

## HOUSE OF REPRESENTATIVES—Monday, February 2, 1970

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*Bless ye the Lord, all ye hosts; ye ministers of His, that do His pleasure.—Psalm 103: 21.*

Almighty and Eternal God, at the beginning of International Clergy Week, we pause in Thy presence to pray for the clergymen of our land and our world. Give them grace to walk worthily in the calling to which they have been called, to serve Thee with all humility and patience, to help our fellow men with all sympathy and love, to promote integrity and good will in our Nation with all eagerness and enthusiasm, and to pave the way to peace in our world with all earnestness and sincerity. In all they plan may Thy thoughts guide their thinking, Thy wisdom make wise their minds, Thy love warm their hearts, and Thy purposes purify their lives.

Our lives are richer by reason of the ministry of those who minister in Thy name. Accept our gratitude for their presence in our midst.

Our Father, another of our colleagues has gone home to be with Thee. Receive him into Thy heavenly glory and bless his family with the comfort of Thy presence and the love of Thy spirit. Strengthen them for this experience and guide them step by step as they face the days ahead.

In Thy holy name we pray. Amen.

### THE JOURNAL

The Journal of the proceedings of Thursday, January 29, 1970, was read and approved.

### MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Leonard, one of his secretaries.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1520. An act to exempt from the anti-trust laws certain combinations and arrangements necessary for the survival of failing newspapers;

S. 1862. An act to amend section 8c(6)(I) of the Agricultural Adjustment Act to permit projects for paid advertising under marketing orders applicable to tomatoes;

S. 2289. An act to amend the Interstate Commerce Act, as amended, in order to make unlawful, as unreasonable and unjust discrimination against and an undue burden upon interstate commerce, certain property tax assessments of common and contract carrier property, and for other purposes;

S. 2306. An act to provide for the establishment of an international quarantine station

and to permit the entry therein of animals from any country and the subsequent movement of such animals into other parts of the United States for purposes of improving livestock breeds, and for other purposes; and S. 3207. An act relating to the liabilities of Federal National Mortgage Association to the United States.

### ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, January 29, 1970, he did on January 30, 1970, sign the following enrolled joint resolution of the Senate:

S.J. Res. 131. Joint resolution to welcome to the United States Olympic delegations authorized by the International Olympic Committee.

### THE LATE HONORABLE GLENARD P. LIPSCOMB

The SPEAKER. The Chair recognizes the gentleman from California (Mr. SMITH).

Mr. SMITH of California. Mr. Speaker, it is with deep sadness in my heart that I announce to the Speaker and to the Members of the House that Congressman GLENARD P. LIPSCOMB, who represents the 24th District of California, died yesterday afternoon of cancer.

Mr. Speaker, GLEN and I have been like twin brothers for the past 20 years. I know that GLEN was admired and respected by the Speaker and by every Member of the House of Representatives.

On behalf of the Speaker and on behalf of the Members, I extend our deep sympathy to his wife, Virginia, and to their two daughters, and to the other members of their family.

Mr. Speaker, in connection with the services, the memorial service for Congressman LIPSCOMB will be at 10:30 a.m. Tuesday morning at the Fourth Presbyterian Church, 5500 River Road, Bethesda. Funeral services and interment will be at Forest Lawn Memorial Park, Hollywood Hills, Los Angeles, Calif., on Wednesday, February 4, at 1 p.m. California time. Transportation will be provided for the Members who will wish to attend the services in California, leaving from the office of the Sergeant at Arms in front of the Capitol at 8:30 a.m. and returning the same evening to Washington.

Mr. Speaker, I will ask at a separate time for a special order during which all of us may have the opportunity of extending or paying tribute to and eulogizing Congressman LIPSCOMB.

Mr. Speaker, I knew him so well I am sure he would not want us to adjourn today and not carry on with our business. I would not, and I am certain he would not, but a resolution will be offered subsequently today, at an appropriate time, to adjourn out of respect for our late colleague, GLENARD P. LIPSCOMB.

### SPECIAL ORDER GRANTED

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent that tomorrow afternoon, Tuesday, at the close of business I be permitted to address the House for 1 hour for the purpose of eulogizing our late colleague, Congressman LIPSCOMB.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

### TRIBUTE TO THE LATE HONORABLE GLENARD P. LIPSCOMB

(Mr. HOLIFIELD asked and was given permission to address the House for 1 minute.)

Mr. HOLIFIELD. Mr. Speaker, I join with my friend, the gentleman from California, Congressman SMITH in his remarks. At the proper time I will speak at some length on the demise of our colleague, and my beloved friend, GLENARD P. LIPSCOMB.

He served on my Subcommittee on Military Operations for a number of years. I know of no more dedicated person than was GLENARD LIPSCOMB in his work on that committee. I know his subsequent work on the Appropriations Committee was equally diligent and dedicated.

Mr. Speaker, I will speak later, at the proper time designated for all Members on this matter.

### PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

### THE 1971 BUDGET—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed, with illustrations:

*To the Congress of the United States:*

I have pledged to the American people that I would submit a balanced budget for 1971. This is particularly necessary because the cost of living has been rising rapidly for the past five years.

The budget I send to you today—the first for which I bear full responsibility as President—fulfills that pledge.

Outlays are estimated at \$200.8 billion, with receipts at \$202.1 billion, yielding a surplus of \$1.3 billion.

This anti-inflationary budget begins the necessary process of reordering our national priorities. For the first time in two full decades, the Federal Government will spend more money on human resource programs than on national defense.

A budget must be a blueprint for the future. In the 1971 budget, I seek not only to address today's needs, but also to anticipate tomorrow's challenges. Only with a plan that looks to the years ahead can we gain control over the long-range use of our resources, and mark a clear course for meeting national goals. Most worthwhile objectives are costly. Therefore, we must pursue our purposes in an orderly fashion, measuring our efforts to accord with the budget resources likely to be available.

A balanced plan for resource allocation does not require Federal domination. On the contrary, by placing greater reliance on private initiative and State and local governments, we can more effectively mobilize our total resources to achieve national purposes over the long run.

This comprehensive perspective was instrumental in shaping the 1971 budget.

THE BUDGET AT A GLANCE  
(In billions)

Item	1969 actual	1970 estimate	1971 estimate
Receipts.....	\$187.8	\$199.4	\$202.1
Outlays.....	184.6	197.9	200.8
Surplus.....	3.2	1.5	1.3

With this budget we will move ahead to:

Meet our *international responsibilities* by seeking an honorable peace in Vietnam, by maintaining sufficient military power to deter potential aggressors, by exploring with the Soviet Union possible limitations on strategic arms, and by encouraging multilateral aid, expanded trade, and a greater measure of economic self-help for developing nations of the world.

Help restore *economic stability* by holding down spending in order to provide another budget surplus and to relieve pressure on prices—and to achieve that surplus without income or excise tax increases.

Launch a major effort to improve *environmental quality* by attacking air and water pollution, by providing more recreation opportunities, and by developing a better understanding of our environment and man's impact upon it.

Inaugurate the *Family Assistance Program*, fundamentally reforming outmoded welfare programs, by encouraging family stability and providing incentives for work and training.

Provide major advances in our programs to *reduce crime*.

Foster *basic reforms* in Government programs and processes by making entire program systems operate more effectively, and by encouraging responsible decentralization of decisionmaking.

The proposals in this budget are important steps toward these goals. Even so, taking these steps requires difficult choices.

The need to choose among alternative uses of our resources is a basic fact of budgetary life. In the past few years, too many hard choices were avoided. Inflation was permitted to steal purchasing power from us all, and to work particular hardship on the poor and the millions of Americans who live on fixed incomes, as well as on the housing industry, small businesses, and State and local governments.

Indeed, the willingness to make hard choices is the driving force behind my 1971 budget proposals.

#### OVERVIEW OF THE 1971 BUDGET

All Government spending flows from budget authority that is enacted by the Congress. Budget authority for 1971 is estimated at \$218.0 billion. Of the total, \$148.1 billion will require current action by the Congress, with the balance becoming available automatically as the result of past congressional actions.

Budget outlays for 1971 will be held to \$200.8 billion, which is only \$2.9 billion more than in 1970. The 1971 total consists of \$200.1 billion in expenditures and \$0.7 billion for net lending.

Revenues are estimated to be \$202.1 billion in 1971, exceeding 1970 levels by only \$2.7 billion. The small size of the increase reflects the termination of the income tax surcharge and the provisions of the recently enacted Tax Reform Act of 1969.

The surplus for 1971, an estimated \$1.3 billion, is essential both to stem persistent inflationary pressures and to relieve hard-pressed financial markets.

Budget surpluses enable us to keep *Federal debt held by the public* from rising. This measure of debt will decline slightly from \$279.5 billion at the end of fiscal year 1969 to \$278.5 billion at the end of 1970, and drop still further to an estimated \$277.3 billion by the end of 1971.

Federal civilian *employment*—as measured by those in full-time, permanent positions—will decline for the second consecutive year. This decline reflects the tight rein I am holding on employment, despite sharp increases in workload. Within this reduced total, selective increases will be permitted to meet such high priority needs as: more effective law enforcement, improvement of the quality of our environment, expansion of airway capacity, medical care of veterans, and payment of social security benefits.

#### SUMMARY OF THE BUDGET AND FINANCIAL PLAN

(Fiscal years. In billions)

Description	1968 actual	1969 actual	1970 esti- mate	1971 esti- mate
Budget authority (largely appropriations):				
Previously enacted.....		\$133.2	\$133.9	
Proposed for current action by Congress.....			5.1	\$148.1
Becoming available without current action by Congress.....		75.9	84.0	86.7
Deductions for offsetting receipts.....		-12.9	-13.9	-16.8
Total budget authority.....		196.2	209.1	218.0

#### SUMMARY OF THE BUDGET AND FINANCIAL PLAN—Con.

(Fiscal years. In billions)

Description	1968 actual	1969 actual	1970 esti- mate	1971 esti- mate
Receipts, expenditures, and net lending:				
Expenditure account:				
Receipts.....		187.8	199.4	202.1
Expenditures (excluding net lending).....		183.1	195.0	200.1
Expenditure account surplus.....		4.7	4.4	2.0
Loan account:				
Loan disbursements.....		13.1	9.5	8.6
Loan repayments.....		11.6	6.6	7.9
Net lending.....		1.5	2.9	0.7
Total budget:				
Receipts.....		187.8	199.4	202.1
Outlays (expenditures and net lending).....		184.6	197.9	200.8
Budget surplus.....		3.2	1.5	1.3
Budget financing:				
Net repayment of borrowing to the public.....		-1.0	-2.6	-1.2
Other means of financing.....		-2.2	1.1	-0.1
Total budget financing.....		-3.2	-1.5	-1.3
Outstanding debt, end of year:				
Gross Federal debt.....	\$369.8	367.1	374.7	382.5
Debt held by the public.....	290.6	279.5	278.5	277.3
Outstanding Federal and federally assisted credit, end of year:				
Direct loans <sup>1</sup> .....	55.3	46.9	52.2	53.8
Guaranteed and insured loans <sup>2</sup> .....	97.6	105.1	107.6	119.0
Direct loans by Government-sponsored agencies.....	10.9	27.2	38.5	46.6

<sup>1</sup> Including loans in expenditure account.

<sup>2</sup> Excluding loans held by Government or Government-sponsored agencies.

#### FISCAL HIGHLIGHTS

The 1971 budget was framed in a period of persistent price rises and is designed to help curb the inflation that has gripped our economy too long.

*Economic setting.*—In the years preceding my inauguration, total demands on our productive capacity increased too rapidly to maintain price stability, largely because of Federal deficits. Government spending rose by more than 50% from 1964 to 1968, fanning the flames of inflation with a 4-year deficit of \$39 billion. As a result, increases in consumer prices accelerated during this period, with a rise of almost 6% during the past year.

When I took office last January, the only responsible course was to design a policy that would curb the rising cost of living while avoiding recession and an excessive increase in unemployment.

In our first six months in office, we revised the 1970 budget inherited from the previous Administration to reduce defense expenditures by \$4.1 billion, and controllable civilian programs by \$3.4 billion more.

We also recommended needed additional revenues, including:

Continuation of the income tax surcharge at 10% until December 31, 1969, and at 5% until June 30, 1970—yielding \$7.6 billion in revenues; and

Repeal of the investment tax credit and extension of selected excise taxes

and user charges, for an additional \$2.4 billion.

Responding to inflation, interest rates rose sharply. The restrictive monetary policy of the Federal Reserve System limited the flow of money and credit and created further upward pressure on rates.

Monetary and fiscal policies succeeded in moderating economic expansion as we progressed through calendar year 1969, bringing some reduction of corporate profits and the first signs of a slowing in the rate of price increases. We know from past experience that prices react slowly to changes in economic activity. Thus, it is not surprising that it is taking time to translate anti-inflationary actions into price relief.

To contain inflation, we must maintain a policy of fiscal restraint in the current fiscal year and continue it in 1971.

For 1971, total outlays can be held to an estimated \$200.8 billion only if marginal programs are reduced or eliminated, and some desirable new programs postponed.

Demanding and unpopular actions are essential to a responsible fiscal policy in today's economic setting. They must be taken to:

Reduce inflationary pressures and expectations; and

Relieve the pressure in financial markets.

Only in this way can we hope to:

Improve our balance of international payments position; and

Achieve a rate of economic growth that is compatible with our longer range objective of high employment with price stability.

**Revenues and tax policy.**—Total receipts are estimated at \$202.1 billion for 1971.

The small increase, only \$2.7 billion above 1970, reflects offsetting forces. Aside from the income tax surcharge, receipts would have risen \$9.7 billion under tax rates in effect through December 1969. This amount includes \$1.2 billion from planned administrative steps to speed up the collection of excise taxes and income taxes withheld by employers. Another \$1.6 billion results from the proposed revenue recommendations discussed in Part 3 of the budget.

On the other hand, total receipts will be sharply reduced by the expiration of the income tax surcharge on June 30, 1970, and by various tax reductions included in the Tax Reform Act of 1969—reductions that will depress revenues \$2.9 billion below my tax proposals in April.

BUDGET RECEIPTS  
[Fiscal years. In billions]

Source	1969 actual	1970 esti- mate	1971 esti- mate
Individual income taxes.....	\$87.2	\$92.2	\$91.0
Corporation income taxes.....	36.7	37.0	35.0
Social insurance taxes and contri- butions.....	39.9	44.8	49.1
Excise taxes.....	15.2	15.9	17.5
All other receipts.....	8.7	9.4	9.5
<b>Total budget receipts.....</b>	<b>187.8</b>	<b>199.4</b>	<b>202.1</b>
Under existing law.....	187.8	199.4	200.5
Under proposed legislation.....		(*)	1.6

\* Less than \$50,000,000.

The recently enacted *Tax Reform Act* meets some—but not all—of the objectives sought by the Administration. It provides:

A low-income allowance that removes the burden of paying Federal income taxes now borne by more than 6 million people with incomes below the poverty level, and reduces the tax burden of an additional 8 million people with incomes only slightly above the poverty level;

A minimum tax on income, which insures that taxpayers heretofore using certain preferences in the law to eliminate their tax liabilities will bear some tax burden; and

An increase in the personal exemption from \$600 to \$650, effective July 1, 1970 (eventually rising to \$750), and also an increase in the standard deduction.

I urge the Congress to enact the following revenue proposals:

Additional user charges in the field of transportation, so that those who benefit directly will pay a fairer share of the costs involved (as I proposed last year);

An increase in the maximum taxable wage base for social security from the present \$7,800 to \$9,000; and

Extension of the excise taxes on automobiles and telephone services at their present rates through December 31, 1971.

**Controlling Government spending.**—The Federal budget must meet the objectives of many individual programs at the same time that the expenditure total must conform to the resources available.

**Current fiscal year.**—The Congress set a spending ceiling for the Executive Branch for 1970, with provisions allowing the ceiling to be changed by congressional actions that relate to the budget.

The original ceiling set in the law was \$191.9 billion. The Congress recognized, however, that a substantial part of Federal spending in any one year is determined by prior legal obligations and is, therefore, beyond the immediate control of the Executive Branch. For this reason, the law provides that the overall ceiling can be raised by up to \$2.0 billion to take account of increases above the estimates of selected *uncontrollable* expenditures such as social security and interest on the public debt. Actions of the Congress already taken or projected in this budget are expected to add another \$1.8 billion to the ceiling, thus raising the overall ceiling to \$195.7 billion. (A more detailed analysis of the factors affecting the budget ceiling is found in Part 2.)

I support the intent of the Congress to maintain firm control of Federal spending. But the \$2.0 billion allowance for increases in uncontrollable spending now appears completely unrealistic. Spending for these uncontrollable programs is now expected to be \$4.3 billion higher in 1970 than estimated last April. *This is \$2.3 billion above the amount allowed for this contingency by the Congress.*

On the other hand, we have held *controllable* spending firmly within the limits set by the Congress. Nonetheless, total 1970 spending is now estimated at \$197.9 billion, which is \$2.2 billion above the legal ceiling. The excess results entirely from the \$2.3 billion increase in outlays for the designated uncontrollable pro-

grams. There is a margin of only \$0.1 billion under the ceiling on all other spending.

I believe that an overall spending target provides a useful discipline to guide individual actions by the Congress and the Executive Branch. However, an outlay ceiling should include adequate provision for spending on uncontrollable programs.

I recommend, therefore, that the 1970 ceiling be amended in two ways. First, the fixed allowance for uncontrollable outlays should be removed for those outlays that the Congress has already placed beyond the Executive's control. Second, the ceiling itself should be amended so that the extremely slim margin between the revised ceiling and the current estimate of total outlays is sufficient to permit prudent management of the Government without forcing crippling cuts in vital programs during the few remaining months of this fiscal year. I further suggest that the Congress reconsider the real utility of having a flexible ceiling apply to the Congress while a rigid ceiling is applied to the Executive Branch.

The dedication of this Administration to expenditure control has been demonstrated by the \$7.5 billion of reductions we have already made this year. We will continue our vigorous efforts to contain Federal spending. With the cooperation of the Congress, we are determined to hold total spending for 1970 to the revised target of \$197.9 billion.

I also recommend that congressional attempts to control outlays in the future focus on the earliest stages of Government spending—authorization of programs and enactment of budget authority.

Based on our experience this past year, I believe that Congress can improve its contribution to better budgeting of national resources by taking steps to:

Make individual appropriations and other legislative actions consistent with its wishes on overall budget totals;

Provide a closer link between legislative consideration of receipts and outlays; and

Enact appropriations before the fiscal year begins, phasing the authorization and appropriation processes in a more orderly way. Many of the appropriations for the fiscal year that began last July were not enacted until December. Two appropriation bills—totaling \$22 billion—were not enacted when Congress adjourned in December. The Executive Branch will speed its processes wherever feasible to help make more timely action possible.

It is many years, indeed a generation, since the Congress was able to finish its work in a session lasting 3 to 4 months. The Congress now works the year round. All too often, major appropriation bills are not acted upon until the final weeks of the session, perhaps as long as half a year after the beginning of the fiscal year. Obviously, this causes inefficiency and uncertainty within the executive departments and throughout the country. To bring the appropriation and the administrative cycles back into harmony, suggestions have been made to change the fiscal year to correspond to the legis-

lative year, perhaps with new appropriations scheduled to begin January 1 rather than July 1. However, even if this change were deemed desirable, by itself it would not achieve the desired result. The Congress would also have to revise or speed its authorizing actions, which, by the Congress' own rules, must precede appropriations. I urge Congress to consider this question.

**Budget year.**—Outlays for 1971 will reach approximately \$200.8 billion, only \$2.9 billion, or 1.5% more than in 1970.

This is substantially less than the 6% increase in the consumer price index during the past calendar year.

The rise in total outlays in 1971 is also substantially less than the increase in outlays that are virtually mandatory under present laws. For example, social insurance trust fund outlays (including Medicare) and public assistance grants (including Medicaid) alone are estimated to increase in 1971 by \$6.8 billion.

Aside from these outlays, I have reduced the total of other Federal spending below its 1970 level.

New pay raises for Federal civilian and military employees are budgeted for \$175 million in 1970 and \$1.4 billion in 1971. These increases reflect (1) the pay adjustments accompanying postal reform, (2) the principle of pay comparability of civilian jobs with similar jobs in private industry, and (3) the legal requirement that military salaries be increased in pace with the compensation of Federal civilian employees. The annual survey of the Bureau of Labor Statistics indicates that a civilian pay raise averaging 5.75% would be consistent with the present legal comparability principle. Because the need to control and contain the inflationary spiral is of paramount importance at this time, however, I recommend that the comparability pay raises (which require congressional action) be deferred six months beyond the recent pattern, and be made effective January 1971.

The 1971 budget shows a significantly different set of priorities from those contained in the budget presented by the previous Administration a year ago. Although 1971 outlays are \$5.5 billion higher than the total originally proposed a year ago for 1970, outlays for national defense and space activities have been reduced by \$10.8 billion. The current estimate of 1970 spending for defense and space is \$4.4 billion less than that recommended last year by the outgoing Administration, and a further reduction of \$6.3 billion is proposed for 1971.

A substantial increase in postal revenues is necessary in order to avoid an excessive postal deficit, which would otherwise consume a large part of the resources made available by the difficult cuts we are making in other programs. Enactment of the pending bill to raise postal rates, in addition to other measures currently under study, will cause net outlays for the Post Office to decline by an estimated \$866 million from 1970.

The reductions I am proposing make it possible to provide funds for some of our

most urgent domestic needs. This is appropriate policy. Burdened by overcommitments of the past, we must pursue our goals prudently. My budget for 1971 includes increases of:

\$500 million for starting the *Family Assistance Program*, to replace an unworkable and often inequitable system with one that encourages family stability, provides incentives for work and training, and offers expanded opportunities for day care.

\$275 million for the first quarterly payment under my proposed *revenue-sharing* plan, to go into effect before the end of 1971.

\$310 million for improved *crime reduction* efforts.

\$330 million for air and water pollution control, and for additional parks and open spaces, as integral parts of our efforts to enhance *environmental quality*.

\$764 million for *food assistance* programs, to help eliminate malnutrition and hunger.

#### SELECTED BUDGET OUTLAYS

(Fiscal years. In millions)

Description	1969 actual	1970 estimate	1971 estimate	Change 1970-1971
Social insurance trust funds.....	\$39,849	\$45,681	\$51,667	+\$5,986
Public assistance (including Medicaid).....	6,281	7,479	8,277	+798
Civilian and military pay increases.....		1,175	1,400	+1,225
Subtotal.....	46,130	53,335	61,344	+8,009
National defense.....	81,240	79,432	73,583	-5,848
Space.....	4,247	3,896	3,400	-486
Post Office.....	920	1,247	382	-866
Family Assistance Program.....			500	+500
Control of air and water pollution, and increased parks and open spaces.....	644	785	1,115	+330
Crime reduction.....	658	947	1,257	+310
Revenue sharing.....			275	+275
Food assistance.....	1,192	1,514	2,278	+764
Transportation.....	6,319	7,019	7,487	+468
Manpower training.....	1,193	1,368	1,720	+352

<sup>1</sup> Includes the projected costs of certain pay adjustments in the Postal Field Service related to postal reform.

\$468 million for *transportation* facilities and services, important ingredients in continued economic growth and job development.

\$352 million for *manpower training*, to help more of our people to become productive and self-supporting.

**Budget authority.**—Budget authority—generally in the form of appropriations—must be provided by the Congress before Federal agencies can commit the Government to spend or lend funds.

I am recommending a total of \$218.0 billion of budget authority for fiscal year 1971. This includes \$216.8 billion of new obligational authority and \$1.3 billion of lending authority.

Not all budget authority requires current congressional action. For example, existing laws provide that the receipts of social insurance trust funds be automatically appropriated as budget authority each year. Similarly, whatever is needed for interest on the public debt is automatically provided under a per-

manent appropriation. For activities of this nature, \$86.7 billion of budget authority for 1971 will become available automatically.

#### BUDGET AUTHORITY

(Fiscal years. In billions)

Description	1969 actual	1970 esti- mate	1971 esti- mate
Available through current action by the Congress:			
Previously enacted.....	\$133.2	\$133.9	
Proposed in this budget.....			\$136.8
To be requested separately:			
For supplemental requirements under present law.....		4.4	0.3
Upon enactment of proposed legislation.....		—(1)	8.2
Allowances:			
Revenue sharing.....			0.3
Civilian and military pay increases <sup>2</sup> .....		0.2	1.4
Contingencies.....		0.5	1.2
Subtotal, available through current action by the Congress.....	133.2	138.9	148.1
Available without current action by the Congress (permanent authorizations):			
Trust funds (existing law).....	53.1	60.6	64.5
Interest on the public debt.....	16.6	18.8	19.0
Other.....	6.2	4.6	3.2
Deductions for offsetting receipts.....	-12.9	-13.9	-16.8
Total budget authority.....	196.2	209.1	218.0

<sup>1</sup> Less than \$50,000,000.

<sup>2</sup> Includes the cost of certain pay adjustments in the Postal Field Service related to postal reform.

The remaining \$148.1 billion is proposed for consideration during this session of Congress. The outlays associated with the budget authority requiring current congressional action are estimated to be \$93.5 billion in 1971.

**Federal debt.**—This budget provides for a reduction of *Federal debt held by the public* of \$1.2 billion from the level on June 30, 1970, and \$2.2 billion lower than on June 30, 1969. These repayments of debt out of budget surpluses will afford some modest relief to financial markets to help meet heavy demands for housing and State and local government financing.

At the same time, federally assisted financing outside the budget—both guaranteed and insured loans and loans of Government-sponsored agencies—will be substantially higher both in 1970 and in 1971. This expansion in federally assisted credit programs helps to cushion the impact of tight money on housing.

**Gross Federal debt** differs from debt held by the public in that the former also includes debt held within the Government, such as the investments of the social security trust funds in special Treasury issues. Gross Federal debt will continue to rise, from \$367.1 billion on June 30, 1969, to an estimated \$382.5 billion on June 30, 1971. The increase is more than accounted for by investments by trust funds and other Government agencies of their surplus receipts. In 1971, the surplus in the trust funds will be an estimated \$8.7 billion, compared with \$8.6 billion in 1970.

## FEDERAL DEBT AND BUDGET FINANCING

[Fiscal years, in billions]

Description	1969 actual	1970 esti- mate	1971 esti- mate
Federal debt held by the public (at end of fiscal year).....	\$279.5	\$278.5	\$277.3
Plus: Debt held by Federal agencies and trust funds.....	87.7	96.3	105.2
Equals: Gross Federal debt.....	367.1	374.7	382.5
Consisting of:			
Treasury debt.....	352.9	362.1	370.3
Other agency debt.....	14.2	12.6	12.2
Budget financing:			
Net repayment of borrow- ing (-).....	-1.0	-2.6	-1.2
Other means of financing.....	-2.2	1.1	-0.1
Total budget financing.....	-3.2	-1.5	-1.3
Total budget surplus.....	3.2	1.5	1.3

<sup>1</sup> Excluded notes issued to the International Monetary Fund.

The *statutory debt limit* covers almost all of the gross Federal debt, but it excludes most borrowing by Federal agencies other than the Treasury. The present temporary debt limit of \$377 billion will expire on June 30, 1970, and the statutory maximum will then revert to the permanent level of \$365 billion.

An increase in the statutory limit will be necessary even though the past two budgets and the one proposed for 1971 all show surpluses of receipts over outlays. These surpluses reflect the rise in accumulated balances of trust funds that are invested in Treasury issues—thus increasing the amount of debt subject to the statutory limitation. I will recommend appropriate increases in the statutory limit prior to the end of the fiscal year.

## A STRATEGY FOR THE SEVENTIES

I am pleased to present a budget that demonstrates a shift in priorities; we now begin to turn in new directions.

*Changing priorities.*—About 41% of estimated outlays in the 1971 budget will be devoted to human resources—spending for education and manpower, health, income security, and veterans benefits and services. Spending for national defense, despite continued improvements in our military forces, will claim a smaller percentage of the budget than in any year since 1950. Although still comparatively small, other major programs of this Administration—pollution control, crime reduction, transportation, and housing—are planned to grow substantially in the years ahead.

## CHANGING PRIORITIES

[Fiscal years. Percentage distribution of total budget outlays]

Program	1961 actual	1969 actual	1971 estimate
National defense.....	48	44	37
Human resource programs <sup>1</sup> .....	30	34	41
Other.....	22	22	23
Total budget outlays.....	100	100	100

<sup>1</sup> Includes the following functional categories: education and manpower, health, income security, and veterans benefits and services.

*Reducing outmoded or uneconomic programs.*—I believe strongly that the Federal budget process can no longer

confine itself to marginal increases or decreases. Much of the budget is the outcome of program decisions made in years past, or even decades ago. Today, more than two-thirds of Federal outlays are relatively uncontrollable in the near term.

We must begin to cull from the budget mass those programs that are ineffective or poorly designed and those where the original need has long since vanished. Since needs and technology change rapidly, Government programs must keep pace.

Therefore, I propose to restructure, reduce, or terminate a number of outmoded or uneconomic programs that will save \$2.1 billion in 1971. These proposals, discussed in detail in Part 2 of the budget, envision that:

*Fundamental restructuring* of programs will save nearly \$1.4 billion in 1971. For example, the basic concept underlying the present objectives of the Nation's stockpile of strategic and critical materials must be re-examined and modernized. Many commodities in the stockpile are now far in excess of foreseeable needs. Expanded authority will be sought to permit the disposal of \$750 million of these materials in 1971.

*Program terminations* will save about \$300 million from lower priority activities in 1971. Much of the total is accounted for by eliminating certain agricultural programs which have accomplished their purposes or are no longer high priority.

*Reductions* in uneconomic programs will total \$436 million in 1971. The largest reduction stems from actions taken in manned flight activities of the space program.

These actions will provide more than \$2 billion each year to help meet high-priority needs of today and pressing problems of the future.

*Preparing for the future.*—This Administration is placing heavy emphasis on the long-range implications of current decisions. We must become increasingly aware that small decisions today often lead to large cash outlays in the future. Past failure to recognize this fact is responsible for much of the current budgetary inflexibility, hampering our present progress.

The future holds great promise. But looking ahead, we can also foresee that:

The expected increase in Federal tax revenues will not be sufficient to meet all meritorious claims—a reduction in taxes, a budget surplus with high employment, the initiation of new programs, and the expansion of existing programs—that will be made.

It will be necessary to evaluate *existing* programs and proposed new programs to ensure that Federal funds are raised and spent in the most effective way. We will have to shift funds from uses with relatively low effectiveness or priority to those uses that now have higher priorities.

*Growth of the economy.*—From fiscal years 1970 through 1975, the labor force is expected to grow from 85 million to 92 million, a net addition equal to the total employment in the State of California. Coupled with rising productivity

and a return to more modest price trends, our gross national product could increase from \$960 billion in fiscal year 1970 to nearly \$1.4 trillion in 1975. It took the Nation 19 decades to reach a total output of \$700 billion, but we will double that amount by our Bicentennial.

The growth of our productive capacity will be matched by growth in demand. Population will rise from 205 million to 218 million, a net addition greater than the present population of New England. There will be 4 million new family units formed.

*Pressures on the Federal budget.*—This growth and change will be reflected in Federal Government finances. During fiscal years 1971–1975:

On the basis of my tax recommendations last April, and those contained in this budget, the increase in personal income, corporate profits, and other sources of revenue would have increased the yield of the tax system to \$278 billion in 1975.

However, the new Tax Reform Act will reduce that potential increase in 1975 by \$12 billion. As a result, Federal revenues will be a smaller proportion of gross national product in 1975 than in 1970.

Growth will also require additional Government services and generate greater spending. By 1975 we estimate that:

The increases in population, wages, and other factors would seem to necessitate growth in many existing Federal services, causing outlays to rise by \$28 billion—unless further economies are found.

Program terminations and restructuring recommended in this budget will reduce the growth in the budget base, however, by \$2 billion. Further cuts will be sought in the future.

New initiatives that I have already proposed or am proposing in this budget are estimated to rise to \$18 billion in outlays.

In the past, the Federal Government has been unwilling to pull all the pieces together and present the results of projecting Government finances into the future. I feel that this is an essential part of an enlightened discussion of public policies even though precise figures are, of course, impossible.

Looking ahead, the margin of discretionary Federal resources left over—in a sense, a national nest egg—for distribution to private citizens through tax reduction, for distribution to State and local governments as we move forward with the New Federalism, or for new Federal Government programs, is small. Furthermore, the inherent uncertainty in projecting the future rate of economic growth and unforeseen international tensions could easily alter these projections to show no future resources for discretionary action.

With these qualifications in mind, we can estimate that anticipated revenues are likely to exceed projected outlays by \$22 billion in 1975—a margin equal to only 1.5% of our gross national product. Furthermore, our current estimates indicate little, if any, margin for 1972.

BUDGET PROJECTIONS<sup>1</sup>

[Fiscal years. In billions]

Description	1971 estimate	1975 projected
<b>Revenues:</b>		
Tax structure proposed by administration (April 1969) <sup>2</sup>	\$205	\$278
Less effect of 1969 Tax Reform Act	-3	-12
Total	202	266
<b>Outlays:</b>		
Current program	200	228
New initiatives reflected in this budget	3	18
Less program termination, restructuring, and reduction currently proposed	-2	-2
Total	201	244
Margin remaining		22

<sup>1</sup> The assumptions and procedures underlying these projections are described in Pt. 2 of the budget.

<sup>2</sup> Includes revenue effect of legislation proposed in this budget.

Decisions to include new spending programs in this and future budgets will recognize long-run savings that would be lost if action is not taken. For example, the proposed Family Assistance Program is designed to reform our outmoded welfare system. If enacted, it would cost an estimated \$4.4 billion in the first full year of effect. However, the incentives to preserve families intact and increase gainful employment will eventually mean a long-run increase in economic self-sufficiency, which I believe far outweighs these substantial, but essential, public costs.

*The path to our goals.*—Among the meritorious claims on our resources are:

Protecting our physical environment by taking further actions to reduce air and water pollution, and by providing additional parks, open spaces, and other recreational opportunities.

Maintaining our physical and economic base by improving transportation systems, and by stimulating the construction of additional low- and moderate-income housing.

Bringing better health to all, by reforming the health care delivery system, by increasing the Nation's corps of needed health personnel, and by emphasizing areas that promise important breakthroughs in medical research.

Equalizing career opportunities by investing in new methods of education, in aid to low- and middle-income college students, and in job training.

Renewing the American education system by emphasizing research and experimentation, by investing in teacher training and new community colleges, and by redressing inequities in educational financing.

Obtaining budget surpluses in order to generate additional savings so housing and State and local construction can be financed without undue reliance on Federal aid. The absence of such surpluses would tend to keep interest rates high and to make capital markets less efficient.

Reducing and realigning tax burdens further in a fair and judicious manner, when such action is prudent and desirable in the light of all other national priorities.

As long as the growth of revenues exceeds the growth of "built-in" expenditures we will be able to make some genuine progress toward these goals.

The progress that we make in pursuit of these goals must depend on their relative priority, our ability to design workable programs, and our willingness to raise the required resources.

## THE SEARCH FOR PEACE

We seek a world in which all men can live in peace, freedom, and dignity.

*Peace and national security.*—The best way to achieve this goal is through maintaining sufficient strength to deter aggression—and cope with it where necessary—supported by effective and verifiable international agreements, and by collective security and cooperation.

One of my first official acts as President was to direct a comprehensive and orderly review of our national security policies and the programs required to carry them out. This was the most thorough re-examination of its type ever undertaken, designed to bring our strategies, forces, and priorities into proper balance.

This budget reflects the transition from old policies and strategies to the new ones stemming from our review. I have:

Initiated a plan designed to bring a just and honorable peace to Vietnam. Our approach involves a two-pronged effort to negotiate in Paris and to effect an orderly transfer to the South Vietnamese of the major responsibilities the United States has assumed in that country. We will do so in a manner that will help maintain that country's right of self-determination. While negotiations have been disappointing, progress in Vietnamization has been encouraging and has enabled Vietnamese forces to assume a greater burden on the battlefield. In accord with this plan, I have already announced a series of troop withdrawals that will reduce our authorized forces in Vietnam by 115,500 below that existing when this Administration took office.

Begun strategic arms limitations talks with the Soviet Union.

Signed the Nuclear Nonproliferation Treaty.

Begun construction of the Safeguard missile defense system, intended to protect the United States from limited nuclear attacks, including an accidental missile launch, and to protect some of our retaliatory forces.

Renounced biological weapons and initiated disposal of existing bacteriological weapons.

Appointed an advisory commission to develop a comprehensive plan for eliminating the draft and moving toward an all-volunteer military force.

Signed into law my proposal for draft reform, to shorten the maximum period of draft vulnerability to one year, thereby reducing uncertainty for millions of our young men.

Looking to the future, both our strategy and forces must be designed to honor our international commitments and to insure our national security. We must make realistic and continuing assessments of the programs required to support these objectives.

The strategy of this Administration, as I stated at Guam, is based on the expectation that our allies will shoulder substantial responsibility for their own defense. With this posture, we can safely meet our defense requirements with fewer resources.

*International relations.*—Early in my Administration, we sought to identify more effective ways to encourage international development and stability with a limited availability of Government funds.

I have concluded that the answers lie in greater initiative by the countries we assist, more trade, a larger role for private enterprise, and increased reliance on cooperative, multilateral efforts. I strongly support international organizations as effective channels for development assistance.

We are urging all industrialized countries to reduce trade barriers against products of special importance to developing countries. I urge enactment of trade legislation now before the Congress that would reduce trade barriers and provide more equitable adjustment assistance to industries, companies, and workers injured by import competition.

We are encouraging private enterprise, both locally based and American, to bring its dynamism to the challenge of economic development. To enlarge the role of private enterprise still further, I will establish the Overseas Private Investment Corporation—a recommendation already approved by the Congress.

Trade and private enterprise by themselves are not sufficient. I am also proposing budget authority of \$1.8 billion for the Agency for International Development to provide direct aid to developing countries. I will make further proposals to strengthen our aid programs based on a review by my task force on foreign aid.

## THE QUALITY OF THE ENVIRONMENT

One of the most important new initiatives that I am proposing for the first time in this budget is to enhance the quality of life—the legacy of one generation of Americans to the next.

Our environment is becoming increasingly unpleasant and unhealthful. We are hampered by polluted air, contaminated rivers and lakes, and inadequate recreation opportunities.

Despite current budget stringency, we must find a way to move aggressively on these problems now. Delay would make our environment more unlivable, and raise the costs of what we must do in any event. I will send a Special Message to the Congress setting forth major proposals to improve and protect our surroundings.

Highest priority will go to elements of the program designed to attack water pollution and air pollution—those problems that most directly impinge on our health and well-being.

The major responsibility to reduce pollution rests appropriately with State and local governments and the private sector. However, the Federal Government must exert leadership and provide assistance to help meet our national goals.

*Clean water.*—I am proposing a sus-

tained national commitment to meet our water quality goals. I will seek legislation for a 5-year program providing grants to communities for the construction of sewage treatment facilities. This effort will grow in momentum as communities complete their plans and begin construction. When combined with State and local matching funds, this program will provide \$10 billion of construction beyond that already appropriated by the Congress.

The proposed environmental financing authority, discussed later in this Message, will help local communities finance their share of the projects.

I am proposing a fundamental reform of the municipal waste treatment program to assure that Federal funds go to areas where the benefits are clear and where State and local governments have developed adequate programs to achieve stated goals. We must also assure that cost sharing for treatment works is equitable and creates incentives for reducing the amount of waste that would otherwise have to be treated in municipal systems.

I am recommending increased assistance to State water pollution control agencies and a strengthening of enforcement provisions.

**Clean air.**—We are now asking the States to set standards for two major air pollutants—sulfur oxides and smoke particles. Standards for additional pollutants will be set shortly. I am proposing additional funds and manpower to help the States with this difficult task.

To help control air pollution, we will accelerate efforts to control sulfur and nitrogen oxides. We will call upon private industry to help solve the problem. The airlines have already agreed to abate aircraft smoke emission by 1972. We will increase our own spending for air pollution control by more than 30% in 1971.

**Open space.**—Improving the environment will also require increased efforts to provide adequate park and recreation open space—particularly in and near cities, where the need is the greatest and land prices have been escalating most rapidly. I am recommending appropriation of all the funds presently authorized for the Land and Water Conservation Fund to speed acquisition of Federal park lands and increase assistance to States to provide more recreation opportunities. Wilderness, open space, wildlife—once gone—are lost forever.

**Contribution of science and technology.**—Where technology has polluted, technology can purify. Solutions to many of our problems can be found only through greater understanding of our environment and man's impact upon it. We must also augment our ability to measure and predict environmental conditions and trends.

I am confident that this challenge can be met by our leading research institutions and scientists. To encourage research related to environmental and other national problems, I am recommending that appropriations for the National Science Foundation be increased.

#### REFORMS AND NEW DIRECTIONS

Reform is the watchword of this Administration. In years past, Federal programs all too often have failed to deliver even a reasonable share of their promises.

Reform touches on nearly every aspect of Government activity. It is demonstrated in this budget by proposals to introduce new, more effective program systems, and to modernize and make responsive Government organization and processes.

**Income security programs.**—When this Administration took office, many of our income security programs were in disarray and in need of long-overdue reforms. Welfare programs were discredited in the eyes of both the recipients and taxpayers. Many of our citizens were going without adequate food and nutrition. Social security benefits had become eroded by inflation. Unemployment compensation failed to cover millions of workers, and payments in many States were inadequate.

I set into motion fundamental reforms in each of these areas. I urge the Congress to move promptly on my proposals which are now awaiting action:

**The Family Assistance Program** would replace an inequitable and unworkable dole that often disrupts family life, with a comprehensive system for aiding all low-income families with children—including the long-neglected working poor. It features national benefit standards, promise of greater family stability, and requirements and incentives for work and job-training. This program would be closely integrated with manpower training and with the food benefits made available under the augmented food stamp program.

**Social security legislation** enacted in December provides an across-the-board benefit increase. I have made other proposals to correct inequities in the program, including a liberalization of the "retirement test" (the current earnings that may be allowed without reducing or eliminating social security benefits), and an increase in widows' benefits to make them comparable with what their husbands would have received.

The **unemployment insurance proposals** would extend coverage to an additional 5.3 million workers (including many farmworkers), increase the duration of benefit eligibility during any period of high national unemployment, and reform the financing of the system by increasing the taxable wage base.

For the Family Assistance Program, I have included outlays of \$500 million in the budget for 1971. This estimate is significantly lower than the \$4.4 billion first full-year cost of this program for a number of reasons. Time is required for the various levels of government to prepare to administer elements of the Family Assistance Program that can be put into effect during fiscal year 1971. Many State legislatures will be unable to meet in time to implement the program. Rates of participation in a new program of this scale take time to build up, causing a delay before the program can reach its full

operating level. We intend to make every effort now and after the Congress has acted to initiate this high priority program on a responsible and workable basis.

The Family Assistance Program is an essential element of the *income strategy* adopted by this Administration. This approach of directly providing income and work opportunity for the poor is based on the proposition that the goal of self-sufficiency requires continuing emphasis and that the best judge of each family's particular needs is the family itself.

**Federal aid system.**—The old system for providing financial aid to State and local governments has become bogged down in an administrative morass. It breeds excessive centralization of decisionmaking, and tends to sap local initiative.

This Administration has begun to decentralize domestic programs. We seek to reinvigorate institutions close to the people, and to enlist their support in the solution of local problems before they become national problems. I hope to see new life in local institutions and a new vitality in voluntary action.

**Federal revenue sharing** with State and local governments is one vital element of our decentralization efforts. Revenue-sharing funds will not be frozen into specified program areas. Policy officials at the State and local level will have the responsibility for using these funds to meet high-priority needs. Revenue sharing is based on a formula that encourages State and local governments to increase their own fiscal efforts. I urge prompt action on this important effort to restore balance to our federal system.

Including revenue sharing, total Federal aid to State and local governments will rise to an estimated \$28 billion in 1970, nearly four times the amount in 1961.

Recent experience has made it clear that many State and local government units are having serious difficulty securing funds in the municipal bond market. To assure more adequate access of these governments to financial markets, I shall propose the creation of an environmental financial authority to enable such governments to borrow money needed for their share of federally assisted projects for water pollution abatement.

Action is also underway to simplify administrative and technical requirements in Federal assistance programs. By cutting red tape, we can reduce processing time and decentralize decisionmaking. I urge completion of congressional action on my proposals to authorize joint funding of closely related grant projects and grant consolidation.

To achieve better coordination of Federal programs in the field, we have established uniform regional boundaries and regional office locations for the principal agencies involved in urban programs. This action will provide focal points for State and local officials to deal with these Federal field offices. I have also created 10 regional councils, composed of the regional directors of the main grant-making agencies, to mesh Federal activi-

ties more closely with State and local programs.

**Improved organization.**—There is great need for better organization and management of the Federal governmental system. I refer to the legislative branch and the judicial branch as well as to the executive branch. The Advisory Council on Executive Organization is hard at work on plans to strengthen the ability of the Executive Branch to insure that government programs produce the results intended by the Congress and the President.

The Congress has recently established, by law, a Council on Environmental Quality to coordinate efforts to improve our surroundings—an objective which I share.

We have reorganized the Office of Economic Opportunity to strengthen its capacity for innovation and experimentation in developing programs that effectively meet the needs of the economically disadvantaged. Other agencies, such as the Departments of Labor, Agriculture, and Housing and Urban Development, have been reorganized internally to increase their effectiveness.

A blue ribbon panel is studying the Department of Defense, its organization, research and development programs, and procurement practices. I have formed a Defense Program Review Committee to insure that major defense policy and program issues are analyzed in their strategic, economic, diplomatic, and political context.

The Nation's postal system is in need of basic reform. I have recommended complete reorganization of the Post Office along businesslike lines, and repeat my request to Congress for prompt approval.

I have also proposed strengthening our programs dealing with consumer affairs, including creation of an Office of Consumer Affairs in the Executive Office of the President and an Assistant Attorney General for Consumer Protection in the Department of Justice.

**Education and manpower.**—I place high priority on expanding the use of manpower programs as a means of getting people off welfare rolls and into productive employment. I have proposed a new comprehensive Manpower Training Act that will bring together a variety of separate programs and will enable State and local units to make more manpower decisions for themselves. These steps will give increased responsibility to State and local governments for planning and operating manpower programs to meet local conditions and the specific needs of each trainee. In the meantime, major operating reforms are taking place in nearly all manpower training programs to increase their effectiveness.

Computerized Job Banks will be in operation in 81 cities by 1971, providing a daily listing of available jobs to help match jobseekers with employment opportunities more rapidly.

We will continue our efforts to insure equal employment opportunities to all Americans. I have already requested the Congress to grant enforcement powers to the Equal Employment Opportunity

Commission. I reiterate that request. Under the concept of the "Philadelphia Plan," we will help provide minority groups with fair access to training and jobs with Federal contractors.

The Federal Government is making a substantial investment in the Nation's education system. In 1971, counting all the education-related efforts of Federal agencies, we will spend an estimated \$10.7 billion—the largest amount in our history.

This Administration is committed to improved performance in education programs. I have initiated proposals to provide broader support for education, including grant consolidation, and other steps to improve the effectiveness of Federal aid. I am also recommending major new efforts to raise student achievement through research and development projects. We are evaluating and redirecting other programs to assure that Federal assistance is targeted on high priority purposes, such as disadvantaged children, and that it achieves the results we expect.

In the coming weeks I will send further recommendations to the Congress, outlining proposals for educational reform.

**Crime reduction.**—Some of my most important legislative proposals still awaiting congressional action are designed to launch a determined attack against crime. The budget for 1971 provides about \$1.3 billion for crime reduction, nearly double the outlays in 1969. This budget represents a first step in a comprehensive program for improving all parts of our criminal justice system—at every level of government.

To accomplish this objective, I am proposing:

A \$190 million increase in outlays for the Law Enforcement Assistance Administration for broad-purpose block grants to States. The responsibility for reducing local crime rests with agencies of State and local governments, but the Federal Government must provide effective assistance when the need is so great.

Reforms in correctional programs. Outlays will reach \$177 million for these purposes in 1971.

An intensification of the war on organized crime. I propose increasing our strike forces against organized crime to 20 in 1971, and continuing experimentation with strike forces also using State and local enforcement officers.

An enlarged and more vigorous effort to control the traffic in narcotics and dangerous drugs.

The development and testing of more effective methods for controlling and preventing crime. For the future, we must have a better understanding of criminal behavior, particularly juvenile crime and delinquency.

**Transportation.**—Mobility of people and goods is important to economic growth and personal satisfaction. Today, our mobility is threatened by increasing congestion and aging facilities. This Administration has proposed legislation to:

Assist urban transportation through a 12-year, \$10 billion program of grants

to communities to modernize and expand public transit facilities and services. The 1971 budget includes budget authority of \$3.1 billion to cover the first 5 years of the program.

Expand our airways and airports and maintain a high level of safety. We will accomplish this through a 10-year, \$3.1 billion program of research and investment in our national airway system, and a \$2.5 billion grant program for airfield construction and improvement. These added costs will be financed through increased *user charges*.

Revitalize our merchant marine through improved techniques of Federal aid for ship construction and operation. This 10-year program envisions building as many as 30 new ships each year, with a gradual reduction in the Federal subsidy. The approach is conditional, challenging the industry to become more efficient and less dependent on Government subsidy.

**Housing.**—The budget includes a substantial effort to help meet our housing needs. In 1971, over 1.9 million low- and moderate-income families will be living in good homes and apartments because costs have been kept within their reach through the Federal Government's actions. Moreover, we are requesting enough authority for new commitments in 1971 to help provide almost 600,000 additional housing units for such families.

We can meet the housing needs of the Nation only if we are able to effect basic reforms in the way we now go about the task. There is growing doubt that the Nation's homebuilding industry has the resources essential to build the needed volume of housing. The housing industry suffers disproportionately from credit shortages. More plumbers, electricians, and other construction workers are needed. Vital materials like lumber may not be available in sufficient quantities at reasonable prices.

We have been actively working to solve these underlying problems. We have inaugurated *Operation Breakthrough*. This experimental effort is designed to link the development of new methods for high-volume housing production with the assurance of housing markets large enough to make volume production feasible.

**Health.**—In the Sixties, the Federal Government embarked on a number of new health care programs. Medicare currently covers hospital costs and physician services for 20 million aged. Medicaid provides coverage for over 10 million poor.

Serious problems remain. Foremost among them are the rapid rise in medical care prices, inadequate health services for the poor, and other health problems only recently recognized.

To cope with fast-rising demand and health costs, we need to increase the efficiency and supply of our medical resources—both physical and human. We must provide more practicing physicians, dentists, nurses, and other health manpower. I have proposed revisions in the Hill-Burton program to increase construction of facilities for outpatient care



as a means of easing the pressure on hospitalization or inpatient treatment facilities. Modernization needs will be met by a new loan guarantee program. Revisions will also be proposed in Medicaid to stimulate the use of proper, but less expensive, medical treatment outside hospitals and long-term care institutions. Increased emphasis will be given to programs to assess and demonstrate more efficient ways of providing health care.

To provide better health care to the poor, I am increasing the number and services of comprehensive health centers in low-income areas.

To combat growing health problems, I have proposed significant increases in community-based programs for the prevention or cure of drug addiction, rehabilitation of alcoholics, and family planning services and research. Last year I announced a 5-year goal to reach 5 million women who want, but are not receiving, family planning services. The new National Center for Family Planning Services, working with the Office of Economic Opportunity, will reach 2.2 million women in 1971, almost halfway toward our goal.

While continuing general support for medical research, I am also recommending substantial increases in research on cancer, heart disease, serious childhood illnesses, and dental health—where current findings promise significant advances in the future.

*Space.*—Man has ventured to the moon and returned—an awesome achievement.

In determining the proper pace for future space activities, we must carefully weigh the potential benefits of:

Scientific research by unmanned spacecraft;

Continued exploration of the solar system, including manned exploration of the planets; and

The application of space and aeronautics technology to the direct benefit of mankind.

I have reviewed many exciting alternatives for the future. Consistent with other national priorities, we shall seek to extend our capability in space—both manned and unmanned. I intend to do this within total space outlays 12% smaller than in 1970. In our current efforts, we will continue to stress additional uses of space technology. Our actions will make it possible to begin plans for a manned expedition to Mars.

*Effective program planning and evaluation.*—The American people rightly demand that Government spending be subjected to tough-minded evaluation so that their tax dollars are used in the most effective way.

I am revitalizing our Government-wide system for program planning and evaluation. Several steps have already been taken this year. I have encouraged the analysis of major policy issues to identify Federal programs that should be redirected, terminated or expanded. This process provided helpful information for many of the major problems addressed by the Executive Branch this year, and helped frame my program proposals for Family Assistance, Food Stamps, and Space.

Long-range planning is receiving in-

creased emphasis in the Bureau of the Budget, and has provided a basis for the longer-range perspective of this budget. To help anticipate future needs, I created a National Goals Research Staff to examine long-term trends and to explore what America's goals and priorities might be in the years to come. It is my hope that the forthcoming Bicentennial will also focus public attention on the ideals of our American heritage.

I have also taken some first steps to increase the amount of information upon which effective program planning and evaluation must be based. At my direction the Bureau of the Budget instituted a continuing audit of the timeliness of major Federal statistical series. They are now being issued more promptly than a year ago. Still further efforts to strengthen the statistical program are also underway to provide the Executive Branch, the Congress, and the public with data adequate to meet today's needs.

#### CONCLUSION

We have begun to travel a new road.

I am confident that this new road will lead us to an honorable peace in Southeast Asia and toward peace and freedom in the years ahead. As we travel that road of responsibility, our economy will overcome its inflationary fever and return to a sustainable rate of growth.

Domestic programs are being reshaped and revitalized to reach and involve the individual American. Guiding us in this effort are five central themes, which are essential elements of the New Federalism:

An awareness of the growing desire for fairness and equal opportunity in every facet of American life;

A recognition of the importance of the interests of the individual in the decisions that determine his destiny;

An emphasis on restructuring basic program systems to ensure that Government efforts deliver the full measure of their promise;

An understanding that national unity is needed for the setting of goals, and national diversity must be respected in the administration of services; and

A willingness to return power to the people and dignity to the individual, through financial help to State and local governments and renewed reliance on private, voluntary action.

This budget reflects these principles; it expresses the *shared purposes* of the Nation.

This budget imparts to our goals a sense of timing and commitment appropriate to a vigorous, free people seeking constantly to expand the Nation's potential and improve its performance.

RICHARD NIXON.

THE WHITE HOUSE, February 2, 1970.

#### THE PRESIDENT'S BUDGET FOR FISCAL YEAR 1971

(Mr. MAHON asked and was given permission to address the House, to revise and extend his remarks, and to include extraneous matter and tables.)

Mr. MAHON. Mr. Speaker, it is traditional that following the reading of the President's budget message, the chairman and the ranking minority member

of the Committee on Appropriations make some remarks in regard to the content of the message.

Mr. Speaker, I have in mind some remarks which I should like to make at this time but in view of the passing on yesterday of a very distinguished member of the Appropriations Committee, Mr. LIPSCOMB, with whom I worked so closely through the years, I do not think it would be appropriate for me to speak at length at this time.

On Monday next, February 9, the Secretary of the Treasury, the Director of the Bureau of the Budget, and the Chairman of the Council of Economic Advisers will be before the Committee on Appropriations to discuss the overall budget and economic situation.

Following this meeting, I will very probably have more to say about the President's budget. Under these circumstances we will have more time to consider in more depth the important document which has just been presented to the House. The President's budget is, of course, a very important communication and it will be considered in great depth in the coming weeks and months by the Appropriations Committee and by the Congress as a whole.

#### THE PRESIDENT'S BUDGET—FISCAL YEAR 1971

(Mr. BOW asked and was given permission to address the House, to revise and extend his remarks, and to include extraneous matter and tables.)

Mr. BOW. Mr. Speaker, only 11 days ago the Members of this Congress and the citizens of our Nation heard President Nixon speak on the state of the Union. In that address the President set forth plans and national priorities for an entire decade. Today we have received the first step in these plans—the budget for fiscal year 1971—and I am personally pleased to commend our President for the budget he has recommended.

#### A BALANCED BUDGET

Certainly the most significant aspect of the 1971 budget is that it is balanced. It estimates receipts of \$202.1 billion and outlays of \$200.8 billion. It projects a surplus, not a deficit.

This is important because in 1960, at the end of the last Republican administration, the national debt amounted to \$290.9 billion. And, during 8 subsequent years of Democratic administration this has been increased by \$78.9 billion. Every person in this country has been subjected to the vicious 25-percent increase in the cost of living that has resulted.

This year the interest alone on the national debt will cost \$18.8 billion—more than twice the cost in 1960. That is \$35,769 with every minute of the day and night—every day of the year. This is what it means for the Federal Government to spend more money than it receives. These \$18.8 billion could have helped immeasurably to resolve many of our pressing national problems, and a balanced budget is a mandatory first step in the right direction.

#### CONSIDERATION OF NATIONAL PRIORITIES

The President has said many times that our No. 1 priority must always be

world peace, including especially disengagement from Vietnam in a way that will preclude other Vietnams for generations to come. In addition to the personal consideration this means for us and our children, there is yet another consideration associated with this issue. Through progress in scaling down military conflict abroad we can release more funds for our needs at home.

This budget calls for the smallest percentage of Federal spending for national defense in 20 years. As we continue to work toward peace these reductions in the portion of our budget committed to Defense can facilitate a further reduction in taxes and provide assistance for the necessary attacks on poverty and hunger, the pollution of water and air, narcotics and crime, and ill health and disease.

#### A CURB ON INFLATION

Also of critical importance to the President, the Congress and all Americans is the need to reverse today's inflationary trend. In recent weeks we have begun to see the first tangible evidence of progress in relieving pressures on an economy that had been adding fuel to the fire of inflation. Mr. Speaker, those whom we represent, our citizens at home, are expected to meet their obligations and within their means. Certainly our Government has the same responsibility, and this is a critical point in time for us to demonstrate it.

In a recent message just before adjournment of the first session, the President eloquently described the impact of imprudent Federal expenditures. He stated:

A dollar of spending does not add just one dollar to the spending stream: It is spent, and in turn provides income to someone else to spend again, multiplying its effects . . . A billion dollars of Federal spending . . . can add many times that amount to the escalation of our rising price levels. And inflation—the hole in everybody's pocket—is the most unfair tax of all.

This budget request finally slows down the rate of increased Federal spending. It is a Republican commitment to stable growth for a nation whose economic health has been threatened.

#### POLLUTION, CRIME, AND FEDERAL REFORM

Although many reductions have been made, appropriate recognition has been given to those programs whose priority can no longer be deferred. This includes the vital resource of our waters and streams. There is hardly any body of water in our Nation, or for that matter the world, that is today untouched by pollution. When Thor Heyerdahl returned from sailing the Atlantic Ocean, he stated that "It looked like a sewer." The Cuyahoga River in Ohio is so foul that it caught fire last year, and the only fish that can live in Lake Erie are a mutant species of carp that have learned to survive in the presence of filth and poison.

We have the thinnest grasp on the control of our environment and we must act to conserve now or there will be nothing left to conserve in the future. The technology to improve the quality of our water already exists, and the President's proposal for sufficient contract au-

thority to sustain a \$10 billion effort during the next 5 years is a giant step. This budget permits us to accelerate an effort that will result in returning our lakes, rivers, and streams to the condition in which we found them many years ago.

The President also reminded us of the unpleasant truth associated with crime and narcotics that overshadows our cities and has begun to spread through our suburbs. Last year the President requested a fivefold increase over the amount previously provided for law enforcement assistance. This year this budget provides \$1.3 billion for crime reduction—almost double the outlays in 1969.

Our citizens should not have to be victimized by drug addiction or terrorized by crime. The President has done his part in identifying this problem, and it is up to us to provide necessary legislation and funds.

The common theme reflected throughout this entire budget—the element of Federal reform—should also be apparent. Billions of dollars have been spent on well intentioned but poorly conceived programs that do not accomplish the purpose intended. Last year the key arguments centered on tax loopholes. This year our target must be spending loopholes. The 1971 budget is structured in this direction. It identifies programs that should be reduced, terminated, or fundamentally changed. It recommends reductions that will save \$436 million, changes that will save \$1.4 billion, and terminations that would have cost \$300 million. This kind of reform will provide for the beginning of a new trend in the size and shape of our Federal Government.

#### PREPARATION OF THE BUDGET

Mr. Speaker, I must point out that this was not an easy budget to prepare. During the past session this Congress approved certain measures that will reduce revenue next year and failed to act on other requests that would have provided income. Congressional action on appropriation bills was so delayed that in many cases our President was forced to make his decisions for 1971 without even knowing the final figures for 1970.

And, as in past years the President was subjected to the same pressures for increased Federal funding. He could have followed the tradition of previous administrations and called for sharply increased taxes, but it was the difficult choice that had to be made. The only steps that could be taken in the development of this budget was steps the administration could control itself. That is why we have a reduced budget that contains amounts we can all believe.

#### CONGRESSIONAL RESPONSIBILITY

Finally, I call to the attention of my colleagues the fact that this budget presents to us both a challenge and a responsibility. The challenge is to respond promptly to these requests in a way that will permit our Government to function with maximum effectiveness instead of prolonged uncertainty. The responsibility is to send to the President appropriation bills that provide for spending within the revenue available.

To be certain we have an obligation to review these estimates in the most careful manner. We must identify areas where adjustments are necessary or further savings can be obtained in order to fulfill our responsibility to those whom we represent. This must be our contribution to the development of a better life for the people of this country and our friends throughout the world.

At this point I wish to comment in further detail on some of the specific items contained in this budget.

The President has requested new obligatory authority of \$218 billion. Although this is more than the estimate for 1970, there is a significant change in priorities. For the first time since 1950 the budget will provide more funds for human resources than for defense.

#### CHANGING PRIORITIES

[Fiscal years. Percentage distribution of total budget outlays]

Program	1961 actual	1969 actual	1971 estimate
National defense . . . . .	48	44	37
Human resource programs . . . . .	30	34	41
Other . . . . .	22	22	23
Total budget outlays . . . . .	100	100	100

<sup>1</sup>Includes the following functional categories: education and manpower, health, income security, and veterans benefits and services.

At the same time it contains an almost unprecedented effort to improve the performance and efficiency of the Government. Through terminating programs that have accomplished their purpose, restructuring others to make certain their efforts are attuned to current needs and making selective reductions where priorities permit, it has been possible to reduce outlays by \$2.1 billion.

Examples of this kind of Federal reform include—

First, not holding in a national stockpile quantities of materials beyond what is necessary for our security based on an up-to-date evaluation of what is considered strategic and critical—this will result in a savings of \$751 million;

Second, reducing outlays for space research consistent with the completion of the expensive development phase of the lunar landing program and current budgetary constraints—this will result in a savings of \$400 million;

Third, changing the medicare program to discourage the over-utilization of long-term institutional care and encourage greater use of more efficient and effective means of providing medical assistance to those in need—this will result in a savings of \$215 million;

Fourth, changing the program providing payment to schools in federally affected areas so that education assistance is more closely attuned to local needs—this will result in a savings of \$196 million;

Fifth, changing programs designed to assist veterans to meet real need such as providing for new and improved hospitals, and eliminating programs such as those which provide compensation to persons with arrested tuberculosis or duplicate benefits provided by other Federal programs—this will result in a savings of \$159 million.

Sixth, eliminating programs in the Department of Agriculture that are no longer necessary such as the special milk program which has been superseded by other food assistance programs that include milk and have a broader application—termination of these programs in the Department of Agriculture will result in a savings of \$130 million.

Seventh, sale of the Alaskan Railroad because this kind of activity is more appropriately carried out by the private sector—this will result in a savings of \$100 million.

#### REDUCTION IN EMPLOYMENT

And perhaps, the most significant evidence of the administration's resolve toward Federal reform is to be found in the table concerned with Federal employment. For the second consecutive year progress is made in reducing the number of full-time employees.

#### FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH

Department or other unit	End of year		
	1969 actual	1970 <sup>1</sup> estimate	1971 <sup>1</sup> estimate
Defense and Post Office:			
Defense—Military and military assistance	1,225,877	1,165,900	1,110,100
Post Office	562,381	567,000	585,000
Subtotal	1,788,258	1,732,900	1,695,100
Civilian agencies other than Post Office:			
Agriculture	83,425	83,000	85,300
Commerce	25,364	25,600	26,700
Defense—Civil	31,214	30,700	31,000
Health, Education, and Welfare	102,941	102,500	105,100
Housing and Urban Development	14,307	14,900	16,000
Interior	58,156	59,300	61,100
Justice	35,106	37,600	39,100
Labor	9,723	10,300	10,800
State	24,658	23,900	23,400
Transportation	60,386	63,600	70,300
Treasury	79,982	86,700	93,500
Atomic Energy Commission	7,047	7,000	6,900
General Services Administration	36,176	36,400	36,800
National Aeronautics and Space Administration	31,733	31,400	30,600
Veterans' Administration	147,606	148,500	150,200
Other agencies:			
Agency for International Development	15,753	15,000	14,400
Civil Service Commission	4,970	5,300	5,500
Office of Economic Opportunity	2,856	2,400	2,500
Selective Service System	6,584	6,600	6,500
Small Business Administration	4,099	4,100	4,100
Tennessee Valley Authority	11,987	12,300	13,300
The Panama Canal	14,731	14,700	14,900
United States Information Agency	10,500	10,200	10,100
Miscellaneous agencies	26,200	27,800	28,900
Subtotal	845,504	859,900	887,100
Allowance for contingencies <sup>2</sup>		10,000	15,000
Total full-time permanent employment	2,633,762	2,602,800	2,597,200

<sup>1</sup> Excludes disadvantaged worker-trainees in the public service careers program.

<sup>2</sup> Subject to later distribution.

Note.—Totals may not add due to rounding. The figures for 1970 and 1971 include tentative estimates for employment under appropriations proposed for later transmittal. More detailed information on employment is contained in Special Analysis H, Civilian Employment in the Executive Branch, Special Analyses—Budget of the United States.

This reduction is achieved in spite of the significant increase in employees in the Department of Transportation necessary to improve air traffic safety.

#### NEW DIRECTIONS

But this year's budget is not just a series of reductions. As I described above, new and increased commitments have been made to restore the quality of our environment and reduce crime.

A new approach toward family assistance and a substantial expansion of food assistance programs are also budgeted. A new program—Operation Breakthrough—has been designed to demonstrate the economic feasibility of high-volume housing production techniques—in order to remove current market constraints that inhibit their use. In this way we can begin to prepare for the expanded housing requirements of our growing population.

And many of these programs—water pollution, family assistance, manpower training, and the proposed revenue sharing plan all demonstrate the commitment of this administration to involve State and municipal governments in the management of programs that affect them.

Thus Mr. Speaker, this budget properly addresses itself to the issues of paramount concern to all of our citizens in a way that manifests both imagination and commonsense.

#### NECESSARY LEGISLATIVE ACTION

The Appropriations Committee must now commence its review. And, as in past years, we very much need the cooperation and assistance of the legislative committees. Substantial action is required by them before the Appropriations Committee can complete its business. The amounts of money that are involved follow:

*Recommended 1971 budget amounts<sup>1</sup> requiring additional authorizing legislation*

[In thousands of dollars]

Funds appropriated to the President:	
Military assistance: Foreign military credit sales	\$272,500
Economic assistance: Supporting assistance	100,000
Peace Corps	98,800
Total	471,300
Agriculture:	
Food and nutrition service:	
Child nutrition programs	12,500
Food stamp program	1,080,000
Foreign Assistance and special export programs (P.L. 480)	230,000
Forest Service: Forest roads and trails (contract authority)	100,000
Total	1,422,500
Commerce:	
Economic Development Administration:	
Development facilities	162,800
Industrial development loans and guarantees	56,400
Planning, technical assistance, and research	22,200
U.S. Travel Service: Salaries and expenses	1,800
National Bureau of Standards: Research and technical services	3,379
Footnotes at end of table.	

Commerce—Continued	
Maritime Administration:	
Ship construction	\$199,500
Ship operation subsidies	32,992
Liquidation of contract authority	(160,008)
Research and development	20,700
Salaries and expenses	4,675
Maritime training	6,800
State marine schools	2,325
Total	513,571

Defense—Military:	
Procurement of equipment and missiles, Army	1,655,500
Procurement of aircraft and missiles, Navy	3,427,700
Shipbuilding and conversion, Navy	2,578,900
Other procurement, Navy	2,789
Procurement, Marine Corps	78,900
Aircraft procurement, Air Force	3,314,900
Missile procurement, Air Force	1,530,600
Research, development, test and evaluation:	
Army	1,717,900
Navy	2,197,300
Air Force	2,909,700
Defense agencies	470,700
Emergency fund, Defense	50,000
Military construction:	
Army	657,800
Navy	287,450
Air Force	261,455
Defense agencies	43,600
Family housing, Defense	718,500
Special foreign currency program	2,621
Total	21,906,315

Health, Education, and Welfare:	
Consumer protection and environmental health services:	
Air pollution control	106,003
Environmental control	14,336
Health Service and Mental Health Administration:	
Mental health	76,000
Health services research and development	57,403
Comprehensive health planning and services	247,178
Regional medical services	96,502
Medical facilities construction	89,321
National Institutes of Health:	
Health manpower	22,549
National Library of Medicine	5,792
Office of Education:	
Elementary and secondary education	1,470,643
Education for the handicapped	84,500
Vocational and adult education	55,000
Education professions development	7,000
Social and Rehabilitation Service: Rehabilitation services and facilities	9,215
Total	2,341,442

Housing and Urban Development: College housing (increase in limitation on debt service contract commitments)	(9,300)
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Interior:	
Bureau of Land Management: Public lands development roads and trails (contract authority)	3,000
Office of Territories: Trust Territory of the Pacific Islands	10,000

Recommended 1971 budget amounts<sup>1</sup> requiring additional authorizing legislation—Continued

[In thousands of dollars]	
<b>Interior—Continued</b>	
Bureau of Commercial Fisheries: Anadromous and Great Lakes fisheries conservation .....	2, 168
Bureau of Sport Fisheries and Wildlife: Anadromous and Great Lakes fisheries conservation .....	2, 311
National Park Service: Preservation of historic properties .....	6, 950
Bureau of Reclamation: Construction and rehabilitation .....	13, 838
Office of Saline Water: Saline water conversion .....	29, 373
<b>Total .....</b>	<b>67, 640</b>
<b>Justice: Law enforcement assistance .....</b>	<b>480, 000</b>
<b>Transportation:</b>	
Coast Guard: Acquisition, construction, and improvements .....	100, 000
Federal Highway Administration:	
Highway beautification:	
Appropriation .....	800
Contract authority .....	25, 000
Traffic and highway safety .....	33, 024
Forest highways (contract authority) .....	33, 000
Public lands highways (contract authority) .....	16, 000
Highway trust fund (contract authority) .....	1, 425, 000
Federal Railroad Administration: High-speed ground transportation research and development .....	21, 688
<b>Total .....</b>	<b>1, 654, 512</b>
<b>Atomic Energy Commission:</b>	
Operating expenses .....	2, 010, 900
Plant and capital equipment .....	259, 600
<b>Total, Atomic Energy Commission .....</b>	<b>2, 270, 500</b>
<b>National Aeronautics and Space Administration .....</b>	<b>3, 333, 000</b>
<b>Other independent agencies:</b>	
American Revolution Bicentennial Commission .....	375
Arms Control and Disarmament Agency .....	8, 300
Commission on Civil Rights .....	550
Commission on Revision of the Criminal Laws of the District of Columbia .....	150
National Foundation on the Arts and the Humanities .....	35, 000
National Science Foundation .....	513, 000
<b>Total .....</b>	<b>557, 375</b>
<b>Grand total:</b>	
Budget authority .....	35, 018, 155
Liquidation of contract authority .....	(160, 008)

<sup>1</sup>These amounts are recommended in the 1971 Budget, not proposed for separate transmittal following enactment of the authorizing legislation.

<sup>2</sup>Includes \$1,602,000 thousand for contract authority recommended for provision in highway legislation.

I sincerely hope we will have the prompt action of these committees to help us complete the work of the Congress. This is simply our responsibility toward a more efficient government.

## CONCLUSION

Mr. Speaker, in closing I must remind my colleagues what happened to the budget submitted last year. A \$5.8 billion surplus projected last April for fiscal year 1970 is now estimated to be only \$1.5 billion. A large part of the responsibility for that change rests with this Congress.

In acting on the 1971 budget we must remember that this Congress has taken action to reduce revenue in the coming year. Therefore, we must recognize our need to join the administration in reducing spending. The margin of a \$1.3 billion surplus estimated for 1971 will only permit the most responsible action by this body. The President has met his obligation toward stable economic growth. We must pursue the same goal.

Mr. GERALD R. FORD. Mr. Speaker, President Nixon's proposed balanced budget and his economic message are marked by courage and candor.

It is particularly gratifying that the President proposes to achieve a budget surplus without new or additional Federal taxes.

He is moving deliberately and decisively to slow down and stop the ravages of inflation as he is to slow down and stop the ravages of Vietnam. Both are difficult and dangerous situations still, but years of drift have been checked and we are now moving in new directions.

I have not examined the new budget recommendations in detail, but I have great confidence in the Secretary of Defense and in the other Cabinet officers who have been called upon to make sharp cuts in their departmental costs for the coming fiscal year. The Congress will, as always, have an opportunity to study, adjust, and finally work its will on the President's proposed budget, but the House has just demonstrated that we can sustain his promised veto of inflationary increases. The American people will support such prudent concern for their savings, the buying power of their earnings, and their tax dollars.

Mr. ALBERT. Mr. Speaker, tell me where a man puts his treasure and I will tell you where his heart lies.

President Nixon's budget message addresses itself eloquently to the Nation's environmental problems and needs. I find myself in wholehearted accord with the sentiments which he has expressed, and it is this area of the budget message to which I will direct my remarks. A careful examination of the more prosaic budget tables, however, reveals a wide disparity between the rhetoric of his message and the cold hard figures as to recommended appropriations, indicating what he actually plans to spend, for various environmental programs during the coming fiscal year.

Open spaces, a program by the way enacted by the Democrats in 1961 over vigorous Republican opposition—they voted 158 to 7 to kill it. The message states:

Improving the environment will also require increased efforts to provide adequate park and recreation open space—particularly in and near cities, where the need is the greatest and land prices have been escalating most rapidly.

The budget itself reveals plans for an expenditure of but \$75 million, a sum

identical to that provided by the Congress for the current fiscal year and some \$10 million below the authorization level for 1971 provided in last year's housing legislation.

Clean water—the President proposes “a sustained national commitment to meet our water quality goals.” We of course already have on the statute books a Federal Water Pollution Control Act. This measure was first passed by Congress in 1960 only to be vetoed by President Eisenhower. It was enacted under President Kennedy in 1961 and expanded under President Johnson in 1965. This legislation authorizes an appropriation of \$1¼ billion for 1971. During the past year, over the opposition of the administration, Congress funded this program at its highest level ever, \$800 million. The President nevertheless fails to recommend the appropriation of a single dime for this proven program. While it is not exactly clear as to just what he is proposing in this area, I gather he is urging the enactment of some type of contract and guaranty program to replace congressional appropriations. Similar proposals have been pending in the Congress for years and have been rejected. They are strongly opposed by mayors, conservationists, and experts in the antipollution field.

Time of course has not permitted a detailed examination on my part of the budgetary recommendation on every environmental-type program; but in the case of those which I have studied, the story is without exception the same. For example, in 1965, Congress authorized a water and sewer grant program to be administered by the Department of Housing and Urban Development. Last year's housing legislation raised its authorized level for 1971 to \$500 million; the President's budgetary recommendation calls for only \$150 million.

Urban renewal which the President describes as “the primary tool for helping cities and towns convert slums into attractive areas” is authorized pursuant to title I of the Housing Act of 1949, a measure which by the way the President as a Member of the House voted against. Last year, Congress authorized an appropriation for 1971 of \$1.7 billion for this program. President Nixon's budget request of \$1 billion, the same sum appropriated for this year, would reduce this by 70 percent. A \$105 million authorization for comprehensive urban planning has been provided for the coming year. The President's proposed budget would reduce this to \$60 million. The President refers approvingly to the neighborhood facilities program yet requests an appropriation of but \$40 million against congressional action last year in authorizing \$66 million for 1971.

Two programs in the environmental area have been of particular assistance to smaller communities, public works planning, and advance land acquisition for public works.

The President recommends the termination of both.

The Democratic leadership of both House and Senate, at the outset of this session, pledged themselves to vigorous and expeditious action to protect our environment. We have of course welcomed

the President's support. Candor, however, requires an expression of deep regret on my part over the President's failure to translate the noble generalities which he has uttered into a firm financial commitment to wage the necessary all-out attack, if our environment is to be saved.

Mr. ARENDS. Mr. Speaker, the President's budget message today is more than just a budget message.

Instead, it lays out clearly and concisely the issues the President thinks are of the highest priority this year and in coming years.

Issues such as inflation, improvement of environment, improvement of our welfare system, and other major social programs.

Perhaps the most significant lines in the budget message are the ones that say:

For the first time in two full decades, the Federal Government will spend more money on human resource programs than on national defense.

It is obvious, Mr. Speaker, that the President and his advisers are as conscious of the need to reorder our priorities as any Member of this Congress. They have made this clear in preparing this budget. It is up to the Congress now to give meaning to the President's programs—to give the Nation the new directions the President points out and to do it within the framework of a spending program that is not only realistic, but also anti-inflationary.

Mr. HOLIFIELD. Mr. Speaker, this morning a copy of President Nixon's budget for fiscal year 1971 was delivered to my office. I note that the Madison Avenue tactics of the administration have also been applied to this document.

On page 30 of the "Budget in Brief," it is stated:

Outlays for military functions for the Department of Defense in 1971 are estimated \$9.5 billion below the amount requested for 1970 by the prior Administration and \$5.3 billion less than presently estimated for 1970.

This item will no doubt be picked up by the news media and elaborated upon as a great Nixon administration economy move.

The truth is, Mr. Speaker, that President Nixon himself requested defense funds for fiscal year 1970 in the amount of \$75.3 billion. Congress appropriated only \$69.64 billion, reducing his request by \$5.6 billion.

The Nixon administration's request for defense funds for fiscal year 1971 is \$73.6 billion. Even if we add to the fiscal year 1970 appropriations the items for military construction—\$1.56 billion—and \$350 million for military assistance, the total comes to \$71.6, an amount \$2 billion less than the President is now requesting. Mr. Speaker, even if we add the entire AEC 1970 appropriations of \$2.2 billion, and certainly all of this does not go toward defense, we arrive at a figure which still amounts to no decrease in defense spending for fiscal year 1971. I submit, Mr. Speaker, that this year's budget is not only a political document, but a sales pitch only slightly more subtle than the usual Madison Avenue-

produced television commercial. We have seen this technique used in the case of air and water pollution, when the President recently announced a \$10 billion program for clean water. In his fiscal year 1970 budget request, however, he asked for only \$214 million—the Congress provided him with \$800 million. He has refused to use these additional funds. I note that he asks for only \$330 million for air and water pollution for fiscal year 1971.

I need not, Mr. Speaker, elaborate upon the fallacious arguments used by the administration in recently killing educational and health programs.

Mr. Speaker, it is up to the Democrats in this House to get the truth to the public. The truth about this budget, the truth about education, about inflation and interest rates. Otherwise the public will be misled by oversimplified statements on television and invalid comparisons such as those contained in the administration's budget documents.

Mr. GROVER. Mr. Speaker, those who have accused the President of being anti-people and anti-the-people's welfare because he has insisted on holding down unnecessary Federal spending in order to fight inflation should look closely at his budget for fiscal 1970-71.

Obviously, there is no time to go over it in detail at this moment, but there are some things that should be pointed out in order to give the lie to those who have accused the President falsely.

For instance, in 1971 the Federal Government will spend an estimated \$10.7 billion on education—the largest amount in our history.

For instance, to provide better health care to the poor, the President is increasing the number and services of comprehensive health centers in low-income areas. In addition, he has proposed "significant increases in programs for prevention and cure of drug addiction, rehabilitation of alcoholics, and family planning and research."

For instance, he is recommending "substantial increases in research on cancer, heart disease, serious childhood illnesses, and dental health."

Mr. Speaker, one could go on and on, talking about welfare reforms, manpower training, funds for transportation, pollution, and many other things the President proposes.

But I think I have made my point. In the first budget that is entirely his own, the President has made it very clear—this is a people-oriented administration. Republicans in the House and Senate will work with him to insure that this is also a people-oriented Congress.

Mr. HARSHA. Mr. Speaker, we have been presented today by the President a balanced Federal budget, one in fact that even provides a slight surplus.

A quick look shows us that despite its austerity, the budget contains funds for making a start at some of the President's priority programs.

These include the family assistance program which is designed to replace the unworkable and dignity-destroying welfare programs now in effect; Federal revenue sharing which is designed as a step in returning responsibility and initiative to State and local governments; new di-

rections in manpower training that once again will give increased responsibility to local governments and new sums for combating crime.

Mr. Speaker, it is now up to the Congress to implement this budget, to pass appropriations bills this year in time to make them truly effective, to give the President's new programs the support and funds they need, and, above all, to stay within the President's budget limitations.

Mr. Speaker, with two balanced budgets in a row and with this one projected as balanced, it is obvious that a major start has been made in the war on inflation. It is up to us to help the President insure that that war succeeds. One way we can do it is to make sure that when we are through with the appropriations process, we have given the President a budget surplus.

#### GENERAL LEAVE TO EXTEND

Mr. BOW. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the budget submitted by the President today.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

#### BUDGET MESSAGE SUBMITTED BY THE PRESIDENT

(Mr. VANIK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, from initial review of the 1971 budget request of the President, it appears that the administration's talk on pollution was just so much sham.

It appears that contrary to public statements, the construction grant program for public waste treatment systems will be \$650 million—or \$150 million less than Congress appropriated in fiscal 1970. It further appears that water pollution research funds, so vital and important to this program, are being cut back from \$50.7 million in 1970 to \$44.6 million in 1971.

As far as water pollution is concerned, the President's proposed budget indicates more puff than performance.

#### BUDGET MESSAGE SUBMITTED BY THE PRESIDENT

(Mr. PUCINSKI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PUCINSKI. Mr. Speaker, I would be much more persuaded by the President's estimate that he will have a \$1.3 billion surplus in the 1971 fiscal budget if the track record for both Democratic and Republican Presidents was better in predicting budget surpluses.

Let us look at this year. President Nixon had predicted that for his first year in office he would show a \$5.5 billion surplus. The fact of the matter is that Treasury is now predicting only a \$1.5 billion surplus, for fiscal 1970 even after we have

eliminated more than \$6 billion of expenditures in the 1970 budget.

I believe that even the \$1.5 billion estimate of surplus will disappear when all the figures are in.

When we look at the disappointing corporate profit reports for the last quarter of 1969, and when we look at the vast wave of tax selling that went on during the month of December because the stock market failed to halt its downward spiral, I am willing to bet, when all the figures are in, this administration will find itself with a deficit for fiscal 1970. And I believe they may very well have a deficit in fiscal 1971 unless we are able to substantially trim the President's budget request.

The fact of the matter is that this morning Mr. Milton Friedman, President Nixon's No. 1 financial adviser, said that we are now in a full scale recession and that he is afraid "that the President is overly optimistic" as to the Nation's ability to work its way out of the economic problem we now have.

I do not believe the income the President had predicted for 1970 is going to materialize. Accordingly, it seems to me that these projections of surpluses and profits by this administration for 1971, are also subject to very careful scrutiny in view of the past performance records.

#### DEFICITS AND SURPLUSES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I am very interested in the remarks of my colleague from Illinois with respect to the prospects for deficits rather than surpluses as we conclude the fiscal year 1970 on June 30, and fiscal 1971 a year beyond that.

The gentleman makes great claims about what he has contributed to cutting the level of expenditures, but I suspect the gentleman voted for the move on the public works bill to add \$800 million for waste treatment disposal plants in the country. That is way over and above the President's budget, and that is an increase in expenditures.

I believe the gentleman probably supported the increase in social security benefits to 15 percent rather than 10 percent, to be effective January 1 rather than April 1. That involves another \$1.2 billion increase in outgo not counted upon in the September budget review showing a \$5.8 billion surplus.

How does the gentleman piously claim he is a great one for trying to help achieve a surplus when he votes for those increases he has voted for?

How about the \$1.3 billion increase in the HEW bill the gentleman voted for?

Then there are the uncontrollables that come from bad fiscal policies of the past. Interest on the public debt is up \$800 million. Medicare payments are up \$350 million. Unemployment benefits are up \$500 million. We are really suffering from those back to back \$25 billion deficits in the latter Johnson years and the gentleman contributed to it by voting

for practically everything that came down the pike in those days.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Illinois.

Mr. PUCINSKI. The gentleman raised a beautiful question. The President had every right and opportunity in the world to veto that public works bill. Why did he not? He had every right to veto the \$1 billion for additional naval ships. Why did he not? He had every right to veto the \$40 million extra for agriculture. Why did he not? He took it out of the school kids. That is what he did.

Mr. MICHEL. And that is so much hogwash. The President is actually proposing substantial increases in the field of education and health services as a compromise on the recently vetoed HEW bill. Our big gripe is with the outmoded formulas for so-called impacted aid and that is where the big reduction in the education field appeared in the budget.

#### WATER POLLUTION EXPENDITURES

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, with reference to the remarks just made and the \$800 million which the Congress provided for water pollution, I think it was quite clear from the remarks made that the President is now going to spend the \$800 million which the Congress proposed for water pollution in the coming year. This is some \$600 million above what he wanted in the first place. It is obvious now to everyone that this is the level of spending necessary to conquer water pollution in this country and it is gratifying to see the President following the lead of the Congress.

#### ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Economic Committee and ordered to be printed with illustrations:

*To the Congress of the United States:*

For many years the American people have been seeking, through their Government, the road to full employment with stable prices.

In the first half of the 1960's we did have price stability—but unemployment averaged 5½ percent of the civilian labor force.

In the second half of that decade, we did have relatively full employment—but with sharply rising prices.

After 5 years of sustained unemployment followed by 5 years of sustained inflation, some have concluded that the price of finding work for the unemployed must be the hardship of inflation for all.

I do not agree.

It is true that we have just passed through a decade when the economy spent most of the time far off the course of reasonably full employment and price stability. But if we apply the hard lessons learned from the sixties to the decade ahead, and add a new realism to the management of our economic policies, I believe we can attain the goal of plentiful jobs earning dollars of stable purchasing power.

Those lessons are plain:

1. We have learned that Government itself is often the cause of wide swings in the economy.

2. We have learned that there is a human element in economic affairs—habit, confidence, fear—and that the economy cannot be managed mechanistically and will not suspend its laws to accommodate political wishes.

3. We have learned that 1-year planning leads to almost as much confusion as no planning at all, and that there is a need to increase public awareness of long-range trends and the consequences for future years of decisions taken now.

My 1970 Economic Report reflects these lessons. The current actions we are taking are designed to help the American economy regain its balance; the plans we are making are designed to build on that balance as our free economy grows and responds to the needs of its citizens.

"Stability of economic policy," Theodore Roosevelt pointed out, "must always be the prime economic need of this country. This stability should not be fossilization." Stability is a means to an end. The end we seek is steady growth, predictable Government action in maintaining a sound economic climate, and constant involvement of the people in setting their own priorities.

Accordingly, this Economic Report "opens up the books" as never before.

We are making available the facts and figures that will enable the people to make more intelligent judgments about the future. If we are to improve the quality of life in this Nation, we must first improve the quality of debate about our national priorities. In this Report, and in the Budget Message, long-range projections are made that will enable the people to discuss their choices more effectively in the light of what is possible.

In the real world of economics, there is a place for dreams—dreams that are realizable if we make the hard choices necessary to make them come true.

#### THE USES OF OUR NATIONAL OUTPUT

We have placed the Nation's larger decisions in the context of a picture of the total resources available and the competing claims upon them. A summary of this analysis is contained in Chapter 3 of the Annual Report of the Council of Economic Advisers; I hope it will be studied carefully and its precedent carried forward in future years.

That analysis is neutral about which options and claims should be chosen. The purpose of the analysis is to help everyone observe the discipline of keeping claims and plans within the limits of our capacity, and to make sure that excessive claims do not prevent us from achieving our most important goals.

Even in our own highly productive and growing economy, resources are limited. There will be competition between private and government uses for our national income, competition among programs within government budgets, and competition among borrowers for the limited national savings.

Our problem, in short, will be to choose wisely what to do with our output and incomes. Large as they are, the claims upon them, what people expect of them, are even larger. If we add the expenditures that consumers will want to make with larger incomes; the investment that businesses must make to assure rising productivity; the housing construction needed to meet the current shortage and the demands of a growing population with rising incomes; the likely expenditures of State and local governments; the costs of present Federal programs plus the proposals already recommended by this Administration—we find that the total would nearly exhaust the national output until 1975. And that total would not include tens of billions of dollars of new programs that are commonly urged upon the Government.

We shall have to think carefully about how to choose the claims upon the national output that will be met, since we cannot meet them all. This choice is not made exclusively or even mainly by the Federal Government. It is mostly made by the individuals who produce the output, earn the income, and decide how it should be spent. Nevertheless, a Federal Government with a budget of \$200 billion has a great influence on how the national output is used. This influence is not confined to the output the Federal Government uses itself. The taxes the Federal Government collects, the grants it makes to State and local governments, its borrowing or repayment of debt, influence the purchases of private citizens and of State and local governments.

Personal freedom will be increased when there is more economy in government and less government in the economy. Economic domination, like any other government domination, is dangerous to a free society, no matter how benevolent its aims. Freedom depends on our recognizing the line between domination and influence, between control and guidance. The quality of life in America depends on how wisely we use the great influence that Government has.

We know that existing programs of Government and probable demands of the private sector could use up all the output we can produce for several years to come. This does not mean that we cannot do anything new. It does mean that we have to choose. If we decide to do something new, or something more, in one direction we will have to give up something elsewhere. There is no unclaimed pool of real resources from which we shall be able to satisfy new demands without sacrificing or modifying some existing claims.

If we fail to tailor our demands consciously to resources available, the likely consequences would be both misdirection of resources and inflation. We have seen this in the past 5 years. Beginning in mid-1965 the Government imposed on

the economy a large increase in nondefense spending and the demands of the Vietnam war effort. It did not, however, face up soon enough to the need to cut back other demands by raising taxes or by following an adequately restrictive monetary policy. Of course, failing to take these steps did not relieve us of the necessity of cutting back. It only meant that the cutback was imposed unfairly by inflation, rather than in a more deliberate and equitable way.

#### THE PRESENT INFLATION

The inflation unleashed after mid-1965 had gathered powerful momentum by the time this Administration took office a year ago. The expectation of more inflation was widespread, as was skepticism of the determination of Government to control it. Businesses, anticipating rising prices and costs, were eager to invest as early as possible and were willing to incur high interest charges that they would pay later in presumably cheaper dollars. Workers demanded large wage increases to catch up with past increases in the cost of living and to keep up with expected future increases. Prices were being boosted to catch up with past cost increases and to keep up with the future.

Inflation was in full tide.

The inflationary tide could not quickly be turned. At least it could not be turned quickly without a serious recession. Such a recession would itself have brought hardship to millions of people. Moreover, it would have been another episode in the history of stop-go economic policy, when the need was to introduce an era of steadiness in policy that could yield stability in the economy.

Our purpose has been to slow down the rapid expansion of demand firmly and persistently, but not to choke off demand so abruptly as to injure the economy. The greater price stability that all desired could not, given a concern about unemployment, come quickly. This transition would take place in several steps, each of which would require time, and only at the end would increases in the price level slow down.

1969 was a year of progress in the fight against inflation. For the first time since the price spiral began, there was a sustained period of combined fiscal and monetary restraint. During 1969 the rise of Federal expenditures was slowed to an increase of \$9 billion, compared with an annual average of \$20 billion in 3 preceding years. Instead of the rising budget deficits of earlier years there was a surplus in 1969. Instead of the money supply expanding by 7 percent, as in 1968, it grew at a 4.4-percent annual rate in the first half of 1969 and at a 0.7-percent rate in the second half.

The growth of total spending, public and private, which was the driving force of the inflation, slowed markedly, from 9.4 percent during 1968 to 6.8 percent during 1969 and an annual rate of 4.4 percent in the fourth quarter of 1969. This decline in the growth of spending was inevitably accompanied by what in October I called "slowing pains." Gains in real production slowed down. Industrial production declined. Profits drifted lower as margins were squeezed. All of these slowing pains were increased, and

the inflation prolonged, by the failure of productivity to rise, for the first time in many years.

And in the latter part of the year there were the first faint signs of gain on the price front. Instead of continuing to accelerate, the rate of inflation itself began to level out.

#### THE OUTLOOK FOR 1970

As we enter 1970 continuation of a low rate of growth of sales, production, and employment for several months seems probable. Thereafter, the performance of the economy will depend on both the continued resolve of the Government and the difficult-to-predict behavior of the private sector.

Government policy must now avoid three possible dangers. One is that after a brief lull the demand for output would begin to rise too rapidly and rekindle the inflationary process, as happened in 1967. This possibility cannot be ignored. The tax bill passed in December reduced revenues for the next fiscal year by close to \$3 billion, compared to my original proposals, requiring the Administration to reduce spending plans further in order to retain a surplus. Pressures for increased spending threaten to shift the budget from the surplus position to a deficit by the latter part of calendar 1970 unless the responsible fiscal course urged by the Administration is accepted by the Congress.

A second danger we must consider is that the moderate and necessary slowdown may become more severe. The highly restrictive stance of monetary policy is one reason for considering this possibility. Moreover, there is a question whether the rate of real output can long remain essentially flat without more adverse consequences than we have so far experienced. Until now the unemployment rate has remained low, partly because employers have retained workers despite growing signs of sluggishness in sales. However, they may be unwilling to do this for long with profits shrinking.

A third danger is that although the economy remains on the path of slow rise, and avoids either serious recession or "revived" inflation, this is achieved with such tight credit conditions as to paralyze the housing industry, preventing needed additions to the supply of homes and apartments. A Federal budget deficit, which would require the Treasury to become again a net borrower in the capital markets, taking funds that would otherwise go to other users, might bring this about. This is one reason why I continue to stress the importance of a strong budget position.

Our objective is to avoid these dangers as we achieve stability. A necessary condition for doing this is to keep the Federal budget in balance in the coming fiscal year.

A prudent fiscal policy, avoiding the risks of returning to budget deficits, and a prudent monetary policy, avoiding the risks of overly long and overly severe restraint, offer the best promise of relieving strains and distortions in financial markets, bringing interest rates down, and encouraging a sustainable and orderly forward movement of the economy.

After some months of slow expansion of sales, output, and employment, which seems likely, a moderately quicker pace later in the year would be consistent with continued progress in reducing the rate of inflation.

The goal of policy should therefore be moderately more rapid economic expansion in the latter part of 1970 than we have recently been experiencing or expect for several months ahead. Keeping the Federal budget in balance, as I have recommended, and a moderate degree of monetary restraint will help achieve this result. This combination of policies would also permit residential construction to revive and begin a rise toward the path of housebuilding required by our growing number of families needing homes and apartments.

As far as can now be foreseen, this pattern of developments through the year could be achieved with a gross national product for 1970 of about \$985 billion. This would be 5½ percent above that for 1969. A slowdown in the rate of increase of consumer prices is a reasonable expectation in this economic outlook.

An unfortunate cost of having allowed the inflation to run for so long is that it courts the risk of some rise in unemployment. The policy of firm and persistent disinflation on which we have embarked, however, holds out the best hope of keeping that risk low.

This risk emphasizes the importance of promptly enacting the legislation this Administration has recommended for manpower training, unemployment compensation, and welfare systems:

—The proposed Manpower Training Act would not only bring about better planning and management of training programs; it would also trigger an automatic increase in appropriations for these programs if the national unemployment rate reaches 4.5 percent for 3 consecutive months.

—The unemployment compensation legislation would increase coverage, encourage States to improve benefits, and provide for Federal financing of extended benefits if unemployment of insured workers exceeds 4.5 percent for 3 consecutive months.

—The proposed Family Assistance Program would provide income support for poor families with children, whether headed by a male or a female, while providing strong incentives and assistance for those who can do so to find and accept employment.

Because our expanding and dynamic economy must have strong and innovative financial institutions if our national savings are to be utilized effectively, I shall appoint a commission to study our financial structure and make recommendations to me for needed changes.

In 1970, we are feeling the postponed pinch of the late sixties. If responsible policies had been followed then, the problems of 1970 would be much easier. But we cannot undo the errors of the past. We have no choice now but to correct them, and to avoid repeating them.

#### STRENGTHENING THE WORLD ECONOMY

The achievement of greater balance and stability in our own economy is also important for international finance and trade. The dollar is not only our currency; it provides the principal vehicle for world trade and payments. We are the world's largest exporter and importer, and instability in the United States—whether it involves inflation or recession—has unsettling effects on the world economy. Inflationary pressures arising in the United States have added to inflationary problems in other countries in recent years. The long inflation has also weakened our trading position. However, with the restraining of excessive demand in 1969, the deterioration in our trade balance has been arrested.

I am particularly gratified to note improvements in the international monetary scene during the past year with the introduction of Special Drawing Rights and with the realignment of several important currencies. In cooperation with other countries, we are actively investigating other ways to make the international monetary system more stable and orderly, and to give more attention to international coordination and synchronization in the management of domestic economic policies.

Although a high and rising level of international trade can add to the prosperity of the United States and other countries, imports from time to time may cause domestic dislocations. Since the gains from international trade are enjoyed by the country as a whole, it is appropriate that the costs of trade-associated dislocations be spread more evenly. The trade bill presented to the Congress in November contains practical adjustment assistance and escape-clause provisions that would soften the impact of import competition in cases where it harms our own workingmen. It also includes the repeal of the American selling price method of tariff evaluation, a step which is important in reducing the non-tariff barriers to U.S. exports.

Trade is vital to the progress of the less developed countries of the world. With other industrialized nations, the United States is exploring ways of enabling less developed nations to participate more in the growing volume of international trade.

#### SEVEN BASIC PRINCIPLES

Since this is my first Economic Report, it is in order for me to set out the basic principles that will continue to guide the management of economic policy in my Administration:

First, *the integrity and purchasing power of the dollar must be assured.* To re-create confidence in a secure future, we must achieve that reasonable stability of the price level which has been so severely eroded since mid-1965. The unfairness of a steeply rising cost of living must not again be inflicted on this Nation.

Second, *our economic policy must continue to emphasize a high utilization of the Nation's productive resources.* We must maintain a vigorous and expanding economy to provide jobs for our growing labor force.

Third, *we must achieve a steadier and more evenhanded management of our economic policies.* Business and labor cannot plan, and consumers and homebuyers cannot effectively manage their affairs, when Government alternates between keeping first the accelerator and then the brake pedal to the floor.

Fourth, *Government must say what it means and mean what it says.* Economic credibility is the basis for confidence, and confidence in turn is the basis for an ongoing prosperity.

Fifth, *we must preserve and sustain the free market economy in order to raise the standard of living of every American.* The most basic improvement in our national life during the last three decades has come through the doubling of real purchasing power that our free competitive economy has delivered to the average American family. No Government programs during that period begin to approach this doubling of real income per family as a source of our improving economic well-being. Government now has both the ability and the duty to sustain a general climate for stability and growth, but it must do so in the firm conviction that only a free economy provides maximum scope for the knowledge, innovativeness, and creative powers of each individual.

Sixth, *we must involve the American people in setting goals and priorities by providing accurate, credible data on the long-range choices open to them, making possible much better informed public discussion about using the resources we will have in meeting the needs of the future.* The 1970 Annual Report of the Council of Economic Advisers is a long first step in that direction.

Finally, *the free economy of the future will rest squarely on the foundation of genuinely equal opportunity for all.* Some, because of race or national origin, find themselves situated far back of the starting line in our economy. Others by the happenstance of health, accidental injury, education, or economic background are unable to participate fully in our economic life; still others become casualties of obsolete skills. We are deeply committed to make a reality of the promise of an equal opportunity in life, so that the fruits of our economic progress and abundance will become available to all. The national conscience demands it, human dignity requires it, and our free and open economic system cannot be fully effective without it.

RICHARD NIXON.

THE WHITE HOUSE, February 2, 1970.

#### THE PRESIDENT'S ECONOMIC REPORT

(Mr. ALBERT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ALBERT. Mr. Speaker, a lack of a sense of urgency as to this Nation's current economic dilemma best characterizes President Nixon's 1970 economic report. The country continues to experience its worst inflationary binge in 20 years. We witnessed a 6.1 percent rise in the cost of living in 1969. Real



take home pay of factory workers which had risen steadily during 8 Democratic years, declined during last year's fourth quarter. Last week, BLS further reported that January saw wholesale prices surging upward at an 8.4 percent annual rate, a sure sign of a new sharp escalation in retail prices in the immediate future.

Key economic indicators, on the other hand, point an ever starker picture of an economy deteriorating at a rapidly accelerating pace. The growth rate declined during the fourth quarter of 1969, durable goods orders are off, industrial production has dropped steadily since August, consumer confidence as reflected in buying plans has weakened. Car sales down in 1969 are headed lower this year. We have heavier unsold inventories, retail sales are sluggish and housing starts have declined 35 percent since President Nixon took office. So serious has become the current downturn that an economist with such impeccable conservative credentials as Prof. Milton Friedman, of the University of Chicago, now flatly labels it a recession.

I continue to search both the President's Economic Report and that of the Council of Economic Advisers in vain for any realistic proposals aimed at coping with either our inflation, or the Nation's economic stagnation. Their absence I fear may require future historians to cite 1970 as that year in which the United States achieved that previously regarded as economically unattainable: full blown inflation and widespread unemployment at one and the same time.

Equally disturbing I find the traditional Republican economic myopia with which the President and his economic advisers apparently view the long-term economic needs of the coming decade. The phrase "stability of economic policy" which receives the President's approbation bears a most unfortunate similarity to that economic nostrum of the 1950's "sustainable economic growth." The "sustainable economic growth" doctrine of George Humphrey, Maurice Stans, Raymond Saulniers, and company, resulted in a sluggish growth and three recessions during the years from 1953 to 1961. The cramped economic philosophy of the Eisenhower administration resulted in starvation for the public sector of the economy. Schools, mass transit, housing, parks and community facilities were all short-changed, our cities deteriorated and next to nothing was done about pollution. Not only did the Nation's economic pie fail to grow but of equal importance, partly because of that failure, the slice of that pie required for healthy community life in an increasingly urbanized society actually declined. We thus failed tragically to keep pace with expanding needs. In retrospect, it is clear that the 1950's represent one of the saddest chapters in American economic history, second probably only to that of the Hoover administration. The blame for many of the problems which beset our society today is clearly the result of the 8 years this Nation spent becalmed on an economic dead sea during the 1950's. George Humphrey's class "B" production was most assuredly an eco-

nomie flop when released in the fifties. Its rerun at this late hour could very well mean economic disaster for this Nation and the entire free world.

Mr. McFALL. Mr. Speaker, the Members of this body have had little opportunity to personally review the President's Economic Report to the Congress. News stories in the weekend papers provide the majority of information available because we did not receive the message until today.

However, a reading of the President's statement of transmittal is deeply disappointing. It is disappointing because of its obvious return by this administration to the past and discredited economic policies of the 1950's which brought on recessions and unemployment. It is disappointing because of its partisanship, and the failure to responsibly recognize the problems of inflation and rising costs. Instead of showing the needed leadership, the President's message seeks to blame someone else for the country's economic troubles. It is true that there was inflation when he took over, but not nearly so severe as now. It is true prices were rising when he took over, but not nearly so rapidly as under this administration. It is true that interest rates were too high, but not approaching today's excess rates that favor big interests.

The old political trick of setting up strawmen as the cause of one's own failures will not work in the 1970's. There must be real recognition of the problems, and understanding of the failures of 1969, if this administration is to make any progress in fighting inflation. No matter how the administration seeks to cover up its mistaken policies with smooth phrases, the facts are not changed—we are in a recession, we have policies that favor the big concentrated industries and big money interests at the expense of the low- and middle-income Americans, and the small businessman is at a terrible disadvantage because of the highest interest rates in over 100 years. And the housing industry is in a depression at a time when millions of homes are needed. We must remind Mr. Nixon that he is now the President, and the repeated references to the past and the continuing effort to blame Lyndon Johnson, John F. Kennedy, or previous policymakers is a refusal to face up to the real problems confronting this country.

I await some Presidential leadership. I am not really interested in excuses, I am interested in a change in attitude that will right the economy that is tilting toward even greater problems under current administration policies.

Mr. O'HARA. Mr. Speaker, the President's Economic Report to Congress contains what must be one of the most incredible statements in the annals of economic history. In the message transmitting the report, President Nixon stated: "1969 was a year of progress in the fight against inflation."

If, indeed, 1969 was a year of progress in the fight against inflation, heaven help us in 1970 and into the future. For if the biggest rise in prices since the Korean war, which came in 1969 is progress; if the increase in interest rates in 1969

to the highest level in over a century, is progress; if the greatest profits for money lenders since the panic of the 1800's is progress, then by Webster's dictionary is sadly outdated.

How anyone can look at the record of 1969 and claim progress in the fight against inflation is beyond the comprehension of those who know the record. Mr. Speaker, that statement is patently false, and one more example of this administration's effort to substitute rhetoric for reality.

In 1969, the cost of living rose 6.1 percent, about one-third faster than in 1968 and over twice as fast as the previous 8 years' average. In 1969, the increased cost to the Federal Government alone in interest on its debt was about \$1 billion—all due to the excessive interest rates which were raised again and again during the year. In 1969, the cost of basic raw materials rose 11 percent, compared to only 2 percent in 1968.

That is progress? That is fighting inflation?

Mr. Speaker, I submit that such incredible head-in-the-sand reasoning is the major shortcoming of the Nixon administration policies which are creating the worst inflation in two decades. It is the same faulty reasoning which causes the President to reject the use of his powerful Office in the fight against inflation. It is the same reasoning which favors the big interests at the expense of the millions of American taxpayers.

This Congress gave the President a budget surplus in 1969, and cut the President's own appropriations budgets requests by \$5.6 billion to give him another balanced budget in 1970. This Congress also gave the President strong anti-inflation legislation to control credit and push down interest rates, and he refused to use it.

It is time for the administration to admit its own errors, and get down to the serious business of trying to restore sanity in the economy.

Mr. REUSS. Mr. Speaker, the President, 7 days after he assumed office, gave a green light to the concentrated industries to start raising prices. He said that the Federal Government would not intervene in pricing and wage determinations.

After one of the most inflationary years in modern history, one would think the President would recognize his mistake, and try to do something about soaring prices, to use his own office and the powers of the Presidency to fight inflation. But he reiterated his position at a Friday press conference, and again in his Economic Report to the Congress.

The President is wrong in his assessment of what he can do with the powers and moral suasion of his office. Both President John F. Kennedy and President Lyndon Johnson proved that the powers, effectively used, could have a restraining effect on prices by concentrated industries. This use of Presidential powers is certainly no cure-all, but it is one of the strongest tools in the hands of an activist and decisive President.

Whatever is said about the years 1961 through 1966, facts will not change. It cannot be denied that real income went

up, purchasing power of the average wage earner advanced, and the inflationary pressures were contained much better than under this administration. Every index—cost of living, productivity, the stock market, interest rates, basic materials prices, cost of services, inflation—every single one shows the result of the timidity of this administration.

Now, as we enter the 1970's, with the indicators pointing to even more inflation, even higher interest rates, and even greater declines in productivity, this administration refuses to recognize its inflationary mistakes. It is playing the same old game that did not work in 1969. It is basing all its hopes on a policy of tight money and a budget balanced by some recognizable gimmicks, while it refuses to use some of its strongest anti-inflation powers.

Mr. Speaker, I submit for insertion in the RECORD a thought-provoking article written by Arthur M. Okun, now a senior fellow at Brookings Institutions and former chairman of the economic advisers for President Johnson. Mr. Okun does not seek to alibi the mistakes of the past administration, but lays out the facts for all to clearly see—and the overpowering fact is that Presidential power, used properly, can have a tremendous effect on the economy and restraining prices. I call special attention to some of the comparisons in price rises in the year 1969 and previous years.

If, indeed, the blame for the astronomical increase in prices in 1969 could be placed on spending alone in prior years, then why were prices accelerating only at a fraction of the 1969 rate in 1968 and in previous years?

I submit this article for perusal of my colleagues, and for comparison of years past and the excessive inflationary year of 1969:

#### THE CONTROLLED EXPERIMENT OF 1969

(By Arthur M. Okun, senior fellow, Brookings Institution<sup>1</sup>)

In January 1969, President Nixon made clear his intention not to attempt to influence particular price (and wage) decisions in the private economy. This pronouncement represented a discrete shift from the policies of the Johnson administration. During 1969, a very marked acceleration of prices took place in those industries which had been responsive to Government appeals and criticism during 1966-68. According to the evidence set forth below, somewhere between ½ and 1 percent of extra inflation in the industrial wholesale price index may be attributed to the shift in policy. Since the index of industrial wholesale prices rose 4.0 percent during 1969 as compared with 2.5 percent during 1968, that extra price increase represents between one-third and two-thirds of the acceleration.

In the table, I have listed those published components of the wholesale industrial price index which I believe were directly responsive to administration persuasion in one or more specific instances during 1966-68. Obviously, some judgment was required to compile that list, but inclusion or exclusion of borderline cases does not change the results appreciably. The big items—steel, copper, aluminum, petroleum, automobiles—are not on the borderline.

<sup>1</sup>The views expressed are my own and are not necessarily those of the officers, trustees, or other staff members of the Brookings Institution.

Specific instances of White House appeals for restraint to these industries and several others are on the public record. Naturally, I was aware that 1969 price performance was not an appropriate criterion for inclusion. Nonetheless, I wish I had formulated the list (and had it notarized!) in January 1969. For lack of a better term, I shall call these "responsive prices"—i.e., responsive to White House persuasion during 1966-68.

The list of responsive prices is confined to "jawbone" cases; it excludes such items as lumber and hides where prices were influenced, in my judgment, by other structural policies. Finally, the list is limited to the product prices that were responsive in a fairly direct manner. For example, I did not include machinery made of steel, although its price is affected indirectly by steel prices.

The responsive list accounted in December 1968 for 22½ percent of the total weight in the index of industrial wholesale prices, or 16½ percent of the comprehensive wholesale price index (which includes farm, food, and feed products as well as industrials). The relative importance of the listed items varies greatly—passenger cars get 100 times the weight of alloyed aluminum ingot.

During 1961-65, prices of the responsive group were especially stable. Between December 1960 and December 1965, the index for the responsive group rose only 0.1 percent a year, on average, while the index for all other (i.e., nonlisted) industrials crept up at an average annual rate of 0.5 percent. No clear inference about the impact of price guideposts can be drawn directly from this differential in overall price performance.<sup>2</sup>

The responsive group is not a typical or random selection of industrial products in any sense; and their prices, as a group, cannot be expected to behave exactly like other industrials. During the early sixties, some of the listed products displayed exceptional productivity advances, which could account for the better price record. The appeals from the Government during the period were broad rather than pinpointed, apart from the celebrated episode of April 1962 involving steel prices.

During the inflation of the next three years, 1966-68, the price index of the responsive group rose at an annual rate of 1.7 percent; meanwhile all other industrials advanced at an annual rate of 2.3 percent. In each of those three years, the percentage increase of the price index of the responsive group was no more than that of all other industrials, even though demand grew especially strongly for many of the listed items. Again, the overall differential cannot be reliably attributed to Government appeals for restraint, although several specific rollbacks and reversals of announced price increases provided evidence of some stabilizing impact.

The events of 1969 provide a much better basis for making a judgment. The distinct shift in White House posture produced a situation about as close to a controlled experiment as we are ever likely to find in observing the inherently complex relationship between private decisions on prices and the attitudes of Government officials. In light of the three—indeed eight—previous years of experience, anyone who believed that the responsive prices, as a group, had not been influenced by White House persuasion should have expected them to rise no more rapidly than other industrials in 1969.

However, during 1969, they advanced 6.0 percent, substantially faster than the 3.5 percent average increase of all other industrials. The acceleration of prices for the responsive group was 4.3 percent over the average of

<sup>2</sup>In the case of wage behavior, however, the strong evidence of a guidepost influence during the 1962-65 period is presented by George L. Perry, "Wages and the Guideposts," *American Economic Review*, Vol. 57 (September 1967), pp. 897-904.

1966-68, while that for all other industrials was only 1.2 percent. To put it another way, the index of responsive prices rose 3½ times as rapidly during 1969 as during 1966-68, while the index for other industrials increased 1½ times as fast as previously. And the pattern of marked acceleration was widespread, extending to petroleum, steel, copper, aluminum, passenger cars, glass containers, cigarettes, newsprint, photographic supplies, and paperboard. The exceptions were sulfur products, tires, tin cans, and laundry equipment. There were exceedingly few new wage settlements that could have accounted for any acceleration. To be sure, special supply forces encouraged price rises in some areas—just as they generated a major decline in sulfur. But the pronounced and pervasive pattern cannot be reasonably explained as resulting from "bad breaks."

I have heard it conjectured that moral suasion was beginning to lose its grip in any event before the change of administration. The facts of 1968 do not fit that conjecture. During 1968, the differential between the responsive group and other industrials was especially wide: the former rose 1.0 percent while the latter advanced 2.9 percent. Surely, the 1968 result was a typical—benefiting particularly from price declines in important petroleum and copper products, when supply eased. But any reading of the 1968 record will reveal no emerging tendency for the price performance of the responsive group to deteriorate relative to other industrial products.

Indeed, in light of the facts of 1968, skeptics may be tempted to embrace an alternative hypothesis, which I have never heard so far. It would conjecture that 1968 was an unusually "lucky" year in the price performance of the responsive group, and that the 1969 acceleration represented an unwinding of favorable transitory factors. But on that hypothesis, the acceleration in 1969 should have been concentrated in those commodities whose price performance had been especially favorable in 1968. It was not.

I conclude that the shift in Government policy is central and crucial to the explanation of the especially large speedup of the responsive prices during 1969.<sup>3</sup>

It is exceedingly difficult—and yet essential—to convert this judgment into an estimate of the effect on the overall level of industrial prices. Obviously, the issue is whether and how much overall inflation was stimulated by the shift in policy. Paul McCracken has said: "We are concerned with restraining the average level of prices, and restraining even a significant number of individual prices and wages may not restrain the average level but may only divert inflationary pressure and make other wages and prices rise more."<sup>4</sup>

One can, indeed, conceive of full diversion of inflationary pressure as an extreme possibility. But I suggest that no diversion of inflationary pressure is a much more realistic working assumption.

First of all, no spillover of spending will occur unless, as a result of price restraint for some items, fewer dollars are spent on those products (and hence some part of a given total of spending is diverted elsewhere). Fewer dollars will be spent on the

<sup>3</sup>Of course, the especially inflationary performance of the responsive group during 1969 may not be typical of the longer run. The abandonment of the jawbone may have unleashed a particular flurry of price increases that had been contained by persuasion. That would merely demonstrate the effectiveness of the persuasion, so long as it was maintained.

<sup>4</sup>Statement of Paul W. McCracken, Chairman, Council of Economic Advisers, before the Executive and Legislative Reorganization Subcommittee of the Committee on Government Operations, House of Representatives, September 23, 1969.

items with restrained prices only if either (a) the price restraint makes it unprofitable for suppliers to meet demands; or (b) demand is price-inelastic so that quantities demanded respond less than proportionately to lower prices of the listed items. Copper and sulfur were the only ones, to the best of my knowledge, which fit condition (a)—they showed excess demand at times in recent years. Elsewhere suppliers continued to meet and greet all demands for their products, indicating that prices still exceeded costs on the margin. Hence, sales and output were stimulated because prices were held down.

Cigarettes are the one item on the list where I am aware of statistical research demonstrating that (b) applies, i.e., demand is price-inelastic. It would be most hazardous to judge that the listed items have, on the average, price-inelastic demands. And only on such a judgment would there be a presumption that any spillover of spending occurs.

Even if some spending spilled over onto other industries, that diverted spending would add to output and employment as well as to prices in those areas, so long as firms were not operating at an absolute ceiling of their productive capacity. The full benefit of the restraint would then be split between some favorable net movement in overall prices and some more favorable path of output and employment.

Finally and most important, any undesired spillover can, in principle, be mopped up by fiscal-monetary action. Whatever the ideal criteria for monetary policy may be in a period of gradual disinflation, an effective

program of restraining some prices allows the Federal Reserve to aim for a slightly lower level of aggregate dollar spending than otherwise, without any greater sacrifice of output and employment. A selective program of restraint will generate a "tradeoff dividend"; just how that dividend is divided between lower prices and more output depends on monetary-fiscal decisions.

An assessment of the overall effect must take into account several forces which tend to magnify or multiply the direct benefits of restraint on the responsive prices. As I noted above, many industries not on my list use steel, copper, aluminum, and other responsive items as inputs; their costs, and presumably their average prices, would have been lower if the responsive prices had been restrained. Similarly, because wage increases are influenced by the cost of living, restraint on selected prices will tend to hold down average wage costs, and hence other prices. Furthermore, a policy of seeking restraint in price decisions can be accompanied by, and reinforced by, an effort to restrain wage settlements. Finally, concern with public opinion and with the public interest may exert a deterrent effect on the pricing decisions of some industries which are never identified as responsive to appeals. I am prepared to judge that, if the responsive prices had been restrained, the other industrial prices would probably have risen somewhat less than they actually did during 1969.

In summary, while I would not hazard a pinpointed estimate of the overall cost of the policy change, I can reasonably offer a plausible lower and upper limit. To get the lower end of the range, let me suppose that,

if the policy of Government persuasion had continued:

(a) the nonlisted prices would not have been affected at all during 1969—even though I believe they would have been favorably affected, on balance; and

(b) prices in the responsive group would have matched the pace of other industrials—even though they had consistently risen less rapidly prior to 1969.

Under those conditions, the industrial wholesale price index would have risen 3.5 percent (rather than 4.0 percent) during 1969, reflecting a 3.5 percent rise of non-listed prices (as actually occurred) and a matching 3.5 percent advance of the responsive group (rather than 6.0 percent).

I regard this half of a percent as a reasonable lower limit. It seems equally plausible on the higher side that a continued policy of persuasion might have held down the rise in the industrial wholesale price index by a full percentage point; a 3.0 percent advance would have resulted if

(a) prices in the nonlisted group had increased 3.2 percent, improving by 0.3 percent as a result of somewhat lower material and wage costs and some deterrent influence, and

(b) responsive prices had risen 2.4 percent, maintaining their average 1966-68 relationship to the increases in other industrial prices.

Whether the better estimate is 0.5 or 1.0 percent or something in between, it represents a significant handicap in our vital national effort to achieve noninflationary prosperity. And that handicap is continuing and influencing prices and wages generally as 1970 begins.

CHANGES IN WHOLESALE PRICES OF SELECTED INDUSTRIAL COMMODITIES—1969 COMPARED WITH PRIOR PERIODS

	Relative importance <sup>1</sup> (percent)	Percent change (annual rate) <sup>2</sup>					
		1969	1966-68	1968	1967	1966	1961-65
<b>Selected petroleum products:</b>							
Gasoline.....	2.772	3.5	-0.6	-0.9	-3.6	2.8	-0.9
Crude.....	.843	4.8	1.0	.7	.9	1.2	-1
Middle distillate.....	1.053	3.7	2.0	-1.3	5.9	1.6	.4
<b>Sulfur products:</b>							
Sulfur.....	.104	-33.3	18.1	7.7	39.3	9.8	1.6
Sulfuric acid.....	.085	0	9.9	3.7	21.0	6.0	1.7
Tires and tubes.....	1.221	2.2	3.0	1.7	4.2	3.1	-2
Paperboard.....	.669	5.1	-1.8	-2.8	-3.3	.7	-1
Glass containers.....	.375	5.3	3.3	9.1	0	1.1	.6
Cigarettes.....	.890	6.6	3.6	1.6	5.0	4.2	.8
Newsprint, standard.....	.426	3.3	2.2	0	2.1	4.6	-3
Photographic supplies.....	.346	3.4	2.2	2.0	5.1	-5	.8
Passenger cars.....	5.818	1.9	1.2	1.2	1.9	.3	-7
Tin cans.....	.301	2.7	2.3	3.0	4.1	0	2.3
Laundry equipment.....	.242	1.2	1.7	2.4	2.8	-1	-1.3
<b>Selected steel products:</b>							
Finished.....	4.247	6.8	1.6	2.2	1.3	1.3	0.4
Semifinished.....	.272	5.7	1.4	.3	2.9	1.0	.3
<b>Selected nonferrous metals:</b>							
Aluminum ingot.....	.143	8.7	1.7	3.0	2.0	0	-1.2
Aluminum ingot, alloyed.....	.058	7.2	2.5	4.6	1.9	1.0	-----
Aluminum shapes.....	.660	6.7	1.2	2.4	1.1	.2	-2.5
Copper wirebar.....	.386	24.3	5.3	10.2	5.9	0	3.7
Copper and brass shapes.....	.743	27.9	4.1	-4.2	5.7	11.5	3.6
Wire and cable.....	.809	22.2	1.7	-3.8	2.3	7.0	3.5
Listed items.....	22.463	6.0	1.7	1.0	1.9	2.1	.1
All other (nonlisted) industrials.....	77.537	3.5	2.3	2.9	1.9	2.3	.5
All industrials.....	100.0	4.0	2.2	2.5	1.9	2.2	.4

<sup>1</sup> Fraction of industrial wholesale price index in December 1968 accounted for by commodity.

<sup>2</sup> Year figure represents change during year—e.g., 1969 is period from December 1968 to December 1969. 1966-68 is thus December 1965 to December 1968.

Mr. SIKES. Mr. Speaker, our Nation is confronted with economic problems which must have action at the highest levels. They are problems which are of increasing moment in many important areas of our national economy and they are affecting an increasingly larger number of people. I refer to high interest rates, declining productivity, flattening real income, low profits, and ever-increasing cost of living. Not to be overlooked as a major contributor is the lagging construction program, including housing in particular.

It is time for action which I do not see reflected in the Economic Report of the President. There is much in the report that is hopeful but specific programs with which to treat these problems are lacking.

The choices are not easy. There is the damage of inflation on one hand and of recession on the other. Nevertheless, those in positions of authority have a

responsibility to act, and not to hope, and not to let the economy drift. I am afraid it is the latter policy which predominates. The President has great authority, and I believe the people want this authority exercised. I am sure he is concerned that the rate of inflation during the past year has been at its highest point in a long, long time. But industries continue to boost prices and this, alternating with wage increases, gives no promise of a real slowdown in costs. All of this is at the expense of the consumer who already suffers from the worst inflation since 1951.

Tight money policies, which already are causing trouble, are not an answer or a solution. The Nation needs long-range stability, and we should seek to avoid stop-and-go tactics. Price escalation must be deflated but care must be taken to avoid steps which will produce substantial unemployment. It will be exceedingly unfortunate if, instead of fac-

ing up to the problem, the administration seeks to blame today's conditions on the policies of previous years or previous administrations. Instead, it will be well to recall that the workingman saw his real income increased very substantially during the years immediately prior to the present administration. The small businessman could borrow money to operate at much less than the cost of money at today's excessive interest rates. The housewife knows that the grocery bill and household costs have escalated alarmingly since the beginning of 1969. There is something to be learned from those years.

It will be much more appropriate if the President will undertake a team effort which encourages the support of the top leaders on both sides of the political aisle and utilizes their combined talents to seek a sound economic climate in which the Nation can seriously undertake to overcome the problems of in-

flation, high interest rates, and possibly impending recession.

Mr. SMITH of Iowa. Mr. Speaker, the Economic Report of the President to the Congress of the United States came to us only today. In the fashion that has become so typical of this administration, the report is designed for its maximum Madison Avenue-contrived advertising impact. It was released to the press on a Friday before it was transmitted to the Congress on a Monday. Apparently, it was given to selected members of the press even before Friday, with an embargo on its publication.

Whatever the excuse, this is not the first time that this administration has made available to the press, before transmission to Congress, reports and Presidential messages to the Congress. This practice is just one more example of the complete public relations and advertising orientation of the White House, abundantly staffed by advertising executives. It also reflects an abominable ignorance of Government by some of the White House staff, and the responsibility of the executive branch to the legislative branch.

I suppose a certain amount of Madison Avenue packaging of the President and his statements is necessary in this age of electronic media. However, I do not agree that it should be uppermost in the planning and execution of the policies in the economic field, as is apparent in this report and the White House handling of it.

Persuasion, and good communication, are part of the art of governing. But there has to be some substance, something other than rhetoric and design to gain political advantage. My reading of the President's message failed to reflect much except an effort to deny blame for the failing economic policies of this administration.

For my part, the public release of a report to the Congress 3 days before it is submitted to this body is sufficient reason to make it suspect, and its content verifies that judgment. The argument that someone broke a press release date is not sufficient explanation. The entire handling of the matter was mismanaged, and was evidence that this administration, like some previous ones, will try to manage the news by limiting advances to friendly reporters and will put emphasis on form rather than substance, on phrasemaking in place of policymaking, and on words rather than action.

#### CHANGE IN LEGISLATIVE PROGRAM

(Mr. ALBERT asked and was given permission to address the House for 1 minute.)

Mr. ALBERT. Mr. Speaker, I have requested this time for the purpose of making an announcement in connection with the legislative program.

Mr. Speaker, the Members will recall that we have programed for Wednesday and the balance of the week H.R. 12025, the National Forest Timber Conservation and Management Act of 1969.

In view of the fact that funeral services for our late colleague, the Honorable

GLENARD P. LIPSCOMB from California, will be held on Wednesday, this bill will not be called up until Thursday.

#### CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

#### PROVIDING FOR THE ADMISSION TO THE UNITED STATES OF CERTAIN INHABITANTS OF THE BONIN ISLANDS

The Clerk called the bill (H.R. 4574) to provide for the admission to the United States of certain inhabitants of the Bonin Islands.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

#### AUTHORIZING THE SECRETARY OF THE INTERIOR TO SELL RESERVED PHOSPHATE INTERESTS OF THE UNITED STATES IN CERTAIN LANDS IN FLORIDA TO THE RECORD OWNERS OF THE SURFACE THEREOF

The Clerk called the bill (H.R. 9882) to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to the record owners of the surface thereof.

There being no objection, the Clerk read the bill, as follows:

H.R. 9882

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey, sell, and quitclaim all phosphate interests now owned by the United States in and to the hereinafter described lands located in Highlands County, Florida, to the present record owner or owners of the surface right thereof:*

The northeast quarter of section 28, township 37 south, range 30 east, Highlands County, Florida.

SEC. 2. In the event that the Secretary of the Interior determines that the lands described in the first section are not prospectively valuable for phosphate, he shall convey the reserved phosphate interests to the present record owner or owners of the surface rights upon the payment of a sum of \$200 to reimburse the United States for the administrative cost of the conveyance; otherwise, the phosphate interests shall be sold to the present record owner or owners of the surface rights upon the payment of a sum equal to \$200 plus the fair market value of the phosphate interest as determined by the Secretary after taking into consideration such appraisals as he deems necessary.

SEC. 3. Proceeds from the sale made under authority of this Act shall be covered into the Treasury of the United States as miscellaneous receipts.

With the following committee amendment:

Page 1, strike out all of lines 3 through 9 and insert in lieu thereof the following:

"That the United States hereby quitclaims to the record owner or owners of the surface

thereof, as of the date of this Act, all phosphate interests now owned by the United States in and to lands in Highlands County, Florida, described as:

"The northeast quarter of section 28, township 37 south, range 30 east."

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ASPINALL

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 2, after line 5, strike all of lines 6 through 20.

Mr. ASPINALL. Mr. Speaker, I wish to give an explanation for the amendment that I have just offered to H.R. 9882.

This amendment deletes lines 6 through 20, page 2, of H.R. 9882 and thus eliminates sections 2 and 3 of the printed bill.

When this bill was reported out of the Interior and Insular Affairs Committee, sections 2 and 3 were deleted. Through an inadvertence the committee's action was not accurately reflected in the printed bill, or in the first section of the committee report. However, it was, and is, the intent of this committee to recommend enactment of H.R. 9882 without the inclusion of those two sections of the bill. Therefore the amendment I have just offered does nothing more than conform the printed bill to the position taken by the committee. This position is in full accord with the recommendations of the Department of the Interior.

The reasons for the committee's amendments to H.R. 9882 are fully explained in the report accompanying H.R. 9882. Briefly, the reasons are as follows: First, as the land involved in H.R. 9882 is clearly without value for phosphate there is no reason to make provision for payment to the Government for non-existent phosphate. Second, because H.R. 9882 is self-executing there are no administrative costs involved and the usual requirement for reimbursement for the administrative cost is not necessary.

The amendment was agreed to.

Mr. ASPINALL. Mr. Speaker, the bill now before us, H.R. 9882, relates to reserved phosphate interests in 160 acres of land located in Highlands County, Fla.

These phosphate interests are now reserved to the United States and were so reserved many years ago when it was thought the land contained phosphate of commercial value. However, subsequent information obtained and recent examinations made by the U.S. Geological Survey clearly show that this 160 acres does not, in fact, contain any phosphate of value. The nearest commercial phosphate field is about 19 miles away.

The surface of the 160 acres is owned by Mr. and Mrs. Wilbur Dorance and William Dorance, of Lake Placid, Fla. While the lands are presently used as an orange grove they are entirely surrounded by real estate and subdivision developments. Several homes have been built nearby and others are contemplated.

Due to the federally reserved phosphate interest it is not practicable or feasible to undertake subdivision de-

velopment and the construction of homes on this land. While the possibility of mining phosphate is extremely remote the phosphate reservation does constitute a cloud on the title. Enactment of H.R. 9882 would permit the land to be devoted to its highest and best use, which is subdivision development.

Because there is a complete absence of commercial phosphate in this land the Department of the Interior advised the committee that the reserved phosphate interest has no value. Additionally, as H.R. 9882, as amended, is self-executing and will not require any further administrative action, such as issuance of a supplemental patent, there will not be any expenditure of funds or time by the Federal Government. For this reason the Department recommended, and the committee adopted an amendment to H.R. 9882, which does not require the usual appraisal and the payment of the fair market value of the nonexistent phosphate. The usual requirement for payment of a sum of money, usually \$200, to cover administrative costs was likewise eliminated as there are no administrative costs involved in this particular situation. It is only because of these factors that the committee departed from its usual practice of requiring full payment for the conveyed mineral interests.

The committee recommends enactment of H.R. 9882, as amended.

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

The title was amended so as to read: "A bill to convey reserved phosphate interests of the United States in certain nonphosphate lands in Highlands County, Florida."

A motion to reconsider was laid on the table.

**EXTENDING FOR 3 YEARS REQUIREMENTS WITH RESPECT TO APPLICATIONS FOR A LICENSE FOR AN ACTIVITY WHICH MAY AFFECT THE RESOURCES OF THE HUDSON RIVERWAY**

The Clerk called the bill (H.R. 13106) to extend for 3 years the period of time during which certain requirements shall continue to apply with respect to applications for a license for an activity which may affect the resources of the Hudson Riverway, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask a question or two concerning this bill.

Has there ever been a report made to the Congress concerning the review of the work done by those who seek to establish the compact between the several States?

Mr. ASPINALL. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Speaker, there have been no formal reports as yet. One of the reasons of course is the way in which this legislation expired this last year in September.

May I in explanation of the situation explain to my friend, the gentleman from Iowa, and our colleagues, that the staff on the Federal operations report that the Federal expenditures in 1967 were \$38,000; 1968, \$35,700; 1969, \$34,000, and in 1970, this fiscal year, \$8,600, for a total of \$116,300.

But in the same time the office of the comptroller of New York made expenditure in the amounts of \$383,711.13 in 1966; \$777,609.67 in 1967; \$779,397.74 in 1968; and \$460,635.37 up to December 10, 1969.

So the record shows that of the three States involved, the State of New York spent an additional \$780,100, and the State of New Jersey spent \$99,700 in this time, making a total of \$2,617,353 for total expenditures of the States.

The report is not ready as yet. The agreement has not been arrived at. I think the gentleman from New York (Mr. OTTINGER) will be able to explain for you the operation to date if the gentleman wishes.

Mr. GROSS. I appreciate that my friend from Colorado, the distinguished chairman of the Committee on Interior and Insular Affairs, has put in the RECORD the expenditures on the part of the Federal Government as well as the States, which are joined in this endeavor. But, of course, I am interested in the amount of money which has been put in by the Federal Government. What the States do is upon their own responsibility, as far as I know. I am interested in the money put into this review by the Federal Government, and what we have received in return for it. I do not particularly care how much the State of New York has put in.

Mr. ASPINALL. Would my friend from Iowa yield further?

Mr. GROSS. I am glad to yield further to the gentleman from Colorado.

Mr. ASPINALL. Of course, this legislation had to be justified before our committee, and the committee was unanimously of the opinion that the Federal Government's share had been well spent, and that we would get value out of it, and that the results of the total operation would in time be worth many, many times what the Federal Government put into it.

Inasmuch as the States have already spent almost 22 times as much as the Federal Government has, we thought this was a pretty good operation so far as the U.S. interests were concerned, where you have a dual State area involved.

Mr. GROSS. Will the chairman of the legislative committee agree with me that after 3 years it is about time someone in the executive branch of the Government sent a report to the Congress? In the future, if we are going to expend any money at all, it seems to me that we are entitled to some kind of report concerning this endeavor.

Mr. ASPINALL. The gentleman is correct. As soon as this session gets under way, I know they will follow our wishes in this matter.

Mr. GROSS. I thank the gentleman. The gentleman has answered the questions that I wanted to propound.

Mr. Speaker, I withdraw my reservation of objection.

(Mr. ASPINALL asked and was given permission to extend his remarks at this point.)

Mr. ASPINALL. Mr. Speaker, H.R. 13106 by our colleague from New York (Mr. OTTINGER) provides for the renewal of certain provisions of the act of September 26, 1966. That act contemplated that the States of the Hudson River Basin and the Secretary of the Interior should enter discussions leading toward the establishment of a compact for the development of the natural resources of the riverway.

According to information supplied to the Committee on Interior and Insular Affairs, there have been numerous meetings between representatives of the States of New York, New Jersey, and the Secretary of the Interior, but Vermont, Massachusetts, and Connecticut elected not to participate since they have only a peripheral interest in the Hudson River Basin. To date, there has been no agreement on the precise terms of the compact, but a working document has been formulated and discussions are continuing.

Until agreement is reached, the mechanism developed under the act should be continued. That mechanism required all Federal agencies considering plans or programs affecting the resources of the river basin to submit them to the Secretary of the Interior for review and comment. Without this safeguard, the effectiveness of the negotiations themselves might be undermined.

Since the negotiations commenced, this provision of the act has proven itself to be a most useful tool. Almost 350 different matters having some aspect of Federal interest have already been reviewed with an eye toward the future of the riverway. It has been an important tool in maintaining the river's resources while negotiations on the compact proceeded. At the same time, it has enabled the area to make needed, progressive improvements. It should be emphasized that no public agency or private entity has made known to the committee any opposition to this extension.

The other aspect of H.R. 13106 involves the reporting feature of the act. As the Members of the House may recall, the 1966 act required the Secretary of the Interior to submit a report to the President on July 1, 1968. This report, together with his comments and recommendations, was to be forwarded by the President to the Congress. No time limit was established with respect to the transmittal of the report, and I regret to announce that neither the former nor the present occupant of the White House has chosen to honor that provision of the law. In an effort to assure the transmittal of future reports within a reasonable period of time, H.R. 13106 requires annual reports to the Congress through the offices of the Chief Executive.

As the Members will note, there are no appropriations authorized under the terms of this act, but it would be erroneous to conclude that this means that this legislation involves no cost. The fact is: any time any agency of Government

is directed to carry on reviews, there are going to be some associated expenses. According to data supplied to the committee, some \$116,300 in Interior Department expenses are attributable to the staff work carried on pursuant to the provisions of this legislation. If H.R. 13106 is enacted, and if the full 4 years expire prior to the execution of the compact, we can expect another \$140,000 in Federal expenditures to be utilized in carrying out its provisions.

These expenses are not the only ones associated with this undertaking. Considerable sums are being invested in related programs being carried on by the States of New York and New Jersey. Their efforts will continue to play a significant role in this program.

Mr. Speaker, while I wish it were possible for me to rise before the House today in support of a Hudson River compact, I must say that we have not yet arrived at that point. These negotiations are extremely complex and time consuming; consequently, a continued effort is necessary. For this reason, the extensions provided in H.R. 13106 should be approved. I recommend the approval of H.R. 13106, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

H.R. 13106

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 5 of the Act of September 26, 1966 (Public Law 89-605; 80 Stat. 848), is amended by striking out "three years after the date of this Act" and inserting in lieu thereof "six years after the date of this Act".

Sec. 2. Section 3 of such Act of September 26, 1966 (Public Law 89-605; 80 Stat. 848), is amended by striking out "July 1, 1968" and inserting in lieu thereof "July 1, 1970".

With the following committee amendments.

Page 1, line 6: Strike out "six years" and insert "seven years".

Page 1, line 10: Strike out "1970," and insert "1970, and annually thereafter,."

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. OTTINGER. Mr. Speaker, I rise in support of H.R. 13106 which I sponsored to extend for 4 years the provisions of the Hudson River Compact Act—Public Law 89-605.

As the Representative of a district which borders the Hudson River and the author of the original legislation, which was passed in 1966, I am particularly aware of the importance of the program.

The Hudson is one of our Nation's greatest and most abused rivers. Seven hundred and fifty seven billion gallons of sewage daily is dumped into its waters, refuse litters its shores, the once abundant marine life has dwindled alarmingly. Yet, in spite of man's abuses, it still remains one of our most valuable potential resources not only for fresh water to meet the growing needs of the greater metropolitan area but also as a natural, scenic, and recreation resource. The Hudson River Com-

act Act, which the legislation here today would extend, was the first Federal effort to make that potential a reality. It was, in fact, the first Federal effort to take leadership in coming to grips with problems of the urban river.

It did this in two ways.

First it encouraged New York, New Jersey, and such other States as may be interested, to join in the formation of a Federal-interstate compact.

Second it vested the Secretary of the Interior with certain authority to protect resources of the Hudson from adverse effects as a result of Federal program or projects while the compact is being formed.

The original act allowed 3 years for the States to work out a compact, a period of time which expired in September of last year.

While we have not made as much progress as we had hoped over the past 3 years toward our first goal, the formation of the compact, the signs are very good for the future and I am optimistic that we will be able to achieve it within the 4 years allowed under this extension. For this reason alone, the act merits extension.

The second provision of the act is perhaps its most important feature. It has opened new avenues for dealing with the very complex problems of the new conservation and the urban river.

In 1967, pursuant to the authority of the act, the Interior Department established a special Hudson River compact staff drawing upon the very best of the Department's resources to discharge the Department's responsibilities to protect the riverway.

After several months of negotiations with other Federal agencies by the staff, the Secretary of the Interior concluded memorandums of agreement with the six other Cabinet departments and the three independent agencies with responsibilities bearing upon the riverway. Under these agreements, the Hudson staff reviewed all Federal projects which could conceivably affect the resources of the Hudson Riverway and made such recommendations as were deemed necessary to protect and enhance its resources.

Let me give you some examples of what has been achieved under this arrangement. In 1969 the Board of Education of the City of New York proposed the construction of a badly needed new school facility, the Beach Channel High School on Jamaica Bay, a tidal estuary within the Hudson Basin as defined in this act. The construction involved substantial dredging of an area known as Giant Bar Marsh in the bay. Before the enactment of the Hudson River Compact Act there would have been no question as to the impact of this project on the natural resources of the Hudson. However, under the authority of this act, the staff investigated and discovered that the marsh area was extensively used for wild fowl feeding and was vital to the maintenance of the Atlantic coastal fisheries.

In addition, after an onsite inspection, Interior officials pointed out that

the plans as drawn up would have done away with one of the few available recreation fishing sites along Jamaica Bay.

I want to stress that, in the absence of the Hudson River Compact Act, these issues would probably never have been raised. Had they been raised the entire project could have bogged down in a protracted public dispute with no promise that the conflict could be resolved. The role of the Hudson River compact staff, however, did not end with merely pointing out the existence of the problems. The staff worked jointly with the officials of the city of New York and the Corps of Engineers to revise the plans so as to protect and actually enhance the resource.

Under the new plan, the amount of dredging of the Giant Marsh was vastly reduced and the city and the corps agreed to use fill material obtained to expand the marsh and thus make the entire project a cooperative effort with the Fish and Wildlife Service to demonstrate the practicability of improving existing marine feeding resources.

In addition, the layout of the school was changed so as to provide a new, more readily accessible public fishing access thus vastly enhancing the recreation value of the area for the low-income families in the vicinity.

This is an outstanding example of the new conservation, but it is only one of many successes.

In reviewing over 340 projects over the past 3 years pursuant to this legislation, the Hudson staff has won important conservation and environmental victories throughout the entire 300-mile stretch of the Hudson.

At Little Falls in the northern stretch, it saved an island with rare geological and historical significance from destruction by a State highway.

At Buchanan in suburban Westchester it won the first conditions on a corps permit that provide protection from thermal pollution from a nuclear powerplant.

Twice it has prevented a utility from desecrating the famed Hudson Highland with overhead powerlines.

Mr. Speaker, this promising first step toward solving the problems of the urban river, must be given more time; this valuable protection must be extended. On behalf of all those throughout the Nation who value the incomparable natural assets of the Hudson, I urge favorable action on H.R. 13106.

Mr. RYAN. Mr. Speaker, H.R. 13106 would extend for 3 years the Hudson River Basin Compact Act of September 26, 1966 (Public Law 89-605; 80 Stat. 848).

In 1966, I was a strong supporter of the act, having introduced in the 89th Congress a bill to create a Hudson River National Riverway. As finally enacted, the act included all of the Hudson River from its mouth to its source as proposed in my original bill.

The act provided Federal protection for one of our Nation's most magnificent, but also most abused, rivers. Unfortunately, that protection expired on September 26, 1969, 3 years after the date of its enactment.

In this Congress, I introduced H.R. 13944 to extend the authority of the Secretary of the Interior to review projects of other Federal agencies to assure that the Hudson's resources will suffer no adverse impact as a result of Federal actions taken while the compact is being negotiated. The bill before us, H.R. 13106, introduced by our colleague, Congressman OTTINGER, is similar; the committee has recommended an amendment to extend the authority for four additional years.

Since 1966, there has been important progress toward the negotiation of the compact. Governor Rockefeller has changed his position and no longer insists that New York State have nine out of 15 votes on the Compact Commission, removing a major roadblock to the formation of a compact.

I have long been concerned with the progressive deterioration of the Hudson River's resources through abuses and neglect. When Congress first enacted the Hudson compact legislation, I had strong hopes that this first Federal legislation to attempt to deal comprehensively with the great challenges of an urban river would be a major breakthrough. When legislation passed the House of Representatives I hailed it as "a strong start."

This legislation broke new ground in conservation legislation. It created a new and very promising role for the Secretary of the Interior by giving him the authority to consult with Federal agencies with authority over projects affecting the resources of the riverway. Giving one Federal official such responsibility in regard to the jurisdiction of other Federal agencies is a very delicate matter, but the combination set forth in the Hudson bill has succeeded.

The aim of the review authority was to avoid projects that would irreparably damage riverway resources until a Federal-interstate compact could be worked out. State and local projects were not covered because the State of New York undertook responsibility to prevent adverse actions in these jurisdictions.

Immediately upon passage of the Hudson River Basin Compact Act, a special Hudson River project was set up within the Department of the Interior and a full-time staff with extensive background in resources management was assigned to work out standards and review procedures.

As a result of patient negotiation, the Secretary signed memorandums of agreement with the six other Cabinet departments and three independent agencies that have responsibilities bearing upon the river.

Each agency now notifies the Secretary of the Interior of any program or project that could "conceivably" affect the resources of the riverway. The project or program is then reviewed by the Hudson River compact staff, who have full authority to call upon expertise from any other agency such as, for example, the Fish and Wildlife Service of the Department of the Interior, or the air pollution experts at HEW.

At least, 341 projects have been re-

viewed and more than half have been subjected to onsite review by the staff. This kind of cooperation between the Secretary of the Interior and Federal agencies is essential not only to protect the Hudson River from further despoilation, but also for the enhancement of the river's resources.

I urge passage of H.R. 13106, to continue the important conservation work that has begun.

The committee amendments were agreed to.

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

The title was amended so as to read: "A bill to extend for 4 years the period of time during which certain requirements shall continue to apply with respect to applications for a license for an activity which may affect the resources of the Hudson Riverway, and for other purposes."

A motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks with respect to this legislation in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### FURTHER CONTINUING APPROPRIATIONS, 1970

Mr. MAHON. Mr. Speaker, I move to suspend rules and pass the joint resolution (H.J. Res. 1072) making further continuing appropriations for the fiscal year 1970, and for other purposes.

The Clerk read as follows:

H.J. Res. 1072

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (c) of section 102 of the joint resolution of November 14, 1969 (Public Law 91-117), as amended, is hereby further amended by striking out "January 30, 1970" and inserting in lieu thereof "February 28, 1970".*

The SPEAKER. Is a second demanded?

Mr. BOW. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, this resolution makes funds available to continue activities for which provision was made in the Departments of Labor, and Health, Education, and Welfare appropriation bill which was vetoed last week. The resolution provides for continuation of operations from January 30, 1970, to not later than February 28.

As Members of the House know, the Committee on Appropriations is intensively involved in trying to work out and present a substitute bill for the vetoed measure. The subcommittee in charge has been in session today. It will meet again tomorrow. It was in session last

week. We are going to move just as rapidly as reasonably possible to bring out a new bill.

Mr. Speaker, in the light of the circumstances of the day and the fact that, insofar as I know, we are all generally agreed that this resolution is necessary, I have no further remarks to make at this time.

The SPEAKER. The Chair recognizes the gentleman from Ohio (Mr. Bow).

Mr. BOW. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I wonder if my distinguished chairman might agree with me that there is every reason to believe we will not need the 30 days provided in this resolution—that the subcommittee is now hard at work and we are hopeful that we may be able to bring out a bill perhaps even this week.

Mr. MAHON. I see the gentleman from Pennsylvania (Mr. Flood), the chairman of the subcommittee, and the ranking minority member of the subcommittee, the gentleman from Illinois (Mr. Michel), here on the floor. I know they are trying hard to work out something this week; certainly, to try to work something out as soon as reasonably possible. It is devoutly hoped that it will not be necessary to consume a major portion of the month before we will have this problem resolved and behind us.

Mr. BOW. In other words, I believe my chairman will agree that the committee is hard at work, that every effort is being made to report out a bill, and it is the intention of the committee to bring that bill to the floor as soon as possible. I think the chairman and the ranking minority member can almost assure the House we will make progress, and that this will undoubtedly be the last continuing resolution we will have for fiscal year 1970.

Mr. MAHON. I certainly hope so.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. BOW. I am delighted to yield to my friend from Missouri.

Mr. HALL. Mr. Speaker, I full well understand the spirit in which the House acts here today. But if we are going to continue to act instead of following our usual custom, I think we should not pass legislation without having a thorough understanding, certainly not by unanimous consent.

No. 1, in the opening statement the chairman of the Committee on Appropriations said that the resolution applies only to the appropriation bill for the Department of Labor and HEW. Am I to conclude from that statement, as I understood it, that this is included in clause (c) of section 102 of the joint resolution of November 14, 1969, which is now Public Law 91-117, and would not allow the expenditure at a higher rate than last year's appropriation in other departments?

Mr. MAHON. The gentleman is correct. All we do in this resolution is to extend the previous resolution by changing the date from January 30, 1970, to February 28, 1970. We do not make any change in the scope of the resolution. The resolution has ceased to apply to

all the appropriation bills that have been signed into law.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. BOW. Mr. Speaker, I yield myself an additional 3 minutes.

Mr. HALL. Mr. Speaker, will the gentleman yield further?

Mr. BOW. I shall yield further to the gentleman, but I think it should be pointed out that this continuing resolution does not confine itself only to Labor-HEW, but it also provides for the related agencies, including OEO. I did not want the gentleman to have any misunderstanding about which agencies were included.

Mr. HALL. Mr. Speaker, if the gentleman will yield further—

Mr. BOW. I am delighted to yield further to the gentleman from Missouri.

Mr. HALL. I would rephrase my question in this manner. Does it include any continuing appropriations for other Cabinet branches of Government than those covered in the bill on which the Congress worked its will last week in sustaining the Presidential veto?

Mr. BOW. To the best of my knowledge, it does not.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. BOW. I am delighted to yield to the distinguished chairman of the committee.

Mr. MAHON. The continuing resolution at one time applied to the entire Government, we have now enacted all the other appropriation bills, and under the resolution, as a practical matter, all that will be involved are those agencies embraced in the Labor-HEW appropriation bill.

Mr. BOW. In other words, those agencies which were in the bill that was vetoed last week?

Mr. MAHON. That is correct. All the other agencies of Government have been provided for by regular annual appropriation bills.

Mr. HALL. Mr. Speaker, if the gentleman will yield further, that answers my question. I did want to make a legislative record in that regard to assure there would not be increased expenditures over and above the appropriations passed in this Congress or continued from the appropriations in the fiscal year 1969.

I have only one other question. In view of the statements of both distinguished gentlemen on the Committee on Appropriations that we will undoubtedly have acted, by virtue of subcommittee action and the plan to let the House work its will before this date of February 28, why do we not just extend it for 15 days, in view of all the assurances given?

Mr. BOW. I will say to the gentleman that I gave that matter very serious consideration. In fact, I had an amendment so prepared. But, after meeting with the subcommittee and seeing the action being taken, I thought it would be a mistake for us to get into a serious disagreement here on whether the resolution is for 15 or 30 days. I am convinced the distinguished gentleman from Pennsylvania (Mr. Flood), is moving as rapidly as possible, and that it is his intention to

bring out a bill. I hope we will have a new bill before the end of the 15 days. Consequently, there is no reason for controversy today on this point in relation to the continuing resolution.

Mr. HALL. Mr. Speaker, I thank the gentleman, but I would say that this comes under the entitlement of "blessed assurance."

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Speaker, am I correct though in understanding that this continuing resolution does include the additional money that was written in on the so-called Joelson-Cohelan amendment and does include the very items that the President found objectionable in his veto message?

Mr. BOW. I regretfully must reply that it does.

Mr. PUCINSKI. It does not?

Mr. BOW. It does. I said that I regretted that it did. The gentleman would not expect me to be pleased about this, would he?

Mr. PUCINSKI. But the President objected in his message to the fact that those expenditures were mandatory and therefore he had no choice but to veto. Would the gentleman as a member of the committee explain why the Department is not spending this money and why it has not spent the money in November and December and January?

Mr. BOW. I believe the gentleman's question should be directed to the Department.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Speaker, the gentleman from Illinois talks about the mandatory language in the bill which the President vetoed Wednesday last. The continuing resolution has no mandatory language, does it?

The SPEAKER. The time of the gentleman has expired.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield further?

Mr. BOW. I yield further to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Speaker, I asked the gentleman to yield again so I could try to get an answer as to whether or not the continuing resolution has mandatory language. I would like to have an answer from either the gentleman from Ohio or the gentleman from Texas.

Mr. MAHON. Mr. Speaker, if the gentleman will yield further, the continuing resolution from the committee, of course, just changes the date of the previous continuing resolution and thus continues the status quo.

Mr. WAGGONNER. Mr. Speaker, this prompts one other question. Did the previous continuing resolution have mandatory language?

Mr. MAHON. No, the previous resolution did not have mandatory language, but I believe several of the basic laws do have language which has been interpreted by the administration to be mandatory.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield further?

Mr. BOW. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Does the gentleman, Mr. Speaker, say the basic law which was vetoed had mandatory language, or the basic law which is being continued has mandatory language?

Mr. MAHON. The continuing resolution does not contain mandatory language. Neither did the bill vetoed by the President contain mandatory language.

As I understand it, the President has been advised that the basic law makes it mandatory that he allocate certain funds. The basic law does say that certain funds shall—and I underline the word shall—be allocated for certain purposes.

In any event, Mr. Speaker, that question is not involved in the pending resolution.

Mr. BOW. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. MICHEL) to close the debate on this side of the aisle.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding. I just want to make it clear at this particular point, that out of respect to our late departed friend and colleague, GLEN LIPSCOMB there has not been very much debate. I am sure there would have been a much more spirited debate otherwise.

However, the fact there has been so little participation in this debate does not mean this is unimportant. The gentleman from Louisiana makes a very important point, and I am sure the gentleman from Illinois, Mr. PUCINSKI, also wants to make that same point, for different reasons.

Under the terms of this continuing resolution, the spending level will undoubtedly be at the higher level that is repugnant to the President and is repugnant to me. I do not want the fact that I have agreed to the resolution in an emergency situation to be construed as giving any kind of tacit agreement that I think this is a good resolution. I am opposed to it in principle for at the end of February we will be two-thirds of the way through the fiscal year and still spending at this higher level.

As I pointed out last Thursday in the colloquy, we might then find ourselves in the switches, where there is an attempt on the other side to go the rest of the way through the fiscal year with continuing resolutions. We have to make it abundantly clear before we pass this continuing resolution, that we are not just going through the motions, but our committee will try to come out with something substantial real soon that more properly meets the President's request.

The SPEAKER. The question is on the motion of the gentleman from Texas that the House suspend the rules and pass the joint resolution (H.J. Res. 1072).

The question was taken; and, two-thirds having voted in favor thereof, the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.



### PRESIDENT'S VETO OF THE HEW APPROPRIATION BILL

(Mr. RUPPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUPPE. Mr. Speaker, I wish to address myself to the recent veto of the appropriation bill for Health, Education, and Welfare. The decision on whether or not to support the veto was extremely difficult for me. I voted to override the President's veto and I would like to share with my colleagues some of the reasons which lead to my decision.

To my mind, the most basic factor to be considered was the effect that a veto would have on the school children in my district. After examining the implications, school district by school district, I found that the reduction in educational assistance would have an especially severe impact in northern Michigan.

In the impacted aid program alone, there are some 64 school districts receiving such assistance in the State of Michigan; 27 of those 64 school districts are in the 11th Congressional District. In dollar amounts, fully 40 percent of program cuts for Michigan will hit schools in my district. To emphasize how important the impacted aid program can be, in Chippewa County, program payments amounted to \$819,521 last year. As a result of the veto, the city of Sault Ste. Marie alone could lose as much as \$135,000, a serious blow to any school district.

I would not deny that there are faults with the impacted aid program. In fact, I propose that extensive changes be made in the formula by which school districts are now funded, so that payments would be based solely on need. However, I do not feel that we can change the formula midway through the school year. Rather I would hope that the Congress will face its responsibility during the remainder of this session and undertake those necessary changes in the program to make the formula more equitable for all school districts involved.

There is another important factor to consider. All of the Nation's schools which receive Federal assistance have been operating under the assumption—however false—that they would be receiving some increases in Federal funds this year. This includes not just impacted aid but the Elementary and Secondary Education Act and the National Defense Education Act as well. Certainly, the overwhelming support which education was given last year when the appropriations measures were considered by the House and the Senate indicated that additional moneys would be forthcoming. Even the most prudent of school administrators felt that at the very least, the figure would remain at last year's level. Now, suddenly, with less than half the school year remaining, they face substantial cuts.

My decision to vote in favor of overriding the veto was difficult for another extremely important reason. The President has said that the fight against inflation holds the highest priority and I agree. One of the vital keys to that fight

is Federal spending. We simply have to bring the Federal budget under control and eliminate nonessential spending. The Congress and the administration must decide where and how those cuts will be made.

For example, during the past session of Congress, the Defense budget was trimmed of over \$5 billion. I fully supported the effort to eliminate future purchases of the controversial C-5A aircraft as well as new and unnecessary aircraft carriers. I also worked to cut more than \$1 billion from our foreign aid authorization. In my view, we have just begun to shape a lean, effective Federal budget, but the task must continue indefinitely. It is unfortunate that the education bill had to become one of the battlegrounds of this effort.

The ultimate failure of the HEW appropriations rests with the Democratic leadership of the 91st Congress. The leadership has continually refused to restructure programs and budgets so that ample funds could be made available to the truly essential areas of Federal assistance. They are also responsible for the fact that the HEW appropriation was the last appropriation measure to pass the Senate for fiscal year 1970. The bill did not reach the President's desk until more than half the fiscal year had passed, leaving little room, in my view, for major funding adjustment. It is wrong to wait until our education system has reached the crisis point before devising legislation which is so vital to its existence. School systems throughout the country cannot properly budget their expenses or administer if they cannot anticipate the amount of Federal assistance they will receive. Seven months of the fiscal year have passed, and the Nation's school administrators still do not know how much Federal assistance they can expect. There is no excuse for the excessive delay, and the onus must be placed on the Democratic congressional leadership which failed to move such an important appropriation measure through the legislative mill which they control.

It is indeed regrettable that an issue as important as the education of our young people should become wrapped in partisan politics. Just a few days before the crucial vote to override the veto, the chairman of the House Education and Labor Committee, a man of 21 years service in the Congress, charged that the administration lacked concern for education. I rose to indicate that I, too, was interested in education and wondered aloud why so many who were supporting the HEW bill had also voted against the President's tax program, which provided the desperately needed funds for education and other important Federal programs. The chairman admitted that he had voted against the tax increase for the first time in his career. This suggests to me that the education fight was motivated more out of partisan politics than a genuine concern for the Federal education effort. In truth, the Government is operating under an extremely tight budget because many Members of the Democratic opposition were unwilling to vote for the necessary tax revenues.

### JOINT CONGRESSIONAL COMMITTEE ON ENVIRONMENTAL QUALITY AND POPULATION POLICY

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, last Wednesday I was honored to be joined by the gentleman from Connecticut (Mr. DANDARIO), the gentleman from Arizona (Mr. UDALL), and the gentleman from Pennsylvania (Mr. GREEN) in introducing a bill to establish a Joint Congressional Committee on Environmental Quality and Population Policy (H.J. Res. 1071).

The need for this legislation derives from serious threats to the quality of our environment which are pronounced by the clash between the growth of population and the growth of new technologies. Among the larger policy issues that have grown out of this interrelationship are these:

First. Can we plan effectively to achieve an environment of an acceptable quality in a given area without indicating the maximum number of people a plan contemplates in that area?

Second. Will continued population growth in an urban, industrial society result in a parallel or even greater increase in the percentage of that society's resources (in terms of scientific manpower as well as funds) that must be allocated to restoring environment quality to a healthy level?

Third. Can the distribution of new technologies (some common past examples being detergents and pesticides) be effectively controlled until their potential effect on the environment has been adequately assessed?

As we are painfully coming to recognize, the progression of American technology is a somewhat mixed blessing. The problem is that agricultural, industrial, transportation, mining, and other complex technologies have been designed essentially to solve rather narrowly defined problems of physical wants and needs, with insufficient attention to the spin-off effects of these decisions on man's environment. The result has been that such technologies, while rather effective in meeting our additional needs for food, transportation facilities, fuels, and other tangible goods that accompany an ever-expanding population, have tended also to carry adverse effects that have cumulated into a serious threat to the quality of the air, water, land, and other elements of our natural environment.

Of course, no one would suggest that we forgo the fruits of technology because its impact is not totally beneficial. But what we can and should do is to adapt the problem-solving mechanisms of science and technology to include the detrimental effects on the quality of the environment. In our decentralized society, private enterprises, individuals, and State and local governments bear the primary responsibility for this undertaking. The Federal Government, in cooperation with private groups and State and local governments, can facilitate explicit and focused debate on the environ-

mental policy spectrum, toward the end of clarifying policy alternatives and crystallizing the will of the American people to support and sustain action on preferred alternatives.

Within the Federal Government, we took significant steps during 1969 to prompt maximum feasible action along these lines. President Nixon by Executive order created a Cabinet-level Environmental Quality Council to coordinate on-going governmental policies and programs toward the end of environmental quality control. And the Congress, in the National Environmental Policy Act of 1969, established a Council on Environmental Quality in the Executive Office of the President continually to analyze environmental trends and to plan and recommend new and revised policies to promote the improvement of the environment.

The legislation we introduced yesterday is designed to take a logical and useful additional step beyond these actions of last year. The essential precedent for establishment of the Council on Environmental Quality in 1969 was the Employment Act of 1946 and the Council of Economic Advisers instituted by that statute. Our bill would extend this use of the 1946 Employment Act as precedent, by creating a Congressional Joint Committee on Environmental Quality and Population Policy. We are all familiar with the important functions performed through the years by the Joint Economic Committee that was established by the Employment Act. Indeed, in looking over the history of the 1946 act, we could reasonably conclude that the Joint Economic Committee has done at least as much as the Council of Economic Advisers toward promoting the goals of maximum production, employment, purchasing power, and balance-of-payments equilibrium. We cannot afford to forgo the challenge of similarly strengthening the ability of Congress to contribute to a quality environment, by creating a joint Senate-House committee in this field also.

Our bill intendedly does not limit the duties and activities of the joint committee in the environmental quality and population area. Thus the joint committee would evolve and adapt in response to changing conditions. However, we would strongly emphasize what in our judgment are four essential elements of any such congressional study and advisory organ:

First. Population policy, which is an integral part of promoting and maintaining environmental quality, is included in the title of the joint committee. The joint committee is also mandated to consider population trends and policies.

As former Interior Secretary Stewart L. Udall pointed out:

Is it not time to give serious consideration to the "ecology of man"—the relation of human population to its environment? Is it not time to ask whether man, as part of nature, is subject to the laws that govern other species, particularly the law that for every species in a particular environment there is an optimum population?

Today's problems of environment policy revolve around the core phenomenon of swiftly rising numbers of human beings.

As the 1966 Spilhaus report of the National Academy of Sciences—National Research Council stated:

It is manifestly impossible for the human species to continue present rates of population increase, present rates of increase in per capita consumption of goods, and simultaneously maintain an environment in which waste products do not become ultimately totally inhibitory to life.

Among the policy proposals on population policy requiring close scrutiny and study by our proposed joint committee would be the 1969 recommendation of the Committee on Resources and Man of the National Academy of Sciences—National Research Council:

That efforts to limit population increases in the nation and the world be intensified by whatever means are practicable, working toward a goal of zero rate of growth by the end of the century. Healthy and intelligent people are man's greatest resource. If limitation of population is not eventually achieved at some reasonable level, moreover, food and other resources will surely be inadequate. With limitation of populations the objective can be shifted from combating starvation and want to the improvement of the human resource and its level of living. Although this recommendation is by no means novel, it emerges again from our study . . . that population control is the absolute primary essential without which all other efforts are nullified. Our Departments of State and of Health, Education, and Welfare should adopt the goal of real population control both in North America and throughout the world. Ultimately this implies that the community and society as a whole, and not only the parents, must have a say about the number of children a couple may have. This will require profound modification of current attitudes toward parenthood.

In less-developed nations, spectacular population growth results in a declining level of nutrition. In highly developed societies, even a "moderate" rate of population growth creates severe waste-disposal difficulties, and may, under some conditions, ultimately also threaten the nutrition standard as well as lessen the availability of usable open space.

The 1966 National Academy of Sciences—National Research Council Thimann report on the plant sciences notes that:

The cities with their suburbs, airports, and shopping centers are consuming land at a rate of about a million acres a year. Much of this is potentially first-class farming land. The population, which is growing at the rate of 8,000 persons per day, is projected to double in 40 years. By that time it will have to be fed on 40 million fewer acres (a decrease of about 10 percent in the cultivated area), and this assumes a linear and not the more probable exponential rate of land consumption. Thus the two curves, one for decreasing land and the other for increasing people, are on a collision course. What then?

Second. The joint committee is authorized to examine research and development efforts into nonpolluting sources of energy.

Can sufficient nonpolluting energy sources be developed to supplement fossil and present fissile energy sources? Do not such panaceas for the waste-management problem as recycling materials overlook the presumably fossil or cur-

rent fissile—and thus polluting—energy requirements therefor?

A representative of the Office of Science and Technology testified before the Daddario subcommittee:

It might also be suggested that we avoid the possibility of these changes [world-wide greenhouse effect from burning of fossil fuels] in the future by the vigorous development of other sources of energy such as nuclear power, solar energy, and the gravitational energy of the tides.

Increasingly power requirements must be met by efficient use of nuclear energy, and other sources should be utilized such as solar energy, the tides, and perhaps the heat of the earth's core.

The Spilhaus report also spoke to this general point:

However, the anticipated increase in atomic power reactors by the year 2000 will pose a serious challenge in the safe disposal of highly dangerous waste products.

Third. The joint committee would be authorized to analyze the international aspects of environmental pollution. As Prof. Barry Commoner recently wrote:

One of the great, humane ideas of the technological age is that those nations that have created it should share their knowledge with the worldwide movement to export technology has begun to achieve significant proportions. It has been in this same period of time that we have begun to discover—in the more advanced countries—the hidden environmental costs so often incurred by new technology. Clearly, it would be prudent to examine the record of the technological developments exported to the underdeveloped nations of the world, and to determine how their varied environments have responded to this new intrusion.

The interaction between national-security questions and environmental problems is often overlooked. Both are essentially exercises in humanizing the employment of technology, either through arms control or through waste management. This interaction is particularly significant when considering alternatives to fossil fuels. The threat of a spreading nuclear-weapons-production capability to other nations should, perhaps, be a kind of additional cost to be added to the more strictly environmental costs of nuclear power.

As British Defense Analyst Leonard Beaton pointed out:

It (the International Atomic Energy Agency) shall, under its statute, "seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world," ensuring, so far as it is able, that its assistance is not used "to further any military purpose." These objectives make it the United Nations version of the expensive national atomic energy agencies which appear so often to be lobbies maintained at public expense to stimulate the spread of atomic energy. Its governors and advisers seem in many cases to belong to that honourable but naive school of opinion which believes as a matter of faith that the advance of atomic energy must be beneficent and non-military whatever the facts of the case may be. If the I.A.E.A. is to form part of a concerted effort to stop the spread of nuclear weapons, it may have to cast its weight onto the other side of the scales. Resources will have to be spent by it or someone else to prove that conventional fuels are more, not less, economical for power; to improve the efficiency of desalination techniques which do not involve the production of plutonium, not those that

produce large quantities of plutonium; and to find how plutonium-producing facilities which must inevitably spread around the world can be organized so as to prevent the accumulation of pools of this immensely powerful substance in country after country.

In short, the joint committee might well address itself to such issues as these relating to both nonpolluting sources of energy as well as to the interaction of environmental policy and international affairs:

Is atomic-energy research fully geared to the development of efficient reactors that minimize environmental hazards?

What kind of national investment should we be making to harness for safe and peaceful uses the tremendous power of thermonuclear energy?

In the long run, are the environmental hazards from coal-fired or from nuclear-powered sources easier to handle? What international and resource issues must also be considered in making this decision?

Moreover, the adverse ecological effects of foreign-assistance programs would come within the joint committee's purview. Some of these effects were well documented at the December 1968 conference entitled "Ecological Aspects of International Development" sponsored by Washington University's Center for the Biology of Natural Systems and the Conservation Foundation.

Russell Train, then president of the Conservation Foundation and now Interior Under Secretary, summed up the theme of the conference when he said:

Developing countries are defenseless before the self-assured wisdom of Western planners. We have a very heavy moral obligation to assess the full range of consequences of those international development programs, both bilateral and multilateral, which we have undertaken so confidently.

The adverse environmental consequences of much well-accepted technological progress are perhaps most readily and dramatically seen in international development programs where alien technology and alien goals interact with a traditional culture and values.

Mr. Luther J. Carter, of Science, summarized one study given of Egypt's Aswan High Dam presented at the conference:

Egypt's Aswan High Dam, with its hydro-power, irrigation, navigation, and flood-control potential, has been considered one of the most promising of the great postwar developments. Yet, in a conference paper, Henry van der Schalle, of the University of Michigan's Museum of Zoology, viewed this project (completed only last year) pessimistically. He said that it is virtually certain to lead to a disastrous spread of schistosomiasis along the upper Nile, a region where heretofore the incidence of this debilitating, often fatal parasitic disease has been comparatively low. This is predictable, van der Schalle explained, because the project to bring year-round irrigation to the upper Nile provides the canals and ditches preferred by the schistosome's snail host. In the Nile delta, where year-round irrigation has long been practiced, the incidence of schistosomiasis is high, nearly all the inhabitants of some villages being infected. Moreover, attempts to combat schistosomiasis by snail eradication and sanitation measures, or by the treatment of infected persons, are said to have had only limited success.

Again, the joint committee would be in a position to emphasize the crucial importance of considering ecologic factors in all U.S. foreign-aid efforts.

Fourth. Finally the joint committee would require an annual posture briefing—similar to those briefings instituted by Secretary McNamara on Defense policy—from the Budget Director. The purpose of this briefing would be to give a meaningful account to the Congress of how much of the Federal budget, including all Federal agencies, is actually being allocated to restoring and maintaining the quality of our environment.

The joint committee would be uniquely situated to prompt the Presidency, through the Bureau of the Budget, annually to provide information on amounts and kinds of expenditures by executive branch agencies to promote and protect our physical environment. Today we have little in the way of systematic knowledge on budgeting for environmental programs and elements of programs, comparable to the increasingly sophisticated program delineations in such policy areas as education, health, and defense. The joint committee could work to institutionalize environment quality as one of the major, overriding analytic and funding categories in the national budgetary process.

The Joint Committee on Environmental Quality and Population Policy, as instituted by our bill, would not impinge in any way upon the legislative functions and responsibilities of the several committees of the Senate and House of Representatives with jurisdiction over resource, conservation or other environmental matters. The bill contains explicit language to the effect that no legislative measure shall be referred to the joint committee and that it shall have no authority to report any such measure to the Senate or the House of Representatives. The joint committee would serve and supplement rather than compete with our existing legislative committees.

The Joint Committee on Environmental Quality and Population Policy would doubtless conduct public hearings, out-contract studies, and publish, for wide distribution, hearings and related documents. This would be to facilitate congressional and public understanding of environmental and population trends and potential environmental disasters that threaten the right of all Americans to a healthy physical environment. Equally important, the joint committee would be able to outline the various policy alternatives needed to alleviate or prevent environmental degradation.

It would be hoped, finally, that the joint committee could bring a new perspective to environmental-quality control. Even among those learning to become professionally concerned with environment-policy problems, there are habits of thought which make wise policymaking difficult. One analyst before the Daddario subcommittee put it very well when he said:

The goals must not be to find out how much filth a stream can be made to accept, nor the limits on emissions into our air, nor the extent the land can be brutalized. Pollution abatement management—at every level, in public or private service—

spends too much time in figuring out how much it can get away with, when it should be figuring out how properly to remove and handle as much of the pollution load as it can. The way matters stand now, both production management and also abatement management are interested in getting the environment to accept as much untreated or poorly-treated contamination as it can.

The goal must be to clean up after ourselves to the point that any escaping pollutants are the result of accidents, or naturally occurring phenomena, or because their cleanup is clearly still outside present science and technology. The goal must be clean air and clean water, not tolerances and limits, and not how much we can get away with for a while longer. Unless the philosophy and goals are reassessed, the brightest technological advances won't pay off any more than present practice is paying off in keeping our environment clean.

Mr. Speaker, enactment of our proposal during this session of the Congress is, in our judgment, essential to help public and private institutions meet the challenge of restoring the quality of our environment.

We hope for serious and timely consideration of this measure by the Committee on Rules, and we welcome comments for its refinement from Members on both sides of the aisle.

#### SOUTHERN STRATEGY—JUDICIAL TYRANNY IMPOSED UPON THE SOUTH

(Mr. RARICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RARICK. Mr. Speaker, history will record today as the date on which judicial tyranny was imposed on the South.

We have heard much about the "law of the land" from the propaganda agents. Decent Americans have been exhorted since 1954 to obey the law of the land—and they have tried to do so. The demagogues and agitation agents, on the other hand, have been preaching that people need obey only the laws which they like, and should violate all others in support of a revolutionary tactic called civil disobedience.

Now, to aid in the enforcement of judicial decrees which are in direct violation of the law—the Civil Rights Act of 1964—and to further the disruptive schemes of bureaucrats who are in flagrant violation of the law—the current HEW Appropriations Act—the President is going to appoint a Cabinet-level committee, chaired by Vice President AGNEW, to aid in the new rape of the South.

We have heard much of the so-called southern strategy—mostly from the far left. It now has surfaced completely. But it is apparently only another chapter in the strategy of the left to use and abuse the South for the purpose of gaining cheaply bought political blocs elsewhere.

If the President is to be honest—if he is to live up to his constitutional obligation and to his oath of office—his course is quite simple.

All he need do is instruct his own appointees, the Attorney General and the Secretary of Health, Education, and Welfare, to obey the law. He need not

even have the Vice President involved in such instruction.

The radical Republican idea of the "conquered provinces" is no longer tenable. The people of the South—patient beyond belief in the face of malicious intervention in their internal affairs—have very nearly had enough.

Make no mistake. Decent Americans will still protect their children.

The silent majority recently has been discovered in the Nation by those politically astute. Let it be known that there is a silent majority in the South also, and that it is about to be heard from.

This majority is of both races—it is not a question of racial conflict. The great majority of each of the races wants to have and to exercise their own freedom of choice—the very freedom which this Congress sought to guarantee them, but of which the Supreme Court, the inferior—and I use the word advisedly—Federal courts, and the bureaucrats of the executive branch have now succeeded in unlawfully and temporarily depriving them.

For the convenience of Members, I include a current newsclipping, followed by the pertinent sections of the Constitution, the Civil Rights Act of 1964, and the current HEW Appropriation Act, in my remarks, as follows:

[From the Washington (D.C.) Post, Feb. 2, 1970]

#### AGNEW UNIT TO AID SOUTH'S INTEGRATION

Vice President Agnew said yesterday that he will be chairman of a Cabinet-level group that will work to carry out "in the least disruptive way" the Supreme Court's order to desegregate Southern schools at once.

Agnew, observing that "it is not always easy to decide what is compliance" with the high court's decision, described the group as a "council to reach accord through discussion and dialogue." He added:

"This is a top-level group to attempt to bring the restoration of quality education to those districts who feel that in the construction previously given to the decisions of the court that they suffered to some extent."

The Vice President said the group "is not meant to replace" enforcement machinery now residing in the Departments of Justice and Health, Education and Welfare. The Attorney General, John N. Mitchell, and the Secretary of HEW, Robert H. Finch, will be members of the group, he said.

The Vice President's disclosure that Mr. Nixon "will shortly announce the formation" of a Cabinet-level group to help Southern school districts carry out the Supreme Court's decision came in response to a question on how the administration "is going to make life a little easier for the Southerners" in an election year.

Agnew said firmly, "We are not trying to make life easier for anybody . . . when the courts of this country speak, the Executive Branch of the government and this administration will perform its obligations under the Constitution.

"It is ridiculous," he said, "to be an advocate of law and order in one sense and attempt to circumvent it in another sense."

Agnew said that much of the difficulty arising from the Supreme Court's orders "has been through misunderstanding of what the court really meant and what the people have taken out of the court's statements and what the Department of HEW and the Attorney General's office may have promulgated in the way of regulations."

He said a task force on education will be forced to "work with the school districts having the most difficulty to achieve the

spirit and the letter of the court decisions in a way that might least impair the continuance of quality education in those districts." He said the task force would be made up of "distinguished Southern educators of both parties and both races."

The Vice President would not elaborate on the methods of the Cabinet-level group other than that it would receive reports of the task force and would attempt "to guide the district into coming into conformity with the decisions."

Observing that there has been dispute on just what "compliance" is, Agnew said the group would try to bring all differing parties together—HEW officials, citizens, such outside groups as the NAACP—to "sit down and reach accord through a dialogue and a discussion."

The Supreme Court's "at once" decree has met stiff resistance in many of the school districts in the Deep South. Desegregation has been met by boycotts by both blacks and white and by the establishment of many all-white private academies. More problems are expected this week when 40 of the more recalcitrant districts desegregate.

Agnew repeated his opposition to busing of students as a way to achieve racial balance in schools. But he pointed out that there are all kinds of busing, and "we have got to look at each busing situation on its own merits and make our decision as a result of what we see."

On his own image and appeal, Agnew admitted candidly, "I would be dishonest if I said I didn't think I . . . do have an appeal in the South.

"I think it comes about," he said, "not because I am expressing any extremist philosophy, but because I have not been quite as careful about being misunderstood and exploited by certain left extreme groups who utilize any compassion for the unique problems of the South, and for what I consider the undue, untoward victimization of the South at the expense of achieving the objectives that we all know we must achieve in the field of desegregation of our society."

The Vice President also had these comments:

[From the Constitution of the United States of America]

#### ARTICLE VI

#### CONSTITUTION, LAWS AND TREATIES OF THE UNITED STATES TO BE SUPREME

2. This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

[Public Law 88-352, title IV, par. 401, July 2, 1964, 78 Stat. 246, 42 United States Code 2000c—Civil Rights Act of 1964]

#### DEFINITIONS

(b) "Desegregation" means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but "desegregation" shall not mean the assignment of students to public schools in order to overcome racial imbalance.

[From the HEW Appropriations Act]

Section 409 of the Appropriations Act under which the HEW employees are paid reads as follows:

"No part of the funds contained in this Act may be used to force busing of students, abolishment of any school, or to force any student attending any elementary or second-

ary school to attend a particular school against the choice of his or her parents or parent in order to overcome racial imbalance."

#### CLEAN WATER

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FEIGHAN. Mr. Speaker, I am amazed after all the administration rhetoric on the state of our environment and the vehement protests against the polluters of our Nation's waters emanating from the White House, that the President's budget contains no request for funds under the Clean Water Restoration Act for fiscal year 1971. Instead, President Nixon refers to a \$10 billion, 5-year program which he says will be detailed in a special message to Congress.

The Clean Water Restoration Act of 1966 authorizes appropriations of \$1.25 billion in fiscal year 1971 for Federal grants to State and localities for construction of sewage treatment facilities. However, it is clear from what the President says elsewhere in his budget message that his new program will really amount to a substantial reduction in the Federal effort far below that provided in the Clean Water Restoration Act. President Nixon's proposal provides that the direct Federal contribution will be only \$4 billion of the \$10 billion program, or \$800 million a year, which is what the Congress itself appropriated this year to clean up the Nation's waters.

Just recently I joined with six Members of this body in circulating a letter to all our colleagues calling for their assistance in appropriating the full \$1.25 billion in fiscal year 1971 for the construction of the sewage treatment plants. Acting in the anticipation that water pollution would not be a high-priority item in the President's budget, we asked for your support in making our \$1.25 billion goal a reality. I call upon you again now, to please join our efforts to achieve full funding.

The President's antipollution program has been touted as a long-awaited solution for dirty water, but at \$800 million a year we would be actually regressing. We must look ahead—we must increase the Federal effort, not retard the progress we have made.

#### TO BAN UNAUTHORIZED USE OF WAR DEAD'S NAMES

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE of Texas. Mr. Speaker, recently I read a compelling statement by a father whose son was killed in Vietnam fighting for the cause of freedom. The father was deeply distressed by the use of his son's name in the November anti-war demonstrations. He decided that one way he could manifest his feelings was to write an open letter to all Americans regarding his intense sentiments on this matter.

I would like to share this letter with my colleagues in the Congress. The letter follows:

"When they read my son's name to advocate peace at any price—the price being defeat, let them remember that he whose name they read did not surrender," wrote an anguished Malcolm Thompson.

"When they read the name of Gregory M. Thompson, let them realize that they are proving before the world the truth of the oft-repeated Communist claim that many Americans have become soft, decadent and yielding to any determined force which opposes them . . .

"When those hypocrites read the list of dead who defended South Vietnam, let them know that they have reached the ultimate low in the world record of human infamy, in that they willingly and cunningly utter a dead man's name to achieve the defeat of the cause for which he died."

Thompson's son, Gregory, was an 18-year-old Army PFC who was killed in combat in Vietnam May 17, 1969. The father's words, in a letter sent the day after Moratorium Day, mirrored the other side of America's continuing Vietnam debate.

"It is the ones who saw his body returned in a flag-draped coffin who should be heard—not the protestors," Thompson wrote.

"These transparent propagandists were not there to see my son buried, nor do they accompany me on my trips to lay flowers on his grave. . .

"It is we the parents who said goodbye to him when he went away to fight—not the peace agitators. It is we the parents who wrote long, anxious letters to him during his three months of almost continuous combat—not the agitators. . . . My son was killed while fighting for his country. America cannot be permitted to perpetually persuade its citizens to instill in their sons a sense of patriotism, loyalty and a determination to defend the oppressed, and then, after the sons have died, suddenly change her mind and yield to those who killed him".

This father is not alone in his anguish or distress. Gold star mothers and concerned individuals throughout the State of Texas have written to me and expressed their unalterable opposition to the use of the names of fallen soldiers by those who would dishonor our national commitment of honor in Vietnam.

Mr. Speaker, I am also greatly disturbed by the use of the names of our war dead by extremists, Communists, anarchists, and militant leftists. Not only does it tarnish the names of our fallen soldiers, it is an insult to the valiant Americans who are daily risking their lives to bring peace and freedom to the struggling people of South Vietnam.

In an attempt to put a stop to this ill-conceived activity, I have introduced for appropriate reference, legislation which would prohibit individuals and organizations from using for any purpose, on Federal or public property, the names of soldiers killed since August 5, 1964, in Vietnam or any other combat zone without being authorized to do so. Under my bill, before any individuals or organizations, with the exception of the news media, could use a dead soldier's name, they would have to receive written permission from the soldier's next of kin. Violators would be subject to up to a \$500 fine, and/or sent to prison for up to 1 year.

I have used August 5, 1964, as a cut-off date because it was at that time that the war in Vietnam started to radically escalate and our casualty rate began to rise significantly. I have excluded the news media from the coverage of my bill

so that reporting of the names of war casualties would not be impeded. I have made the penalty for violating clear and substantial in an effort to deter would-be wrongdoers.

I regret that circumstances have dictated that I take such drastic action. I regret more deeply, however, that certain elements of our population have so alienated themselves from the American mainstream that they oppose, in such a despicable way, the policies of our President and the wishes of a great majority of the American people.

Mr. Speaker, I include my bill to be reprinted in the RECORD:

H.R. 15606

A bill to prohibit the use of the name of any of certain deceased servicemen unless consent to so use the name is given by the next of kin of the serviceman

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, other than the news media, whoever publicly uses for any purpose on public or Federal property the name of any member of the armed services, if such member was killed on or after August 5, 1964, while on active duty in a combat zone, without first obtaining the consent of the next of kin of such member to so use the name shall be fined not more than \$500 or imprisoned not more than one year, or both. For the purpose of this Act, the term "next of kin" means that individual officially listed as such in the service records of the deceased member.

#### PUBLIC SUPPORT FOR PRESIDENT'S VETO OF LABOR-HEW APPROPRIATION BILL

(Mr. HALL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HALL. Mr. Speaker, I have here some information that may surprise those who think Federal deficit spending is still good politics.

Last Monday night the President went on television to tell the people of America why he was vetoing the Labor-HEW appropriations bill.

His message came through loud and clear.

Since then more than 55,000 wires have come into congressional offices regarding the veto.

A spot check of more than a dozen offices shows that the wires ran overwhelmingly in favor of the veto. In some offices the figure was 95 percent.

This was a dramatic outpouring of public opinion. It was a clear indication that the public, when it has the facts, will usually make the right decision. The so-called great silent majority stepped forward and spoke clearly.

Incidentally, the White House informs me that its mail and wires were outstanding in support after the speech. Whereas pressure groups have been strongly advocating that the President sign the bill, the speech brought a great outpouring of wires and letters in support of the President's position.

Mr. Speaker, I am sure that those who voted with the President on Wednesday will long feel a supporting glow in the Nation's interest.

#### POSTAL CORPORATION?

(Mr. GROSS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GROSS. Mr. Speaker, in the February 1970 issue of the Postal Supervisor, official publication of the National Association of Postal Supervisors, there appears an interesting letter from an assistant postmaster in the heart of Tennessee Valley Authority land.

The letter, from Mr. Jim Farley of Lebanon, Tenn., is addressed to Mr. Donald N. Ledbetter, secretary of NAPS, and appears in Mr. Ledbetter's column, "The Secretary's Report."

Bear in mind that Postmaster General Blount and other proponents of a postal corporation point to the TVA as a shining example of how wonderful our postal service will be if only we reorganize the Post Office Department along corporate lines.

In his letter, Mr. Farley raises some very pointed and pertinent questions. For the enlightenment of my colleagues—particularly those who might be leaning toward conversion of the Post Office Department into a postal corporation—I am pleased to reprint the text of his letter to Mr. Ledbetter in the RECORD, as well as Mr. Ledbetter's introductory and concluding comments:

#### TVA, IT'S WONDERFUL!

Being a native Tennessean and having spent most of my life in the area served by the Tennessee Valley Authority, I have always been a strong defender of T.V.A. And I still am. But when people start comparing the postal service with T.V.A. and saying that the postal service would be vastly improved if reorganized along the lines of T.V.A., I must raise the voice of dissent. It simply ain't so! It is impossible to compare the Tennessee Valley Authority with the Post Office Department. One glaring difference that meets the eye immediately is the fact that the post office in Manhattan alone employs more people than are employed by T.V.A. How can anyone compare the problems of the largest civilian agency of the government with operations in all 50 states and possessions with one of the smallest agencies of the government with operations localized in one regional area of the country?

Granting that the difference in size alone might make no difference in the minds of some, a comparison in services rendered is in order. My good friend, Jim Farley (no relation to the former Postmaster General), Assistant Postmaster at Lebanon, Tennessee and member-at-large of Tennessee State Branch N.A.P.S., has had some recent experiences with T.V.A. which we have asked him to share with you. His observations and reflections are contained in the following letter:

"Dear Don: In May, 1969, I purchased a mobile home and moved it onto a lot in the country near a lake. When I made application to T.V.A. for electric service I was told that there was a membership fee of \$5 which I paid. If the post office was a corporation, would I have to pay a membership fee of \$5?

"After I purchased the membership card I was then informed that it would cost me \$5 to be connected to the utility line. If the post office was a corporation, would I have to pay \$5 to be eligible to receive mail?"

"A T.V.A. supervisor went to the location of my mobile home and determined that it

was 660 feet from the nearest utility pole on the main line and, therefore, it would cost me an additional \$175 for the service line to be extended to my mobile home. If the post office was a corporation, would it cost me \$175 to get a rural route extended 660 feet up the road to my mobile home?

"About a week later (after this was all paid) the T.V.A. ran an electrical line from their main line to a pole near my mobile home but did not connect to my mobile home. I called T.V.A. and discovered that to meet their requirements I would have to get an electrician to put an all-weather box on the utility pole and run the necessary wires up the pole near a transformer. Certain specifications had to be met which cost me an additional \$68.13. If the post office was a corporation, would it cost me \$68.13 to meet their requirements for erecting a simple mail box?

"I notified T.V.A. that I had meet their requirement on the utility pole and asked them to please connect my mobile home with electricity. They informed me that I would have to get a state inspector to inspect all of the wiring in my mobile home and if he passed on the wiring, then notify them. This inspection cost another \$5. If the post office was a corporation, would it cost me \$5 to have an inspector approve my mail box?

"After the state inspector passed my wiring, I again notified T.V.A. and requested service connection. I was told that they were very busy and it would be another week before they could get to me. But with no further expenses, I received service on July 7, 1969.

"You would think my problems were all solved, but please indulge me a little further. In October 1969 I decided to sell my mobile home and build a permanent house within 20 feet of the location of the mobile home. I used the plug box on the utility pole for the contractor's saw. By using this plug I did not have to erect a temporary pole for temporary service from T.V.A. until the house was completed. This would have cost another \$20. After completion of my new home, I contacted T.V.A. and requested service, at which time I discovered that I had to pay the \$20 temporary service charge anyway. If the post office was a corporation, would I have to pay \$20 for temporary service in general delivery?

"I was required to contact the state inspector again to inspect my new home and pay another \$5 inspection fee before I could get electricity. If the post office was a corporation and I moved from my mobile home to a new home, would the post office charge me another \$5 inspection fee?

"After the final inspection was completed I again notified T.V.A. that I wanted electricity and they informed me they would connect my home to the utility line within a few days.

"There is a minimum charge for five years which has to be paid even though I do not use the minimum amount of electricity. If the post office was a corporation would I have to buy a certain amount of stamps for five years even though I did not need them?

"In conclusion, if my questions are to be answered in the affirmative, I pray we never have a postal corporation.

"JIM FARLEY,  
LEBANON, TENN."

Well, needless to say, we can't answer Jim Farley's questions, but our guess is that most of the answers would be in the affirmative if the post office Department becomes a Corporation, an Authority or anything else organized along corporate lines!

#### TAKE PRIDE IN AMERICA

(Mr. MILLER of Ohio asked and was given permission to extend his remarks

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at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, the United States has placed 20 manned spacecraft into orbit compared to 14 for the Soviet Union.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SMITH of California, for 1 hour, on Tuesday, February 3; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. SCOTT) to revise and extend their remarks and include extraneous matter:)

Mr. PRICE of Texas, for 5 minutes, today.

Mr. HALPERN, for 5 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HOLIFIELD in two instances and to include extraneous matter.

Mr. RYAN to extend his remarks on H.R. 13106 prior to passage, today.

(The following Members (at the request of Mr. SCOTT) and to include extraneous matter:)

Mr. RHODES.

Mr. SCHERLE.

Mr. DERWINSKI in two instances.

Mr. QUILLEN in four instances.

Mr. UTT.

Mr. NELSEN in two instances.

Mr. AYRES in two instances.

Mr. SKUBITZ in three instances.

Mr. MIZE.

Mr. HASTINGS.

Mr. ESCH.

Mrs. HECKLER of Massachusetts.

Mr. ZWACH in two instances.

(The following Members (at the request of Mr. DANIEL of Virginia) and to include extraneous matter:)

Mr. CULVER.

Mr. EILBERG.

Mr. JACOBS.

Mr. PRICKLE in five instances.

Mr. ROSENTHAL in five instances.

Mr. PUCINSKI in ten instances.

Mr. CORMAN in five instances.

Mr. GARMATZ.

Mr. ROYBAL in six instances.

Mr. MILLER of California in six instances.

Mr. RARICK in three instances.

Mr. SCHEUER in two instances.

Mr. BURTON of California in two instances.

Mr. CHAPPELL in two instances.

Mr. HAGAN in two instances.

#### GENERAL LEAVE

Mr. DANIEL of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks in the body of the RECORD and to include therein extraneous matter on the President's message on the economic report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1520. An act to exempt from the anti-trust laws certain combinations and arrangements necessary for the survival of falling newspapers; to the Committee on the Judiciary.

S. 1862. An act to amend section 8c(6) (I) of the Agricultural Adjustment Act to permit projects for paid advertising was under marketing orders applicable to tomatoes; to the Committee on Agriculture.

S. 2289. An act to amend the Interstate Commerce Act, as amended, in order to make unlawful, as unreasonable and unjust discrimination against and an undue burden upon interstate commerce, certain property tax assessments of common and contract carrier property, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 3207. An act relating to the liabilities of Federal National Mortgage Association to the United States; to the Committee on Banking and Currency.

#### SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 131. Joint resolution to welcome to the United States Olympic delegations authorized by the International Olympic Committee.

#### MEMORIAL SERVICES FOR THE LATE HONORABLE GLENARD P. LIPSCOMB

(Mr. HOLIFIELD asked and was given permission to address the House for 1 minute.)

Mr. HOLIFIELD. Mr. Speaker, for those Members who plan to attend the memorial services for our late and beloved colleague, GLENARD LIPSCOMB, I have been asked to announce that buses will leave the steps of the House of Representatives promptly at 9:45 in the morning. Services will be held at the Fourth Presbyterian Church, 5500 River Road.

#### THE LATE HONORABLE GLENARD P. LIPSCOMB

Mr. HOLIFIELD. Mr. Speaker, I offer a privileged resolution.

The Clerk read the resolution, as follows:

H. RES. 811

Resolved, That the House has heard with profound sorrow of the death of the Honorable Glenard P. Lipscomb, a Representative from the State of California.

Resolved, That a committee of 50 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and

that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolutions were agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the following members on the part of the House:

Mr. HOLIFIELD,  
Mr. GERALD R. FORD of Michigan,  
Mr. ARENDS,  
Mr. MILLER of California,  
Mr. GUBSER,  
Mr. HOSMER,  
Mr. MAILLIARD,  
Mr. MOSS,  
Mr. UTT,  
Mr. BOB WILSON of California,  
Mr. SISK,  
Mr. TEAGUE of California,  
Mr. MCFALL,  
Mr. SMITH of California,  
Mr. COHELAN,  
Mr. JOHNSON of California,  
Mr. BELL of California,  
Mr. CORMAN,  
Mr. BROWN of California,  
Mr. EDWARDS of California,  
Mr. HANNA,  
Mr. HAWKINS,  
Mr. LEGGETT,  
Mr. ROYBAL,  
Mr. TALCOTT,  
Mr. VAN DEERLIN,  
Mr. CHARLES H. WILSON of California,  
Mr. DON H. CLAUSEN of California,  
Mr. DEL CLAWSON of California,  
Mr. BURTON of California,  
Mr. TUNNEY,  
Mr. REES,  
Mr. WALDIE,  
Mr. MATHIAS,  
Mr. PETTIS,  
Mr. WIGGINS,  
Mr. MCCLOSKEY,  
Mr. ANDERSON of California,  
Mr. GOLDWATER,  
Mr. ROONEY of New York,  
Mr. BYRNES of Wisconsin,  
Mr. BOW,  
Mr. CEDERBERG,  
Mr. JONAS,  
Mr. RHODES,  
Mr. FLYNT,  
Mr. MINSHALL,  
Mr. DEVINE,  
Mr. ANDREWS of North Dakota, and  
Mr. DAVIS of Wisconsin.

The Clerk will report the remaining resolution.

The Clerk read as follows:

*Resolved*, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

#### ADJOURNMENT

Accordingly (at 1 o'clock and 26 minutes p.m.), the House adjourned until tomorrow, Tuesday, February 3, 1970, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follow:

1570. A letter from the National Advisory Council on International Monetary and Financial Policies, transmitting the annual report of the Council for the period July 1, 1968-June 30, 1969, pursuant to the provisions of section 4(b)(5) of the Bretton Woods Agreements Act, as amended (H. Doc. No. 91-217); to the Committee on Banking and Currency and ordered to be printed.

1571. A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1971 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the selected reserve of each Reserve component of the Armed Forces, and for other purposes; to the Committee on Armed Services.

1572. A letter from the Secretary of the Army, transmitting a report of progress of the Army Reserve Officers' Training Corps flight instruction program for the period January 1-December 31, 1969, pursuant to the provisions of 10 U.S.C. 2110; to the Committee on Armed Services.

1573. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 3287 of title 10, United States Code, to authorize the crediting of prior active commissioned service in any armed force to officers appointed in the Regular Army; to the Committee on Armed Services.

1574. A letter from the Secretary of the Air Force, transmitting the semiannual report relative to research contracts, for the period July 1, 1969-December 31, 1969, pursuant to the provisions of 10 U.S.C. 2357; to the Committee on Armed Services.

1575. A letter from the Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of bismuth from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

1576. A letter from the Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of industrial diamond stones from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

1577. A letter from the Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of acid grade fluor-spar from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

1578. A letter from the Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of natural Ceylon amorphous lump graphite from the national stockpile and supplemental stockpile; to the Committee on Armed Services.

1579. A letter from the Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of lead from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

1580. A letter from the Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of magnesium from the national stockpile; to the Committee on Armed Services.

1581. A letter from the Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of mercury from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

1582. A letter from the Assistant Administrator, General Services Administration,

transmitting a draft of proposed legislation to authorize the disposal of molybdenum from the national stockpile; to the Committee on Armed Services.

1583. A letter from the Assistant Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of zinc from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

1584. A letter from the Director of Civil Defense, Department of the Army, transmitting the report of the Federal contributions program—equipment and facilities, for the quarter ending December 31, 1969, pursuant to the provisions of subsection 201(1) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1585. A letter from the Administrator, Small Business Administration, transmitting the first monthly report on implementation of the business loan and investment fund, pursuant to the provisions of section 301 of Public Law 91-151; to the Committee on Banking and Currency.

1586. A letter from the vice president and general manager of the Chesapeake & Potomac Telephone Co., transmitting a statement of receipts and expenditures of the company for the year 1969, pursuant to the provisions of chapter 1628 of the acts of Congress 1904, and a comparative general balance sheet pursuant to paragraph 14 of the act of March 4, 1913; to the Committee on the District of Columbia.

1587. A letter from the Assistant Secretary of the Interior, transmitting a report, for the period July 1, 1969, to December 31, 1969, on the activities carried on by the Geological Survey, pursuant to the provisions of section 2 of the act of September 5, 1962; to the Committee on Interior and Insular Affairs.

1588. A letter from the Chairman, National Water Commission, transmitting the first interim report on the activities of the Commission through December 31, 1969, pursuant to the provisions of the National Water Commission Act; to the Committee on Interior and Insular Affairs.

1589. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of order suspending deportation, together with a list of persons involved, pursuant to the provisions of section 244(a)(1) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1590. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1591. A letter from the Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting a report on positions in the Department in grades 16, 17, and 18 for the calendar year 1969, pursuant to the provisions of 5 U.S.C. 5114; to the Committee on Post Office and Civil Service.

1592. A letter from the Director, Federal Bureau of Investigation, U.S. Department of Justice; transmitting a report with respect to positions in the Bureau in grades 16, 17, and 18, pursuant to the provisions of title 5, United States Code, section 5114; to the Committee on Post Office and Civil Service.

1593. A letter from the Secretary of Transportation, transmitting the second report of future highway needs of the Nation pursuant to the provisions of Public Law 89-139, including the preliminary findings of the systematic nationwide functional highway classification study and a notification that a supplemental report of the conclusions of the study will be submitted shortly, pursuant to section 17 of the Fed-

eral-Aid Highway Act of 1968; to the Committee on Public Works.

1594. A letter from the Assistant Secretary of the Interior, transmitting a report on the study of areas suitable for public visitor parking facilities in the District of Columbia and notification that the final report will be submitted March 19, 1970, pursuant to the provisions of section 112 of Public Law 90-483; to the Committee on Public Works.

1595. A letter from the Federal Cochairman, Coastal Plains Regional Commission, transmitting the second annual report of the Commission for the period July 1, 1968-June 30, 1969, pursuant to the provisions of the Public Works and Economic Development Act, as amended; to the Committee on Public Works.

1596. A letter from the Federal Cochairman, the Ozarks Regional Commission, transmitting the annual report covering the activities of the Commission, pursuant to section 509 of the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works.

1597. A letter from the U.S. Atomic Energy Commission, transmitting the annual report for 1969, pursuant to the provisions of the Atomic Energy Act of 1954; to the Joint Committee on Atomic Energy.

#### PUBLIC BILLS AND RESOLUTIONS

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

By Mr. ALEXANDER:

H.R. 15648. A bill to increase to 5 years the maximum term for which broadcasting station licenses may be granted; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHLEY:

H.R. 15649. A bill to amend the Merchant Marine Act, 1936, relating to authority for establishment of construction reserve funds for the construction or acquisition of certain vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. BEVILL:

H.R. 15650. A bill proposing an amendment to the Constitution of the United States with respect to freedom of choice for children attending elementary and secondary schools; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.R. 15651. A bill to amend title 38 of the United States Code to shorten the World War I service requirement for the purposes of establishing eligibility for pension under such title; to the Committee on Veterans Affairs.

By Mr. CELLER:

H.R. 15652. A bill to eliminate racketeering in the sale and distribution of cigarettes and to assist State and local governments in the enforcement of cigarette taxes; to the Committee on Ways and Means.

By Mr. COHELAN:

H.R. 15653. A bill to designate the birthday of Martin Luther King, Jr., as a legal public holiday; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 15654. A bill to amend the Internal Revenue Code of 1954 and title II of the Social Security Act to provide a full exemption (through credit or refund) from the employees' tax under the Federal Insurance Contributions Act, and an equivalent reduction in the self-employment tax, in the case of individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself, Mr. ASHLEY, Mr. BENNETT, Mr. DADDARIO, Mr. DENT, Mr. WILLIAM D. FORD, Mr. FULTON of Pennsylvania, Mr. GRAY, Mr. HAYS, and Mr. POWELL):

H.R. 15655. A bill to amend the Federal Trade Commission Act to extend protection against fraudulent or deceptive practices, condemned by that act to consumers through civil actions, and to provide for class actions for acts in defraud of consumers; to the Committee on Interstate and Foreign Commerce.

By Mr. ECKHARDT (for himself, Mr. STAGGERS, Mr. ADAMS, Mr. BLANTON, Mr. DINGELL, Mr. FRIEDEL, Mr. HASTINGS, Mr. KYROS, Mr. MOSS, Mr. MURPHY of New York, Mr. OTTINGER, Mr. PREYER of North Carolina, Mr. ROONEY of Pennsylvania, Mr. STUCKEY, Mr. TIERNAN, and Mr. VAN DEERLIN):

H.R. 15656. A bill to amend the Federal Trade Commission Act to extend protection against fraudulent or deceptive practices, condemned by that act to consumers through civil actions, and to provide for class actions for acts in defraud of consumers; to the Committee on Interstate and Foreign Commerce.

By Mr. GALIFIANAKIS:

H.R. 15657. A bill to amend the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 to assist the States in developing a plan for the provision of comprehensive services to persons affected by mental retardation and other developmental disabilities originating in childhood, to assist the States in the provision of such services in accordance with such plan, to assist in the construction of facilities to provide the services needed to carry out such plan, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLAGHER:

H.R. 15658. A bill to authorize Federal financial assistance for construction and modernization of medical and rehabilitation facilities for narcotic addicts and to authorize the regulated distribution of narcotic drugs or substitutes for such drugs to persons classified as incurable addicts; to the Committee on Interstate and Foreign Commerce.

By Mr. GARMATZ:

H.R. 15659. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

By Mr. HANNA:

H.R. 15660. A bill to amend the Internal Revenue Code of 1954 to encourage the construction of, and investment in, housing; to the Committee on Ways and Means.

By Mr. MAILLIARD (for himself and Mr. MOSHER):

H.R. 15661. A bill to provide for a coordinated national boating safety program; to the Committee on Merchant Marine and Fisheries.

By Mr. MOSHER:

H.R. 15662. A bill to amend the Merchant Marine Act, 1936, relating to authority for establishment of construction reserve funds for the construction or acquisition of certain vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. PELLY:

H.R. 15663. A bill to amend the Fish and Wildlife Act of 1956 to authorize loans to fishermen's cooperative associations; to the Committee on Merchant Marine and Fisheries.

By Mr. QUILLEN:

H.R. 15664. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REIFEL:

H.R. 15665. A bill to encourage the growth

of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. RUTH:

H.R. 15666. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHERLE:

H.R. 15667. A bill to amend the Interstate Commerce Act in order to give the Interstate Commerce Commission additional authority to alleviate freight car shortages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAHON:

H.J. Res. 1072. A joint resolution making further continuing appropriations for the fiscal year 1970, and for other purposes; to the Committee on Appropriations.

By Mr. CONTE:

H.J. Res. 1073. Joint resolution authorizing the President to proclaim February 15, 1970, as Susan B. Anthony Day; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H. Res. 812. Resolution to express the sense of the House with respect to peace in the Middle East; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAREY:

H.R. 15668. A bill for the relief of Elizabeth and Jehuda Welkowitz; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 15669. A bill for the relief of Mrs. Ivy May McConico; to the Committee on Foreign Affairs.

By Mr. MATSUNAGA:

H.R. 15670. A bill for the relief of Narcisa Caban Cabbab; to the Committee on the Judiciary.

#### MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

277. By the SPEAKER: A memorial of the Senate of the Commonwealth of Massachusetts, relative to restoring funds for urban renewal projects; to the Committee on Banking and Currency.

278. Also, a memorial of the House of Representatives of the Commonwealth of Puerto Rico, relative to the petroleum import quota system; to the Committee on Ways and Means.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

382. By the SPEAKER: Petition of the board of supervisors, Wayne County, Mich., relative to establishing January 15 as a national holiday in memory of Dr. Martin Luther King; to the Committee on the Judiciary.

383. Also, petition of the Citizens Committee of Tattnall County, Ga., relative to integration in public schools; to the Committee on the Judiciary.

384. Also, petition of Henry Stoner, York, Pa., relative to creating a committee to investigate pornographic enterprises; to the Committee on Rules.