 1966-67 crunch. Reviewing various measures of bank liquidity, for example, the investment service warns that "the situation today is more serious" than in 1966-67. "If the economy and corporate profits turn down in the near future," as many economists believe is in fact happening, "we may be confronted with a series of business failures on

a scale not seen in some time," the firm concludes.

ANOTHER WORRY

While the big climb of corporate debt constitutes the number one concern of many analysts, the rise of noncorporate private debt also is causing worry. This debt, mainly made up of consumer borrowing and mortgages, stands now at about 58% of GNP. This percentage is about unchanged from the comparable 1966 figures, but considerably higher than the 52% rate of 1960.

Statistics compiled by John Gorman, a Commerce Department economist, show the persistent rise of the consumer debt burden. In 1960, some 19% of consumers' after-tax income was consumed by interest charges and repayments on mortgages and installment loans, according to Mr. Gorman. By 1966, the figure reached 21% and it now is close to 23%, about double the ratio of 20 years ago.

The present consumer debt load, while worrisome, probably won't lead to widespread trouble unless "unemployment gets up near the 8% range," Mr. Gorman says; the December rate was 3.4%. Mr. Gorman notes that various tax changes will tend to increase consumer incomes in coming months. "One can make the argument that consumers are actually better off financially than many big corporations and institutions," the economist remarks.

TOUGHER COLLECTIONS

Statistics that bear on credit difficulties suggest both businesses and consumers are beginning to encounter increasing trouble. Current liabilities of businesses that failed rose 16% in a recent 12-month period, and the percent of consumer installment loans delinquent for 30 days or more also climbed, though not quite so sharply. In addition, the American Collectors Association, a trade group, recently reported a sharp increase in the number of consumer credit accounts turned over to agencies for collection.

Further evidence of mounting trouble was contained in a report this week by Dun & Bradstreet Inc. that commercial and industrial failures rose to 185 in the week ended Jan. 22, up from 182 a week earlier and 162 a year earlier. Dun & Bradstreet has counted 670 failures in 1970, up from 593 in the comparable 1969 period.

Some analysts caution against attaching too much importance to such statistics. "There's no doubt that credit problems have increased recently," says William F. Butler, a vice president and economist for Chase Manhattan Bank. "But I feel it would be extremely premature to conclude that these problems are any sort of prelude to a major credit collapse." Mr. Butler notes that retail sales generally have been sluggish in recent months and claims that traditionally such slowdowns bring "a shakeout of the smaller, unstable businesses."

Some economists who remain relatively unconcerned about the rise of debt note that savings also have climbed substantially in recent years. Just since 1966 public holdings of savings-type assets—time deposits at banks, savings bonds, short-term Government securities and savings and loan deposits—have climbed nearly \$100 billion to \$526 billion. Such assets amount to about 55% of GNP, slightly below the 1966 level but appreciably above the 52% rate of 1960.

Analysts who find little comfort in such saving statistics contend, among other things, that most savers are not greatly in debt. Statistics that would confirm this argument are sketchy. But studies by the Survey Research Center of the University of Michigan do suggest that savers in the U.S. indeed are highly concentrated. For example, one Research Center survey found that fully half of the nation's families have less than \$1,000 in savings, even including stocks and bonds.

ACTIVISTS STOPPED

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1970

Mr. MOLLOHAN. Mr. Speaker, in these days when headlines tell of student demonstrators who forcibly occupy university buildings and administrators who relent to their demands, it is refreshing to see a college president who will not be intimidated.

Such a man is Dr. James Harlow, president of West Virginia University who, as the following excellent editorial from the Weirton Daily Times indicates, stood his ground and told the 20-member Student Activist League they had no authority or mandate to act as spokesman for the university's 10,000 students.

Combining an acknowledgment of student rights with his responsibility to the people of West Virginia, Dr. Harlow listened to the dissident students, accepted some of their ideas and rejected others.

He said the concept of a black studies program already was in the planning stage and that an African studies program has been in existence for 3 years.

He rejected as illegal a demand that Reserve officers training programs—ROTC—be abolished, explaining that West Virginia University is a land-grant college. He added, however, that the program is voluntary.

While I am a firm believer in student rights, I also am a firm believer in the rights of all people, especially their right to an unimpeded and complete education.

Dr. Harlow, by refusing to capitulate to student demands but agreeing to study the areas of concern, brought respect to his office and his profession.

The following is the editorial which appeared in the Weirton Daily Times:

ACTIVISTS STOPPED

Dr. James Harlow, president of West Virginia University, acted promptly and decisively when he told the 20-member Student Activist League that they held no authority and no mandate to speak for the more than 10,000 students at West Virginia University.

Dr. Harlow let it be known the handful of students wasn't going to dictate how to run West Virginia University.

Some of the 13 "demands" presented by the group have merit and should be investigated and reviewed by the administration, faculty and student council.

There are more than 300 residents of Hancock and Brooke counties enrolled in the university and they are there to take advantage of the educational facilities which will prepare them for their future careers and also to assume responsibility in shaping the country's social, welfare and economic development.

One of the demands of the 20 students was for the abolition of the ROTC program. The ROTC is a vital function of the military system in the United States and provides capable and intelligent officers for the military establishment. Many Hancock-Brooke students at WVU have received officer commissions through the ROTC and have served with honor and distinction in the armed forces.

The ROTC program should not be abandoned because of the bleating of a handful of so-called activists.

Dr. Harlow said that the university is a land-grant institution and must have the program, but he said it was voluntary.

Dr. Harlow explained that a black studies program is being developed and that the university has had an African studies program for three years.

Dr. Harlow has an obligation to the people of West Virginia to operate West Virginia University as a free and progressive institution with the rights of the majority as well as the minority honored.

Acid heads should not be permitted to distort and destroy WVU's educational program.

YOUNG WORLD DEVELOPMENT CONFERENCE

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1970

Mr. DULSKI. Mr. Speaker, I am pleased to associate myself with the remarks of the gentleman from Iowa (Mr. SCHWENDEL).

My attention has been called by several of my constituents to the recent Young World Development Conference which is closely associated with the Freedom From Hunger Foundation.

The young people who are part of the Young World Development movement are marchers, like many of our young people. Their marches, however, unlike some, have a rather specific and worthwhile goal: They march to raise money to feed the hungry around the world.

They also work toward finding solutions to the problems of pollution and poverty.

The gentleman from Iowa, who spoke at the recent conference, has expressed his strong impression of these young people and their sincere desire to attack the problems facing the world in an orderly manner.

Our young people in Buffalo, nearly 20,000 strong, staged their own march last May. It was an inspiring demonstration, not only for the participants, but also for those who observed from the sidelines.

My hometown Buffalo's story was related in first-person terms by a young Buffalo Evening News reporter who joined in the walk. Following is her report in the May 5, 1969, edition:

THOUSANDS JOIN 20-MILE MARCH, RING UP FOOT-BLISTERING ATTACK ON WORLD HUNGER

(By Karen Brady)

Hunger took a blistering it won't forget Sunday from nearly 20,000 Buffalo folk—mostly young, all at least young at heart.

They took a 20-mile hike through Buffalo streets in an unprecedented and gruelling but almost thoroughly happy March on Hunger.

And for every dollar of the estimated \$150,000 amassed, they came away with about 20 blisters.

I've got two big ones, four medium-sized, maybe 12 minis. . . . But that's only the visible parts. Inwardly, I feel I may never walk again.)

"It is important to remember this signifies only the beginning of community efforts to combat hunger," Paul Hollender, 19, State University of Buffalo sophomore and orga-

nizer of the event, told marchers at the starting line—Buffalo State University College's Elmwood Ave. campus.

ENTHUSIASTIC BEGINNING

Thousands of elementary, high school and college students (plus a handful of adults and young career people) swarmed to hear him—in bell bottoms, dungarees, headbands, white march-armbands, loafers, sandals, sneakers, bare feet. . . .

Their enthusiasm, all but drowned out Mayor Sedita and Buffalo State President F. K. Fretwall Jr., as they bid the brave marchers bon voyage at 9 AM.

"I'm marching—but I'm not walking," explained Irwin Weinstein, dandelion-carrying 18-year-old UB freshman who appeared at the march, a broken leg in a cast, in a wheelchair that had to be pushed.

And then it all began—complete with Dr. Fretwall, sporting a black Give a Damn button as he marched A WAPS.

(I had a cigarette, listened to a transistor, and thanked the gods for smiling sun.)

SPECTACULAR PLEDGES

The first of eight checkpoints was D'Youville College, where volunteer "checkers" in a long line of lecture chairs stamped marchers' "passports." The heavy paper documents were proof for their sponsors that they had walked a certain distance, for this was the payoff—sponsors who guaranteed marchers a negotiated per mile sum.

(I heard all sorts of rumors about what kind of money was coming in—like a girl who was pledged a total \$120 a mile by 30 sponsors, a boy who hit the \$240 mark before he reached UB.)

"Freedom from tyrannous hunger" read a sign held high. "Watch out—people are liable to step on you," called a tiny red-haired girl. "Look at those first guys—those sprinters—go," called a lagger. And everyone cheered while passing through a string of red lights illegally.

Abe Katz, 58, of Kenmore, a retired post-office clerk and part-time pharmacist, claimed he was the oldest of the marchers (he made it to the end) and Kimberley Rash, 9 months, was undoubtedly the youngest, pushed in a stroller by her bead-wearing parents, Don and Sue Rash of the Roanoke Hotel.

NUNS JOIN THE PARADE

There were guitarists and singers, nuns, like D'Youville College's Sisters Alice McColester and Kathleen Sholette GNSH—who "wouldn't miss marching for the world"—and seminarians, teachers, rollerskaters (looked on as unethical) and countless sidewalk watchers.

There were screams and squeals—as if the Beatles were coming—when Caesar & the Romans began to play rock beside a gold and red antique WBEN fire engine in front of City Hall.

A tiny gentleman with an accordion serenaded the marchers on Elmwood. The area at McKinley Monument became a dance center for the time, and the first real resting place.

FIFTEEN BAREFOOT MILES

(It was here my shoes came off.)

It was here, five miles out, some of the first marchers began to get tired. Lots of shoes and socks came off, tinted glasses started to hurt noses, clothes were too hot all of a sudden—but the marchers went on including a clergyman carrying a "hunger" cross, bedecked with magazine pictures depicting hunger.

Sharon Ceccato, a sophomore at Buffalo Academy of the Sacred Heart, went at least 15 miles in bare feet. Alan and Kevin Hayes told fellow walkers they'd come 60 miles from the Marian Child Care Center for Migrant Workers. Somebody called, "Has anybody lost a passport?" And stores en route made record

business on cold drinks, donuts and potato chips.

At St. Mary's School for the Deaf on Main St. a whole smiling contingent of students was out—to shake hands or give the V for Victory or Peace sign, a sign marchers, passersby and homeowners exchanged all day.

THE PERILS OF STOPPING

Then the blister cars, or wagons, and the Red Cross First Aid truck swung into full action—mostly to soothe blisters, ease stomach pains and sun headaches. Rosary Hill nuns at Canisius College Checkpoint Four dispensed cold water. There were rest rooms available there, and a place to sit, or lie, for a moment.

(I soon learned that stopping was anathema—a muscle relaxed too long wasn't going to come back at all . . .)

And as the miles grew longer the march down Main St. continued—perhaps the largest Main St. march Buffalo has ever known. Marchers at the start were strung out over some three miles; now it was 12. There was noise and singing, and laughing and shouts, but dead silence as the troops filed by St. Francis Hospital.

BLISSFUL FOUNTAINS

"I know a short cut here," a tiny miss confided in her friend. "Well I'm not taking it," was the quick reply. "I'd feel too bad." And the pair went on the long way, making friends at every street corner, becoming more and more swept by the marching spirit.

The contingent reached UB—12.3 miles out.

(I climbed into the fountain outside Norton Union. Illegal or no, and it saved my blisters, stamina and marching life.)

And then, just when it seemed impossible, almost all the walkers picked up again. They'd come to march, as one of them put it, and they were going to.

(I was of the same mind, despite my feet.)

As things got slower, though, the lines strung out more; the police escort was gone, and not every comfortable driver felt like letting a tired stream of marchers through. But Starin Ave., about the friendliest street of all, was filled with free lemonade offerers, citizens with cool water and cups at street corners, residents with hoses to spray on stifled marchers, and pools or buckets of water for stricken feet. Free rides were available throughout the day for marchers who needed to rest.

"ONLY 4½ MILES TO GO"

But bit by bit, they made it to St. Mark's Church on Amherst St. near Colvin Ave., where really exhausted specimens lay prostrate but happy on cots, on the grass, under trees and on the concrete parking lot.

"After all, there's only 4½ miles to go," cried incentive-givers, among them pretty Bennett High Schooler Anne Chambers a march organizer.

Long before transistor bearers had heard that WKBW's Dan Nevereth, an athlete as well as disc jockey, had finished the entire march by 2:45 P.M.

"We're just bein' slowed down," Ken Mergenhagen, 16, Bishop Newman sophomore, explained of his lying flat on the ground at St. Mark's. "I'm definitely making it the rest of the way because I can't feel anything anymore" added a companion, Tom Kraus, also 16.

(I, too, couldn't resist that under-five-mile lure, despite being almost defeated. Like everyone else's, my progress was slower now, and less convincing.)

SOME HELPING HANDS

At some houses, thoughtful residents had put outside stereo speakers close to the street—playing their best rock records. Sunburns were becoming more evident, several marchers were rumored to be passed out from sun and heat; others to have serious foot troubles.

But everyone had a cause—and the cause apparently conquered all. An estimated 12,000-plus—a few carried the final furlongs by fellow marchers—made it back to Buffalo State, where the campus loomed hazily like a desert oasis.

A huge number of Bennett High School students were in the final numbers—like Kathy Vozga, 17, a senior in a floppy hat and mod glasses who said "it wasn't so bad, but I won't do it again," and Judy Unger, also 17, a junior, who thought "anything's possible—for a worthy cause."

Senior Christopher Pfohl, 18, was feeling "kinda squeaky" and couldn't exactly spell his name right the first time asked, and senior Bob Kazmierczak, 17, marveled that "he didn't see any unpleasant incidents—just some sick kids."

NATIONAL MOVEMENT

(So I gimped away in pain, and found the more relaxed a marcher became, the worse his or her feet felt. It was time to die.)

But it was a big thing—the Buffalo March on Hunger—a project of the International Walk Program, under the Food & Agricultural Organization of the United Nations, and developed nationally through the American Freedom from Hunger Foundation.

Proceeds of the march—which won't be known until all the pledges are collected—will be distributed in this manner to benefit the hungry:

20 per cent to Buffalo's East Community Co-operative Organization, 10 per cent to a medical clinic in Bluffton, S.C.; 35 per cent to Biafra Relief Services Foundation; 20 per cent to the Andean Foundation for Peruvian peasants; and 15 per cent for educational projects of the American Freedom from Hunger Foundation.

Not the end of hunger, perhaps, but the first steps, however painful.

"FICKLE FINGER OF FATE" FLIES AGAIN

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1970

Mr. MOORHEAD. Mr. Speaker, last week it was announced that A. Ernest Fitzgerald would be providing assistance to the Joint Economic Committee on which I serve. This week Mr. Fitzgerald announced his association with the Businessmen's Educational Fund. These endeavors should prove worthwhile both in providing continuing information and expert analysis to Members of Congress and education of the American public in the problems involved with military procurement.

It is gratifying that the Congress and businessmen interested in economical weapon system procurement have found a good use for Mr. Fitzgerald's talents since the Department of Defense was unable to do so after having searched vigorously for a suitable position for him.

Mr. Fitzgerald has performed invaluable services for the Nation's taxpayers in the past and I am sure his ideas will contribute greatly to more efficient weapon system acquisition in the future.

Without objection, I would like to insert in the RECORD, at this point, the statement delivered by Mr. Fitzgerald at his press conference announcing his association with the Businessmen Educational Fund:

BACKGROUND STATEMENT BY A. ERNEST FITZGERALD ON HIS ASSOCIATION WITH BUSINESS EDUCATION FUND

INTRODUCTION

The basic motivations behind my accepting the appointment as Deputy for Management Systems in the Air Force in 1965 were very simple and uncomplicated. In my work as an industrial engineering and general management consultant on major military programs, I had become increasingly concerned at the enormous waste that was evident in these programs, particularly in the Air Force's tremendously expensive ballistic missile systems.

The large contractors appeared to have been told by the buying agencies of the Defense Department not to worry about costs during the "missile gap" days of the early 1960's, when the pace of the nation's build-up of strategic systems was clearly the governing consideration. Consequently, in the period from 1961 to 1964, a time of relative price stability, overhead rates of Air Force ballistic missile contractors approximately doubled and labor efficiencies plummeted. In the factories of the contractors, labor efficiencies of only 20 to 50 percent of normal industrial efficiencies became commonplace. In engineering and test operations, labor efficiency was generally even lower with some organizations having little or no necessary work for long periods.

In the absence of countervailing pressures from the Government, average overall wages and salaries in Air Force ballistic missile work increased approximately 50 percent between 1960 and 1965. In the permissive atmosphere of those free-spending days, cost controls in the operations of big weapons contractors, which were never strong, practically collapsed. To compound the problem, the general collapse of cost management discipline was accompanied by more permissive attitudes in technical areas and weapon performance and quality suffered accordingly.

In retrospect, it is clear that these developments were the precursors of today's inflation in the economy. Encouraged by the generally permissive climate for cost growth, the higher prices spread throughout the large military contract community. Smaller suppliers and non-military producers were forced to follow suit to remain competitive for employees, services and materials. This situation compounded the inflationary effect of increases in military procurement that came with escalation of the Vietnam war in 1965. Diversion of manpower to the war made matters worse, as the military budget further expanded and a scarcity of workers resulted. General inflation followed and the Government borrowing, reflected by the fiscal 1968 budget deficit of \$25 billion, and imposition of the surtax were necessary to pay the bills.

Despite the obvious need, no effective actions were being taken in the Pentagon to control this rapidly deteriorating situation. Consequently, I welcomed the opportunity to help control the run-away costs I had observed in my consulting work. I accepted the appointment in the Pentagon with high hopes that the enormous wastes of our nation's resources in the procurement of big weapons systems could be controlled.

REACTION TO WASTE

The developing financial disasters in the big weapons programs had not passed unnoticed in the early and mid-1960's. Most of the top-level Defense Department officials I talked to before and shortly after going to work in the Pentagon were generally aware of the problem and expressed concern and interest in making improvements.

A funny thing happened, however, on the way to capturing savings for the taxpayers.

Even though most top officials expressed interest in capturing the latent savings potential in the big weapons programs, they resisted the hard means necessary to get a

real handle on spending. All kinds of philosophical objections were raised to direct cost reduction actions. Bureaucratic stalling and obstruction prevented any real corrective action. The most competent cost reduction people in the country were largely diverted to superfluous studies and to the development of complicated but toothless "management systems." Top Pentagon management simply didn't want to go to the trouble of locking horns with the big military contractors and their allies in each of the Services.

All attempts to make the newly developed management systems truly effective as cost control devices were resisted stoutly by the ruling factions within the uniformed military, the civilian procurement bureaucracy and the giant defense contractors. As Col. A. W. Buesking (USAF ret.), a former Pentagon cost analyst, told the Joint Economic Committee in 1968, those "competent people (in the Pentagon) who did attempt to stimulate major change in the cost environment are no longer working in that environment."

In spite of these obstructions, cost control advocates working inside the military acquisition community persisted in their efforts. Problems were defined, causes were pinpointed, and temporarily successful corrective actions were taken in some instances. But the success of these efforts smoked out the root cause of the cost overrun problem: *Key men in the Government did not want to solve the problem!*

In short, the military budget was high because the people who mattered wanted it high. Threats by potential enemies were magnified out of proportion in order to justify higher expenditures. Some contractors were given new business simply because of a need to "maintain a capability." The economic myth that military spending made us rich was widely cited as a rationalization for allowing costs to escalate with minimum constraints. Above all, it became important for the cost analyst to become a "team player", and the sensitivities of defense contractors were certainly important to the "team."

Once the true intent of key managers in the defense community was exposed, the Pentagon's internal debate over spending levels quickly degenerated. The principal tactic of defenders of the status quo was to smear the persevering cost control advocate. Their attacks became vicious and personal, and in some cases even involved aspersions on the cost advocate's patriotism. A few examples of these attacks will, I believe, illustrate the poor intent of the Pentagon hierarchy:

The Air Force Colonel who assisted me in the initial disclosures of cost and technical problems in the C-5A aircraft program was suddenly found by Air Force Headquarters to have absolutely unique qualifications to be Air Attaché in Addis Ababa. Fortunately, that appointment was blocked.

The cost analyst who detected a deliberate understatement of \$300 million in the cost estimate for the Mark II electronics system for the F-111 Aircraft was isolated, socially and professionally ostracized, and given no assignments at all for a long period of time.

The consulting firm that detected and reported \$500 million of excessive costs on the engines for the F-111 airplane was blackballed by the defense procurement community and forced to suspend operations.

Civil service material inspectors were labeled "traitors," fired, hounded and shut off from responsible employment for telling Congress about acceptance and use of faulty material procured for the Vietnam war.

Charges of favoring "unilateral disarmament" and other reflections on loyalty were leveled at Members of Congress who questioned waste in the defense budget. One very powerful Senator attempted to link the budget-cutting effort to the machinations of an "interlocking directorate" organized by

extreme left-wingers who included vigorous opponents of the war. These attacks, which had utterly no foundation in truth, scared off a number of moderate Congressmen who had been working to cut military spending.

As a result of committing truth before a Congressional committee on the C-5A cost overruns, I received the full smear treatment, including false accusations by the Secretary of the Air Force that I had divulged classified information and an elaborate investigation by Air Force security men to dig up anything incriminating they could about my private life.

"THE NEW MCCARTHYISM"

The determined and ruthless attacks on military economy advocates have had a frighteningly repressive effect. The climate created by these attacks has been compared by some to the climate of unreasoning fear generated during the McCarthy era, though admittedly, the effect has not been as widespread. Nevertheless, this "New McCarthyism" has been sufficient to cause some Members of Congress to find all sorts of weird rationalizations to vote for highly questionable military items in the fiscal 1970 budget.

In the case of my own adventures, at least three Members of the House of Representatives have apparently lost their memories regarding one completely implausible explanation of my firing given them by an Air Force Assistant Secretary. Strangely, this same Assistant Secretary lost his memory when questioned on the subject while he was appearing as a witness before Sen. William Proxmire's Subcommittee on Economy in Government. Perhaps the ailment is contagious.

The reactions of the bureaucrats, both civilian and military, to the Pentagon's tough new approach to neutralizing economy advocates are entirely predictable.

In general, the proponents of continued high spending and wasteful practices exude confidence. They have openly and blatantly squelched economy advocates with impunity. Despite some trimming of the military budget around the edges, total spending has not yet begun to decline. For the first six months of fiscal year 1970, Bureau of the Budget figures indicate that the rate of Pentagon spending is the same as last year's \$78.6 billion per year. Many of the largest and most wasteful programs are intact and growing. Management practices are not only unimproved, they have degenerated. Most importantly, advocates of continued waste believe that they can successfully ignore public reaction to the outrages of the past year or so.

Most former and would-be proponents of improvement actions and cost reduction are frightened out of their wits. The climate of fear has erected a class of individuals called "secret patriots" by one knowledgeable Congressional staff assistant. These officials are sufficiently disturbed by the outrages they observe to discuss them privately with Members of Congress and their staffs. They literally beg, however, that their identity not be cited in any Congressional investigations or demands for corrective actions.

The demands for anonymity by these officials, of course, severely limits any effective action by Members of Congress who might be inclined to take it. The climate of fear is indeed taking its toll.

PUBLIC ATTITUDES

Thus far, the general public has been largely ignorant of the poor stewardship of their tax dollars, and consequently has not complained too much. Among the visible reactions, however, many taxpaying Americans have expressed cynicism and have tended to accept corruption as the natural order of things. At the other extreme is the increasing sense of alienation among the black community and the very poor, many of whom were already hostile to Government

or fast becoming so. Blatant waste in military procurement, at a time these people are mired in poverty, has not helped to cool their tensions.

One of the most prominent political campaign managers in Washington recently told me that the prevailing mood of our people, as he sensed it, is one of despair. Having seen elected and appointed officials of the Government perform scandalously in office with apparent immunity, the prevalent attitude toward Government is one of mistrust. The historian, William L. Shirer, recently compared the nation's malaise, including its attitudes toward government officials, to that of France before its fall in 1940.

POTENTIAL SAVINGS AND OBSTACLES TO SUCCESS

Based on my experience in both private consulting, commercial industry and military programs, I am convinced the prices of major weapons, which amount to about \$15 billion a year, could be cut by about one-third without jeopardizing our defense posture and in some cases actually improving it. I see no indications that other Pentagon activities are any less susceptible to improvement. Certainly, the staffing of the military's support organizations is at least as fat as that of the major contractors. Furthermore, there is considerable justifiable suspicion that unneeded services and hardware are being bought, and that much of the hardware is overly complicated, resulting in unnecessary costs and decreased effectiveness. There is little question that operational military forces are bogged down by an excessive logistical tail or that aircraft, missiles and other weapons systems can function better without unnecessary "gold-plating" so often peddled by military contractors.

Overall, it would appear that a reduction of around \$20 billion in military expenditures below the level of \$78.6 billion spent in fiscal 1969 is an attainable goal. Naturally, the beneficiaries of excessive spending will fight like tigers to stave off economics of this magnitude.

Economy advocates may expect continued personal attacks and slurs on their motives. Moreover, most realistic appraisals conclude that there is insufficient political muscle to capture the latent savings potential through conventional political means. This means that the fight must be carried to the people.

Alerting the American public to the dangers of inadequate or improper military management is an enormous job. My own education in the Pentagon is a case in point. Starting with a simple distaste for the waste in military procurement, I required nearly four years of personal exposure to the system to become convinced of the full dimensions of the problem. I am still convinced that high military boondoggles threaten the very foundations of our traditional liberties.

The false and irrelevant "dirt files" of the sort compiled by the Air Force in an effort to discredit me can be and are used in ways which deprive the citizen of the protection of due process. The same goes for false, defamatory remarks of high officials sheltered by the traditional immunity of their offices. Such tactics are completely foreign to our nation's traditions. Yet they appear to have become commonplace in dealing with dissent, even when the dissent is nothing more than advocacy of good stewardship of tax dollars.

POTENTIAL OF B.E.F.

Fortunately, we have substantial numbers of people in this country who are still concerned about Government misconduct and are willing to commit time and money to correct it. I believe that the Trustees of B.E.F. are such people.

B.E.F., in my view, can serve as a natural rallying point for community and national business leaders who are concerned about

poor stewardship, threats of repressive government, and other symptoms of governmental decay. In addition to being natural leaders in most communities, businessmen represent the only group likely to provide sufficient resources to make an effective fight against entrenched special interest groups.

Moreover, defenders of military waste will have a difficult time indeed in pinning left-wing labels on our top business leaders. BEF's trustees include some of our country's most outstanding and successful capitalists. I believe their examples can make true patriotism popular again.

Too often in the emotionally-charged atmosphere of the recent past, defense of inexcusable bungling, waste and mendacity by a bureaucracy accountable to no one has been mistaken for patriotism. This misconception should be rejected. Bungling, waste and mendacity are not good for our country, and therefore, are not patriotic.

Bad performance and poor stewardship in government should be exposed and corrected. The trustees of BEF have recognized their leadership responsibilities in educating the public in the effects of past mistakes and in the relative importance of new alternatives. They see this role not only as a patriotic duty, but also as good business.

I hope to help BEF convince the public, and through them, our top government officials, that forthrightness, honesty and financial integrity are also good politics.

MIRV: WHAT'S THE HURRY?

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1970

Mr. FRASER. Mr. Speaker, several months ago the Foreign Affairs Subcommittee on National Security Policy and Scientific Developments held hearings on the diplomatic and strategic impact of multiple-warhead missiles. The record of these hearings and the report of the subcommittee are available.

I am a member of the subcommittee and was a participant in the hearings.

An editorial appearing January 30 in the Wall Street Journal is impressive in light of these hearings. The final sentence of "MIRV: What's the Hurry?" is especially pertinent in view of the President's "anti-inflationary" veto of the HEW appropriations measure:

It would be both ironic and tragic if the imminence of talks prevented an inflation-conscious administration from asking why it's necessary to start this expenditure (for MIRV'S) this year. No administration can afford to buy weapons for which we have no present need.

Mr. Speaker, the complete editorial follows:

MIRV: WHAT'S THE HURRY?

The Administration is preparing its positions for the second round of arms limitations talks with the Soviet Union, and obviously one of the central questions is what to do about MIRV, the multiple warheads that would allow one missile launcher to attack several targets at once.

The multiple warhead question is especially pressing because U.S. deployment of the weapon is imminent. Deployment would vastly complicate if not foreclose agreements with the Soviets to restrict multiple war-

heads, and these complications would in turn affect consideration of anti-ballistic missiles and whatever else might come up at the talks. The resulting climate of uncertainty would probably significantly erode the chances of reaching any arms limitation agreement whatever.

Now, arms talks with the Soviets are an object for hope but not for faith, and we would certainly oppose taking them as reason to delay any weapon necessary to U.S. security. The Administration quite properly has adopted a no-unilateral-concessions attitude toward the talks. The MIRV question, also, has considerable implications for what kind of agreement the U.S. can and ought to seek with the Soviets.

None of these factors, though, should prevent the Administration from taking the same hard-headed look at strategic posture it would take if no talks were impending. There is a danger that the no-unilateral-concessions attitude will not only prevent unwise concessions but also freeze the strategic gears entirely, preventing even those readjustments in national posture we would otherwise make. Talks or no, the Administration still needs to ask the simple question: Why, precisely, are we about to buy MIRV today?

A few years ago there did seem to be a compelling reason for multiple warheads to offset the ABM system the Soviets seemed to be building. They were deploying ABMs around Moscow, and were starting an extensive further system that became known as the Tallin line. The indications suggested they were going all-out on a missile defense to protect their cities. If they had done so, or if they do so in the future, some U.S. counteraction would be absolutely necessary to maintain a deterrent posture. MIRV, which would overwhelm a missile defense with its huge number of separate warheads, is a logical choice.

But the Soviets suddenly stopped building those ABMs around Moscow, stopping with a number easily penetrated without multiple warheads. The Tallin line turned out to be a defense against aircraft, not against ballistic missiles. The threat that seemed to necessitate MIRV simply did not materialize. Yet U.S. deployment of MIRV remains scheduled to go on apace, as if we had learned nothing further about what the Soviets are doing.

It remains possible, of course, that the Soviets will change again, renewing their work on missile defense with updated weapons. However, all public indications are that MIRV can be deployed far more quickly than an ABM system can be built. The Pentagon's research chief has testified, for example, that a heavy Soviet ABM would not be operational until about five years after the first signs of construction appeared. In other words, we can wait to see what the Soviets do, and if they decide to build a missile defense we can still have multiple warheads ready by the time they will be needed.

Quite possibly that need will never arise, at least if the logic of the situation prevails. Trying to read Russian minds is an especially risky endeavor, but they may have stopped building their ABMs precisely because they could see a U.S. MIRV would easily penetrate them. Similarly, it would not now be logical for them to start construction of a heavy missile defense knowing the U.S. could deploy multiple warheads before they finish. And if they prove illogical, we still have time to buy MIRV. What's the hurry?

You can argue about the effect of multiple warheads on the arms talks, but indisputably their deployment will cost Americans billions of dollars. It would be both ironic and tragic if the imminence of talks prevented an inflation-conscious Administra-

tion from asking why it's necessary to start this expenditure this year. No Administration can afford to buy weapons for which we have no present need.

INTERVIEW OF CONGRESSMAN RYAN WITH ISRAEL AMBASSADOR RABIN CONCERNING ISRAEL AND THE MIDEAST

HON. WILLIAM F. RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1970

Mr. RYAN. Mr. Speaker, the critical situation in the Middle East should be a matter of deep concern to all of us. Any meaningful resolution of the conflict there requires the parties to sit down and face each other, air their problems, and resolve them through negotiation. Thus far, the Arabs have refused to enter into such direct negotiations, which Israel insists—and rightly so—must take place for a lasting peace to be achieved.

To enable myself and the public to better understand the problems of the Middle East—and particularly the problems of Israel, which continues to defend her very existence—I interviewed the Ambassador from Israel to the United States, Lt. Gen. Yitzhak Rabin.

It was my honor and privilege to discuss the principal issues which must be resolved with Ambassador Rabin in a taped interview on January 26, 1970, a portion of which is to be broadcast on WNYC radio station, in New York City, on February 2.

I am presenting here the full transcript of that interview. I believe it presents a penetrating analysis by Ambassador Rabin of the problems of the Middle East, and a compelling explanation of Israel's position on negotiations, on the status of Jerusalem and the refugees, on the role of the major powers and the United Nations, and on Israel's economic and military situation.

Again, I want to express my appreciation to Ambassador Rabin, whose own experiences so well epitomize the bravery of his people, and who so well represents his nation.

The material referred to follows:

Congressman RYAN. Throughout her 22 years as a nation, Israel has been threatened by violence and invective from her Arab neighbors. She has had to fight three wars for her survival and existence. The most recent, in June, 1967, followed the Egyptian ejection of UN forces which acted as a buffer between the two states, and the closing of the Straits of Tiran by Egypt to Israeli shipping.

As we know, Israel won a quick and stunning victory and found herself in possession of the west bank of the Jordan, the Sinai Peninsula, the Golan Heights, and all of Jerusalem. For the first time, Israel had relatively secure borders, and for the first time since 1948, Jews could pray at the Walling Wall in Jerusalem.

Since the Six Day War, there has been no peace; steady terroristic attacks by the Palestine liberation organizations and by the Arab governments themselves, have maintained a continued state of war.

The United States position following the

Six Day War was articulated by President Johnson, who called for direct negotiations as an essential for a meaningful peace. Following the inauguration of President Nixon, reliance on major power talks became a keystone of United States policy, and in the past several months, several peace proposals have been advanced by the United States, chiefly to the Soviet Union. None has been fully revealed by the State Department.

Throughout this period, Israel has insisted upon direct negotiations, and has regarded the United States maneuvers as decreasing their likelihood by encouraging the Arab states to hold out for better and better terms.

In light of this background, and the background of increased fighting in recent weeks in the Middle East, it is my pleasure to be able to present to our listening audience today the Ambassador to the United States from Israel, Lt. General Yitzhak Rabin. Ambassador Rabin was born in Jerusalem, the son of American pioneer Zionists, and fought in the Jewish underground during the years of British rule over Palestine, and rose by the time of the Six Day War, in 1967, to Chief of Staff of the Israel Defense Forces and commander of the Israeli Army during the war. Presently, the Ambassador holds the rank of Lt. General in the Israeli reserves.

It is a great pleasure to have you with us today, Ambassador Rabin, and I know that our listeners will be very much interested to hear your views on the situation as it presently exists in the Middle East, and the prospects as you see them for peace in that troubled area.

Let me begin, if I may, by asking a question which may open the door to our discussion, and that is: What do you regard as the essentials for a peace settlement in the Middle East? That's a pretty wide-open question, and gives us an opportunity to explore some of the problems confronting Israel as she strives for peace.

Ambassador RABIN. Well, first I would like to thank you very much, Congressman Ryan, for your inviting me here to talk on your program. In regard to your question, we believe that essential for peace is a decision by the parties to the conflict today to put an end to the war and to establish a real peace—peace in the terms that every man in the street would be able to call it a peace. We believe, therefore, that first there has to be a declaration by the Arab countries that they are ready to make peace with Israel and, second, ready to solve all the differences that have existed in the past, and exist today, through negotiations.

We stress direct negotiations because we don't believe that problems that have been accumulated by the past can be solved by any but the parties themselves; otherwise, it would be an imported solution, rather than a solution that has been evolved by the parties themselves.

Congressman RYAN. I take it what Israel seeks to avoid is an imposed settlement, and I take it from what you have said, and statements of the Premier of Israel and other Israeli representatives, that the fear is that unless the Arab states are willing to recognize the existence of the state of Israel—and recognize it in the sense of sitting down and negotiating face-to-face—you feel there can be no implementation of whatever proposals might come out of negotiations.

Ambassador RABIN. No, we wouldn't call a political solution which has not been made by the parties to the conflict a peace, because we don't believe that unless the parties themselves to the war would decide to put an end to it, and to enter into meaningful negotiations, and to work out by themselves a solution in which there will be place for each of them to live, and to let live the other one, it wouldn't be called peace. And this is what the Arab countries try to evade. None of their leaders has said, ever, that he would

be ready to make peace with Israel and recognize it, and therefore, they don't want to enter into any sort of negotiations face to face with Israel. We have never stressed that we'll sit alone. We are more than ready to have these meetings between ourselves and our neighbors under the auspices of the United Nations, being under the chairmanship of the Special Representative of the United Nations. We don't claim that they have to sit alone with us. All that we stress is that a solution which can be called peace can be achieved only through negotiations between the parties to the present conflict.

Congressman RYAN. Of course, even if there were a settlement theoretically reached through direct negotiations, it's possible for the Arab states to repudiate it, is it not?

Ambassador RABIN. Well, we are ready to take the risk that they might repudiate the settlement that they would sign, but we don't believe that we are, at the present, in a position even to argue about it, because for the time being they have refused to make peace with Israel; they refuse to sit together with us and to discuss and negotiate the problem. I would say even more than that: as a result of it, Israel asks for peace and certain security arrangements that should take the form of establishing secured and recognized boundaries. This is what the Security Council resolution of the 22nd of November calls for—"secured and recognized boundaries." Our interpretation is that these boundaries should give security to Israel, and to the Arab countries, at the same time.

Congressman RYAN. At the present time, does Israel have any preconceived notion as to what those boundaries should be?

Ambassador RABIN. We believe that the best way is to enter negotiations without any preconditions. I don't believe it will be advisable on one hand to come up and to say, "Well, we want to negotiate," and on the other hand to put preconditions on these negotiations. Therefore, what we say is that the purpose, the goal, of the negotiations should be peace between the Arab countries and Israel. The only way to bring about such a peace is through direct negotiations.

What should we negotiate? I think each party has got the right to put up whatever issue it wants to, and I don't believe it would be advisable to say from the very beginning that, "Well, this is not negotiable." We have nothing which is not negotiable but the existence of Israel as a sovereign and independent country.

Congressman RYAN. On Sunday, January 25, President Nixon issued a statement. At the time, there was a meeting in Washington of the National Emergency Conference on Peace in the Middle East. He restated the position of the United States as being for direct negotiations. Do you regard his statement as consonant with the principles of direct negotiations?

Ambassador RABIN. Well, I think that at least I, personally, was encouraged by the statement of the President. We always believe that he, in the long run, will come up and support the cause of Israel. But of course, this was a general statement, and we have to see to what extent this statement will be translated into the activities of the various departments, either in the political field or in other practical things.

Congressman RYAN. If the Arabs continue to refuse to negotiate directly, do you think anything can be achieved through indirect negotiations? What about the Rhodes Formula, which has been discussed—that is, there would be negotiations through an intermediary, such as Representative Jarring of the UN?

Ambassador RABIN. Well, first, as you know, the Rhodes Formula came about as a result of the war that happened there in '48-49. It happened that I was on the Israeli mis-

sion to the Rhodes negotiations, in which we succeeded in bringing about an armistice agreement between Israel and Egypt. It's not true that the negotiations in Rhodes were indirect. The first meeting was a joint meeting in which both parties, both delegations participated. There were joint meetings through the whole negotiations.

I would say, therefore, that Israel has publicly agreed to accept the Rhodes formula on two conditions—that this time the purpose should be peace and not armistice; second, since the United Nations staff did all the clerical work, the conduct and the procedures will be directed according to the UN records. We don't want everybody to rely on my own or my country's delegation's memory, or on the Egyptians' memory. There should be a record of what happened. Let's take the U.N. records as the guidelines for how these negotiations should take place. And, therefore, we are ready tomorrow, if not yesterday, to enter negotiations according to the Rhodes Formula.

As you know, the Egyptian government, officially after coming up with this suggestion, repudiated it, and officially, by now, the Egyptian government is against any negotiations, even along the Rhodes Formula.

Congressman RYAN. This is Congressman William F. Ryan and I'm talking to the Ambassador from Israel to the United States, Ambassador Rabin, about the situation in the Middle East. Ambassador, the United States in the past several months has been engaged in Four Power talks, and has made a number of proposals as part of that series of meetings, to the Russians. Do you think that the Four Powers, particularly the United States and Russia, can help to bring together Israel and the Arab states?

Ambassador RABIN. I believe that the decision to shift the efforts of peace-making from the Middle East into dialogues and discussions or talks among the powers was a big mistake. It encouraged the Arabs to believe that they would be able to evade the need to make peace with Israel; and that they would be able to evade the need to negotiate with Israel. Therefore, it was a mistake from the very beginning to do it.

By now, I believe, after ten months or eleven months of experience, the dialogue—intensive dialogue—between the Soviet Union and the United States within the framework of the Two Powers, with the other so-called powers, Britain and France, in the framework of the Four Powers, has not produced anything. I would say the opposite. They have put aside more and more the prospects of achieving peace.

You have to remember that from the very beginning, if we take the Two Powers, you have got on one side the Soviet Union, which is an enemy of Israel. The Soviet Union will never agree to anything which is not acceptable to the Arabs, and I think what has happened with the Rhodes Formula is surely an example of this. The Russians agreed to the Rhodes Formula, after getting the permission of the Egyptians. When the Egyptians withdrew their agreement to the Rhodes Formula, the Russians, even though they had said that they would accept it, had to withdraw it, because they can't agree to anything which is not acceptable to the Arabs—especially to the Egyptians. The United States, on the other hand, I still believe is a friend of Israel. But, at the same time, it's a friend also of the Arab countries—at least of some of them. Therefore, the United States from the very beginning will try to find out a fair solution. Therefore, when you have got two parties to negotiate—one totally committed to one side, one trying to find out the fair solution, the pendulum always will turn some way which Israel can never accept.

Congressman RYAN: So, as long as Russia

is really doing the bidding of its client states, it can't, in your view, really participate in a fair and objective settlement?

Ambassador RABIN: By no means do I believe that any settlement that would be acceptable to the Russians can be for peace to end the real tension there, and therefore, acceptable to Israel. You have to remember that the Soviet Union, for its own interests in the Middle East, will not agree to a real peace, to the elimination of the tension. What the Russians tried—tried in the past, tried today, and will continue to try—is to keep tension, because tension has become a pre-condition for themselves to advance their interests in that part of the world.

Congressman RYAN: The United States apparently has made two major proposals to the Russians—One for a settlement between Egypt and Israel, the other for a settlement between Jordan and Israel. Neither Arab government has made any formal response to these proposals, but the Russians recently rejected the proposal for an Egypt-Israel settlement. In view of what you've said do you regard this as, in fact, a rejection by Egypt of this proposal? In other words, was Russia speaking for Egypt when that was rejected?

Ambassador RABIN: Well, first, no doubts that Russia speaks for Egypt. And, therefore, we know that the Arabs have not accepted these proposals. But, regardless of their rejection by the Arabs, Israel has rejected them because Israel doesn't see how they can serve as a basis for any settlement in the future. The main point why Israel has rejected these proposals is because these proposals have undermined Israel bargaining power in any future negotiations. You can't come up and say, "We are for negotiations," and on the other hand agree to a basis for these negotiations which leaves no room for any negotiations.

You have to remember that the only card that we have got in our hands to bargain for peace with is the territories that have been taken in the Six Day War. Without these territories under our control, not one of the Arab leaders, and no doubt, the Soviet Union, will try even to argue or to enter into any form of talks about the possibility of finding a political settlement.

Unfortunately, the U.S. government in its last proposals undermined our position by starting to draw maps between the Powers and not leaving it to the parties. Because, once the Powers will decide about the map—and according to the American proposals there is a clear-cut drawing of maps—nothing will be left for the negotiations. And as a result of this, there will be no need for negotiations.

Congressman RYAN: In other words, the United States is trying to specify this point—what concessions or compromises Israel should make—before there have been negotiations?

Ambassador RABIN: Exactly.

Congressman RYAN: I am critical—I don't expect you to comment—of the Secretary of State for those proposals because they seem to have undermined the Israeli position on negotiations. You can correct me, but my understanding of those proposals as you outlined—you talked about drawing maps—is that, on the one hand, as to the Egypt-Israel border it was suggested to go back to the borderline which existed before the Six Day War along the Sinai peninsula. And in the area between Jordan and Israel, they apparently called for practically the borderline as it existed then. I think the term was "insubstantial alterations" in the Jordan-Israel line, which doesn't leave much room for negotiation, it seems to me. I wonder if you have any comment on exactly where the

map would place the lines, as you understand it.

Ambassador RABIN: Well, you have to understand my position. I can't come out and talk about the details of the American proposals, as long as the United States government will not decide to make them property of the public. But I think, first you are not wrong in your assumptions and, second, what is in our opinion even more important is the fact that the United States in its proposals has drawn lines, instead of leaving the actual working out of maps to the parties.

We always have accepted that the international community has got the right to lay down the principles according to which a settlement between the Arab countries and Israel will be achieved. What should be the goal? What should be the principles? They all are laid down in the Security Council resolution that was passed unanimously in the Security Council of the United Nations on the 22nd of November, 1967. The only operative paragraph called upon the Secretary-General to designate a special envoy—Ambassador Jarring, as you mentioned—to go over to the area and to promote agreement between the parties. Therefore, what we say: the principles that are laid down in the Security Council resolution are the basis of the settlement; the working out of the peace agreement between Israel and each one of its neighbors has to be left to the parties themselves, under the auspices of the United Nations, under the chairmanship of Ambassador Jarring, as the representative of the United Nations, and should not be done by the Powers without the participation of the parties themselves.

Congressman RYAN: I think you made a very important point, of course, about the fact that the United States government has not made public the specifics of the proposals, although there have been any number of newspaper articles based upon information concerning what they are, and a number of leaks to the press. And, in that connection, I have called upon Secretary of State Rogers to make public the proposals. I think the American people, and certainly the United States Congress, are entitled to know exactly what the United States advanced as proposals to the Soviet Union.

Ambassador RABIN: Well, I am in no position to say nothing about it.

Congressman RYAN: I appreciate that. This is Congressman William F. Ryan. I am talking to Ambassador Rabin, the Ambassador to the United States from Israel. I think we do have a few minutes more, Mr. Ambassador, and I would perhaps like to get into a minute or two of your filling me in, and our listening audience, on what the military situation is today in the Middle East—the Arabs vis-a-vis Israel. There are constant reports, many of them verified, about the increasing number of Soviet military advisors aiding the Egyptian army. Egypt is clearly dependent upon Russia for its military hardware and assistance. What do you understand the relative balance to be, to the extent that you can inform us?

Ambassador RABIN: Well, as you, Congressman, just mentioned, it is true that the Soviets went out of their way, immediately after the Six Day War, in their efforts to rebuild the armed forces of Egypt, Syria, and Iraq. They have supplied these countries with arms in the value of about \$3 billion, and practically for nothing. In addition to that, there are 5,000 Russian military advisors, technicians, and instructors in these three Arab countries—over 3,000 in Egypt; about 1,500 in Syria, and 500 in Iraq. They are trying their best to retrain and reorganize the Arab countries' armed forces. There are no inhibitions or any limitations on their efforts. And I think the only limiting factor

is the Arab countries' capability to absorb them.

Even so, Israel believes that we can stand and defend ourselves alone, without asking anybody to send one instructor or one soldier to be involved in our wars. All that we ask of friendly countries is to allow us to purchase—and I stress, to purchase—the required weapons, in view of the influx of armaments by the Soviet Union.

In the meantime, as long as peace has not been achieved, we are trying to keep the cease-fire resolution. And, you know, the Arab countries were more than eager to accept and to agree to the cease-fire resolution that was passed by the Security Council of the UN at the end of the Six Day War. If they'll keep their obligation under the cease-fire resolution—it is to say, not to cross cease-fire lines—we also keep our obligation. But since they don't, we feel that we have got the right to defend ourselves and to destroy any attempt by them to interfere and to violate the cease-fire resolution. It's a burden on us, but this is the price of being alive and independent.

Congressman RYAN: What kind of help do you think the United States can give that it isn't giving? What would you like to see in terms of military assistance, or making available for purchase—as you put it—military equipment in order to maintain the balance in the Middle East and to offset the armaments which have been flowing into that area from the Soviet Union, and even including from France, in view of the recent delivery—or promised delivery—of the Mirage jets to Libya, which really means, I assume, to Egypt?

Ambassador RABIN: No doubt that the French planes—which are a big deal, over 100 jet planes—will be delivered in the next 3 years to Libya. And Libya by no means is capable of using them, and therefore one can assume, for sure, that they will be handed over in one way or another to the disposal of Egypt.

As you have just mentioned, Congressman Ryan, what we are trying is to get the permission to purchase the required amount of weapons here to prevent the change of balance of power. We believe that as long as Israel will be strong, there is a possibility to deter any attempt to bring about a local war. And as long as the war will be postponed, the better the prospects for peace.

I can't say that we are satisfied at the present with the response that we have got from the United States. We haven't got a negative response, but I can't say that we have got a positive response to the last request submitted by our Prime Minister to the President of the United States.

Congressman RYAN: I'm sure, of course, that the continuing state of war in the Middle East and its effect on Israel has been a real drain on the Israeli economy. In addition to some military assistance, is there some economic help that you can foresee that the United States could provide to help Israel in this time of stress and peril?

Ambassador RABIN: Well, of course, you have to remember that for the time being, for the arms that we buy, and have bought, in the United States, we have to pay a lot of money, most of it in cash, even without getting enough credits. First, we want to get better credits, and second, of course some other forms that would allow us to pass the critical time. We don't ask for much.

For the time being we don't get any economic aid from the United States.

Congressman RYAN: That's been so for several years, hasn't it?

Ambassador RABIN: No question. Since 1965 we have not been given any grants or any economic aid, except a certain amount that we are allowed to purchase under Public Law 480, which we repay in dollars.

Congressman RYAN. I've been very much interested over a period of years in urging the United States to participate in a desalination plant in Israel. Finally, there is money in the Foreign Aid Appropriation bill this year—I believe \$20 million—for that. Of course, the United States would help, but Israel would also contribute a major share of that program. Do you think that this would be a useful program—the United States participating in a desalination plant to help develop water in the Middle East, particularly in Israel?

Ambassador RABIN. I believe that it's vital to our economic development, because at the present time the limiting factor in Israel agricultural development is water, or to put it rightly, the shortage of water. Israel has achieved the highest degree of exploitation of its natural water resources, and the only way to increase the waters at its disposal is by the desalination process. Therefore, to start such a project is essential for our further development.

Congressman RYAN. I certainly do appreciate your comments on these very vital questions, Mr. Ambassador. Of course, Ambassador Rabin, one of the festering problems in the Middle East ever since 1948 has been the question of refugees. The Arab refugee camps have been a source of instigation and indoctrination of young people against Israel. I recall my own visit in Jordan to a refugee camp there, and how indoctrinated the young people seemed to be—how indoctrinated they were even in their classes. Now it's our understanding that these refugee camps are a source of recruitment to the Palestine liberation forces. So, it's been a problem all the way through. What solution, in the long run, do you see to this refugee question? Of course, we're not only talking about the refugees of 1948, but now we're talking about refugees as the result of the Six Day War, also, I suppose—those who have fled from the west bank of the Jordan, particularly.

AMBASSADOR RABIN. Well, I think that the refugee problem is one of the most difficult problems of the Middle East. And it's not so easy to answer it in a very short time. First, one has to remember that the whole problem was created by a war that was enforced on Israel. Had the Arab Palestinian community then in Palestine and the Arab countries accepted the UN partition resolution that passed in 1947, as Israel did, and not tried to destroy the resolution, including the Jewish community in Palestine, by now not one Palestinian refugee would be in existence. Their decision to go into the war, their decision not to accept the UN partition resolution, created the refugee problem.

But, another refugee problem was created in 1948 as a result of the war. The Arab countries and the Muslim countries expelled about 1/2-million Jews who lived in these countries. And the Middle East was confronted with two refugee problems. The one—6 to 7 hundred thousand Palestinian Arab refugees. And about 1/2-million Jewish refugees. Israel, on its part, regardless of the fact that we were tiny in area; small in the number of our population—then we had less than 1 million people in Israel; limited in our resources vis-a-vis the big oil resources of the Arab countries; decided that first and foremost it was our responsibility to solve the refugee problem. Israel undertook, under a very austere regime, to find ways—and we were supported by friends of Israel from all over the world—by which to support 1/2-million Jewish refugees. The government of Israel supplied them free housing, free education, free medical care, job training, and jobs.

The Arab countries, on the other hand, tried to clean their hands of the fate of the

Palestinian refugees. They didn't contribute any money—even to the maintenance of the refugee camps. Till today, for the last almost 21 years, these camps are maintained by UN funds. The United States alone has contributed over 1/2 billion dollars to the maintenance of these refugees. By the way, the Soviet Union has not given even \$1 for the maintenance of the refugee camps. And the Arab countries don't lack any resources—their revenue of oil is something unbelievable.

We believe, therefore, that the refugee problem should be solved on a regional basis, by every country in the area taking its own share in its solution. We believe that Israel can take a certain number—a very limited number of the refugees. But the bulk of the problem has to be solved by resettlement of these refugees where there are places, where there are waters. Israel is ready to participate in some sort of compensation for the Palestinian refugees, but it should be solved by all countries of the area on a regional plan.

I believe once the Arab countries will decide to make peace with Israel, there will be a solution, also, to the refugee problem. Because there were many refugees all over the world in the last 30 years; but when the countries in which, as a result of the struggle or the problems of war among themselves these refugee problems were created, decided to put an end to war, to establish peace, they found ways to solve the refugee problems.

Congressman RYAN. The proposals advanced by the United States to the Soviets, which we referred to earlier, apparently also included some specific recommendations regarding the refugee question. It is my understanding that these proposals talked about a choice of repatriation or resettlement. I wonder if you have any understanding as to what specifically was called for in those proposals, from any information that you are able to discuss at this time?

Ambassador RABIN. Well, I believe that, still, the basis of the United States approach to the solution of the refugee problem is the free choice of the Palestinians between repatriation and compensation. We cannot accept this principle as a basis for the solution of the refugee problem. You have to remember that over 20 years have passed. These refugees today have been indoctrinated for the last 20 years in hatred of Israel and with the desire to destroy Israel. It would be real stupid for Israel to accept a fifth column back into its own country while, I believe, we were not the party to blame for the creation of this refugee problem.

We did not foster hatred in their hearts and minds against Israel, and, therefore, we cannot bear the responsibility of the present situation—and the difficulties that face Palestinian refugees. Those who were responsible for its creation, those who were responsible for the continuation of fostering hatred against Israel, should take the largest part in the share of the solution of this problem.

Congressman RYAN. One other question, and that's the future status of Jerusalem. There have been some suggestions—I think in some of these proposals, in fact—that Jordan should have a role in the future administration, or government, of Jerusalem. Have you any comments on how the Jerusalem question should be resolved, or is that simply, you feel, a matter of open negotiation?

Ambassador RABIN. I can say what Israel's position is. You have to remember that on the eve of the Six Day War—and today—the total population of Jerusalem is 280,000, of which 210,000 are Jews and 70,000 are Arabs. That is to say, 75% of the total population of Jerusalem, prior to the Six Day War, and today, are Jews.

Second, we believe Jerusalem, as a holy

city for Muslims, Christians, and Jews, should be one city, united, and not divided by barbed wires, machinegun nests, and artillery emplacements. It's very strange to hear people talk about the holiness of the city, and calling for its division by the same kind of division that existed for 19 years. I believe there is one city in this world which is divided by a wall; there is no need for another city to be divided.

No question that Israel is ready to give a certain role to the Muslims in running their holy places, and I'm stressing—their holy places. If the Arab world will decide that King Hussein is the man that should represent them, it's up to them. We have no right to decide. If they want any role in the maintaining and upkeep of the holy places of the Muslims, it's more than negotiable.

Congressman RYAN. Thank you. This is Congressman William F. Ryan. I've been talking to the Ambassador to the United States, Ambassador Rabin, the Ambassador from Israel. We have been talking about the situation in the Middle East. And in summation, now, giving the Ambassador a chance to report to our listening audience, let me ask one final question: and it's this, Mr. Ambassador: how do you envision the future? What do you think it holds for Israel and for peace in the Middle East?

Ambassador RABIN. I'm not very optimistic about achieving peace in the near future, because we have to face a coalition of the Soviet Union and, especially, Egypt and some other Arab countries, who are not interested whatsoever in achieving a real peace between the Arab countries and Israel, and in eliminating the Arab-Israeli conflict. And as long as they'll maintain the present position and will continue to pursue a policy of war and belligerency, I don't see how peace can be achieved.

On the other hand, I'm entirely confident that regardless of the lack of peace, that Israel can maintain its position, can defend itself, can cope with the daily military—limited military—activities, and continue its economic, social, and educational development. Therefore, I believe that we'll have in the future more of the same.

I don't believe there will be another war in the near future, even though I wouldn't dare to be a prophet about the future. But as long as Israel will be strong, the Russians and the Egyptians will not dare to attempt to make another war because they know that they might lose it—they know for sure they would lose it. And the Russians can not afford to suffer another defeat for their clients.

They wouldn't allow them to make peace and we'll have a long period of tension in the area. But, in the long run, it might take 5, 10, 15 years, in the long run, I believe, the Arab people will realize that their real interests lie in developing their own countries, raising their own standards of living, allowing themselves to live in a free society. This will bring about a change in their mind, a change in the direction of the Arab countries' policies. We have never lost our hope that peace will be achieved, and we'll never lose it.

Congressman RYAN. Thank you very much. That was a very stirring statement and certainly Israel has a right to be proud of her splendid representative to the United States, and the wonderful way in which you are representing that valiant and courageous nation in Washington, D.C. It's an honor and privilege, Ambassador Rabin, to have you on our program today. This is Congressman William F. Ryan, and I've been talking to the Ambassador to the United States from Israel, Lt. Gen. Yitzhak Rabin.

Ambassador RABIN. Thank you very much, Congressman Ryan.