an apartment on the second floor. Included in the equipment are three job presses, three linotype machines, saws, folder, cutter, Heidelberg printing press and other miscellaneous photographic and publishing implements. His job printing includes labels, billheads and letterheads.

Charles Leslie O'Brien was born in Newark and received his early education there, later attending the Empire State School of Printing in Ithaca which was later to become part of the Rochester Institute of Technology. During these years he played semi-pro baseball. He served his apprenticeship on the Newark Courier and came to Clyde in 1936 to be associated with the Clyde Herald. His early affiliations with Clyde newspapers were with Harold Nichols and Clara Lux, and he bought his business block from the former Citizens' Bank.

A rousing Democrat by politics, Charlie has never been afraid to stand up and be counted either on political issues or municipal affairs. His front office is lined with pictures of such figures as Al Smith, James Farley, Lyndon Johnson, Dan Carey, Peter Crotty, William McKeon and Republican Congressman Frank Horton whom he considers "a swell fellow and a good friend." He added that he would take these pictures with him when he leaves for good.

Mrs. O'Brien, the former Marietta Vandenbosch, has been associated with her husband in the publication of their newspaper. Mr. O'Brien is Democratic commissioner with the Wayne County Civil Service.

Wayne E. Morrison, Sr., who is to become the new owner, published The Clyde Independent from Nov. 14, 1956 to May 25, 1960 when he moved to Clymer. Morrison, historian and antique collector, compiled and published a History of Clyde in June 1955, issuing a revised and enlarged edition last year. For a time, he published a weekly paper in Clymer but sold it a year ago. He is engaged in custom printing in Clymer where he does a mail order business all over the country, specializing in work for antique dealers.

Among his personal collection of artifacts are a Washington hand-press, buggies, cutters and a surrey. Mr. and Mrs. Morrison, the former Patricia Wright from French Creek, will live in the apartment in the building they are buying. There are three children, Katherine 15, Wayne Jr. 13, and Andy, 11.

SENATE—*Friday, August 7, 1970*

The Senate met at 10 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

The Reverend Dr. Karl B. Justus, executive director, Military Chaplains Association, Washington, D.C., offered the following prayer:

Almighty and eternal God, ruler of men and nations, who yet in Thy fatherly compassion careth for each of us with a tender love and concern that is even mindful of a sparrow's fall, extend Thy hand of blessing, guidance, and benediction to each Senator of this august body of our Government.

May the decisions made, and laws passed, in this distinguished Chamber, be those that shall issue in peace and domestic tranquillity for our great, but troubled, land. Inspire these men with vision that will help to solve our pressing problems, ever endowing them with wisdom, courage, integrity, and loyalty.

Bless our President, Richard Nixon, our Vice President, and the members of the Cabinet, all of whom are faced daily with weighty decisions.

Bless the men and women of our Armed Forces today wherever they may be, and particularly in Vietnam—and hasten the day when peace shall reign throughout the earth, when the kingdom of God will be fully established so that Thy will may be done on earth as it is in heaven. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 7, 1970.

To the Senate:

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

RICHARD B. RUSSELL,
President pro tempore.

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on August 5, 1970, the President had approved and signed the act (S. 3279) to extend the boundaries of the Goiyabe National Forest in Nevada, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. ALLEN) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Richard H. Zorn II, of Illinois, to be a Foreign Service officer of class 7, a consular officer, and a secretary in the diplomatic service, which nominating messages were referred to the appropriations committees.

(For nominations received today, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (S. 1933) to provide for Federal railroad safety, hazardous materials control, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 17070) to improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes, and it was signed by the Acting President pro tempore (Mr. ALLEN).

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, August 6, 1970, be dispensed with.

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the distinguished Senator from Indiana (Mr. BAYH) is now recognized for 30 minutes.

Mr. MANSFIELD. With the concurrence of the distinguished Senator from Indiana (Mr. BAYH), and without taking any of his time, will he yield to me for a few unanimous-consent requests?

Mr. BAYH. It is always a privilege to yield to my distinguished colleague from Montana. Hopefully, I shall not use all of the 30 minutes allotted to me.

ORDER FOR RECOGNITION OF SENATOR YOUNG OF OHIO ON MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on Monday next the distinguished Senator from Ohio (Mr. YOUNG) be recognized for not to exceed 30 minutes, after the disposition of the Journal of proceedings and subsequent to the 15 minutes which I believe has been allocated to the distinguished Senator from Missouri (Mr. EAGLETON).

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

ADJOURNMENT OF THE TWO HOUSES

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 689.

The ACTING PRESIDENT pro tempore laid before the Senate House Con-

current Resolution 689, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday August 14, 1970, it shall stand adjourned until 12 o'clock meridian on Wednesday, September 9, 1970, or until 12 o'clock meridian on the third day after Members are notified to reassemble pursuant to provisions of section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. At any time during this adjournment of the House, whenever the Speaker of the House determines that legislative expediency so warrants, he shall notify the Members of the House to reassemble.

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, I offer an amendment to the concurrent resolution, and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The amendment was stated, as follows:

On page 1, line 7, strike the period and insert a comma in lieu thereof and the following: "and that when the Senate adjourns on Wednesday, September 2, 1970, it shall stand adjourned until 12 o'clock noon on Tuesday, September 8, 1970."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

Mr. SCOTT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I am happy to yield to the distinguished Republican leader.

Mr. SCOTT. This, of course, is the resolution that permits the other body to recess during August. The Senate is not taking a recess other than the short part of the week over Labor Day.

I mention this only to indicate that the old saying is still true, that the other body springs from the people. I think it is only proper that the people be given the opportunity, occasionally, to spring back at them.

I thank the distinguished Senator.

Mr. MANSFIELD. Some of us want to spring back at, to, and with the people but, unfortunately, the House is way ahead of us in the matter of appropriation bills. This, of course, is attributable in great part to the fact that these appropriations bills by custom only originate in the House. The Members of the House must be given credit, although, I think, in all candor, we should point out that the Senate is way ahead of the House insofar as crime, drug, and pornographic legislation is concerned.

Mr. SCOTT. We are, indeed, ahead of them in substantive legislation. I would say with great respect that the other body should have acted on the crime bills, particularly because the need is great and the opportunity exists to do something about coping with the high incidence of crime. Perhaps, when Members of the other body go back to the people, they will find that the people are worried about the fear with which people walk the streets these days. One survey shows that about one-half of the women in this country are afraid to walk the streets of America today.

Perhaps, when our colleagues go home, they will discover that this fear is real, that the need is great, and the necessity is urgent; so that, perhaps, they will give us the crime bills which the Senate has already sent over to them.

The concurrent resolution (H. Con. Res. 689), as amended, was agreed to, as follows:

H. CON. RES. 689

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, August 14, 1970, it shall stand adjourned until 12 o'clock meridian on Wednesday, September 9, 1970, or until 12 o'clock meridian on the third day after Members are notified to reassemble pursuant to provisions of section 2 of this concurrent resolution whichever occurs first, and that when the Senate adjourns on Wednesday, September 2, 1970, it shall stand adjourned until 12 o'clock noon on Tuesday, September 8, 1970.

SEC. 2. At any time during this adjournment of the House, whenever the Speaker of the House determines that legislative expediency so warrants, he shall notify the Members of the House to reassemble.

The title was appropriately amended.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the calendar, beginning with No. 1080.

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

ADDITIONAL FUNDS FOR THE COMMITTEE ON APPROPRIATIONS

The resolution (S. Res. 432) to provide additional funds for the Committee on Appropriations, was considered and agreed to, as follows:

S. RES. 432

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Ninety-first Congress, $35,000, in addition to the amounts and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946, S. Res. 204, agreed to June 16, 1969, and S. Res. 315, agreed to February 2, 1970.

MANPOWER AND TRAINING NEEDS FOR AIR POLLUTION CONTROL

The resolution (S. Res. 431) to print as a Senate document the report "Manpower and Training Needs for Air Pollution Control," was considered and agreed to, as follows:

S. RES. 431

Resolved, That there be printed as a Senate document, with illustrations, a report of the Secretary of Health, Education, and Welfare, entitled "Manpower and Training Needs for Air Pollution Control", submitted to the Congress in accordance with section 305(b), Public Law 90–148, the Clean Air Act, as amended, and that there be printed two thousand five hundred additional copies of such document for the use of the Committee on Public Works.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1073), explaining the purposes of the measure.

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

Senate Resolution 431 would provide (1) that there be printed as a Senate document, with illustrations, a report of the Secretary of Health, Education, and Welfare entitled "Manpower and Training Needs for Air Pollution Control", submitted to the Congress in accordance with section 305(b), Public Law 90–143, the Clean Air Act, as amended; and (2) that there be printed 2,500 additional copies of such document for the use of the Committee on Public Works.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$1,777.59
2,500 additional copies, at $128.35 per thousand	320.86
Total estimated cost, S. Res. 431	2,098.45

CONSUMER PROTECTION

The resolution (S. Res. 437) authorizing the printing of additional copies of part 1 of hearings by the Committee on Commerce on "Consumer Protection," was considered and agreed to, as follows:

S. RES. 437

Resolved, That there be printed for the use of the Committee on Commerce one thousand additional copies of part 1 of the hearings before its Consumer Subcommittee during the Ninety-first Congress on "Consumer Protection" (S. 2246, S. 3092, and S. 3201).

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1074), explaining the purposes of the measure.

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

Senate Resolution 437 would provide that there be printed for the use of the Committee on Commerce 1,000 additional copies of part 1 of the hearings before its Consumer Subcommittee during the 91st Congress on "Consumer Protection" (S. 2246, S. 3092, and S. 3201).

The printing-cost estimate, supplied by the Public Printer, is as follows:

Back to press, 1,000 copies $1,200

CONSUMER PROTECTION

The resolution (S. Res. 438) authorizing the printing of additional copies of part 2 of hearings by the Committee on Commerce on "Consumer Protection," was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Commerce one thousand seven hundred additional copies of part 2 of the hearings before its Consumer Subcommittee during the Ninety-first Congress on "Consumer Protection" (S. 2246, S. 3092, and S. 3201).

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1075), explaining the purposes of the measure.

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

Senate Resolution 438 would provide that there be printed for the use of the Committee on Commerce 1,700 additional copies of part 2 of the hearings before its Consumer Subcommittee during the 91st Congress on "Consumer Protection" (S. 2246, S. 3092, and S. 3201).

The printing-cost estimate, supplied by the Public Printer, is as follows:

1,700 additional copies, at $672 per thousand ---------- $1,142.40

AUBREY P. WILKERSON, JOHN P. WILKERSON, DANIEL S. WILKERSON, DAVID J. WILKERSON, AND OLVIN H. WILKERSON

The resolution (S. Res. 439) to pay a gratuity to Aubrey P. Wilkerson, John P. Wilkerson, Daniel S. Wilkerson, David J. Wilkerson, and Olvin H. Wilkerson, was considered and agreed to, as follows:

S. RES. 439

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Aubrey P. Wilkerson, John P. Wilkerson, Daniel S. Wilkerson, and David J. Wilkerson, sons; and to Olvin H. Wilkerson, stepson of Eleanora V. Wilkerson, an employee of the Senate at the time of her death, a sum to each equal to one-fifth of one year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

NATIONAL MUSEUM OF THE SMITHSONIAN INSTITUTION

The Senate proceeded to consider the bill (S. 704) to amend the act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said act which had been reported from the Committee on Rules and Administration with amendments, on page 1, line 3, after the word "the", strike out "Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a)" and insert "National Museum Act of 1966 (80 Stat. 953)"; in line 2, after the word "read", insert "as follows:"; after line 5, strike out:

"(b) There are hereby authorized to be appropriated to the Smithsonian Institution such sums as may be necessary to carry out the purposes of this Act: *Provided*, That no more than $1,000,000 shall be appropriated annually through fiscal year 1974."

and, in lieu thereof, insert:

"(b)(1) There are hereby authorized to be appropriated to the Smithsonian Institution for the purposes of this Act $1,000,000 for the fiscal year ending June 30, 1972, and the same amount for each succeeding fiscal year ending prior to July 1, 1974, and in each subsequent fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law.

"(2) In addition to the sums authorized in paragraph (1) there are hereby authorized to be appropriated $300,000 for the fiscal year ending June 30, 1972, and the same amount for each succeeding fiscal year ending prior to July 1, 1974, to be allocated and used as follows:

"(A) of the sums appropriated pursuant to this paragraph (2), 33⅓ per centum shall be available for the purposes of clause (2) of subsection (a);

"(B) of such sums, 33⅓ per centum shall be available for the transfer to the National Foundation on the Arts for assistance to museums under section 5(c) of the National Foundation on the Arts and Humanities Act of 1965; and

"(C) of such sums, 33⅓ per centum shall be available for transfer to the National Foundation on the Humanities for assistance to museums under section 7(c) of the National Foundation on the Arts and Humanities Act of 1965.".

And on page 3, after line 2, insert a new section, as follows:

ADDITIONAL MUSEUM ACTIVITIES

SEC. 2. (a) Section 2(a)(2) of the National Museum Act of 1966 (20 U.S.C. 65a (2)) is amended to read as follows:

"(2) prepare and carry out programs by grant, contract, or directly for training career employees in museum practices in cooperation with museums, their professional organizations, and institutions of higher education either at the Smithsonian Institution or at the cooperating museum, organization, or institution;".

(b) So much of that part of subsection (a) of section 2 of the National Museum Act of 1966 as precedes clause (1) is amended by striking out everything preceding "Secretary" and inserting in lieu thereof "The".

The amendments were agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1072), explaining the purposes of the measure.

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

BACKGROUND

The National Museum Act of 1966 reaffirmed the Smithsonian Institution's traditional role in providing technical training, and advisory assistance to museums of the United States. The act directed the Institution to engage in a continuing study of museum practices, to prepare museum publications, to perform research in museum techniques, and to cooperate with agencies of the Government concerned with museums.

The act authorized to be appropriated $200,000 for fiscal year 1969, $250,000 for fiscal year 1969, $250,000 for fiscal year 1970, and $300,000 for fiscal year 1971.

Additional authorizations are required for the continuation of these museum assistance programs beyond the fiscal year ending June 30, 1971. S. 704, as referred to the Committee on Rules and Administration would have authorized appropriation of such sums as Congress deems necessary, with a limitation of $1 million for each fiscal year through fiscal 1974.

COMMITTEE CONSIDERATION

The Subcommittee on the Smithsonian Institution of the Committee on Rules and Administration conducted a joint hearing on the bill S. 704 on September 23, 1969, together with the Subcommittee on Library and Memorials of the Committee on House Administration.

The committee heard testimony from officials of the Smithsonian Institution on the need for continuation of National Museum Act programs. It was estimated that the Smithsonian receives yearly about 2,000 requests from museums and their staffs for consultation, advice, or training on problems confronted by museums.

Although no funds had been appropriated specifically for the purposes of the National Museum Act through fiscal 1970, the Smithsonian has devoted resources estimated to be in excess of $50,000 a year to respond to requests for assistance from museums.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be recognized today for not to exceed 15 minutes after the distinguished Senator from Indiana (Mr. BAYH) has completed his remarks.

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

Mr. MANSFIELD. I thank the Senator from Indiana very much for his usual courtesy and graciousness.

S. 4201—INTRODUCTION OF THE JUDICIAL DISQUALIFICATION ACT OF 1970 AND S. 4202—INTRODUCTION OF THE OMNIBUS DISCLOSURE ACT

Mr. BAYH. Mr. President, this morning I would like to address myself to a problem which, in one way or another, has been called to the attention of the Senate over the last year far more often than over the previous 20 years.

With the confirmation of Judge Blackmun, the Senate ended a troubling year of controversy over the qualifications of Supreme Court Justices. These difficult and unfortunate disputes are now behind us, and I for one see no purpose to be served by a lengthy post mortem.

But I hope we have learned a valuable lesson in ethics in the course of these debates. And I believe we have established new standards of conduct for all public officials. Today I introduce legislation designed to write these lessons, these higher standards into the law of the land.

The legislation is based upon three conclusions I reached in the course of our recent debates, three principles which should govern any major reform of the standards of ethics required of public officials.

First, the standards of judicial conduct demanded by the American people have improved substantially in recent times. Some Federal judges, intentionally isolated from the need to face the voters, have not been consistent in adhering to this new, more rigorous, sense of propriety. Particularly where financial interests are involved, we need a major revision in our statutory provisions governing judicial disqualification.

I want to say here, as I did during the rather trying debates on the two Supreme Court nominees, that I do not suggest that the great majority of our Federal judges overlook the need to be infinitely careful in exercising financial and judicial responsibility. Out of these harrowing disputes—and I think it can be described as harrowing to some of us—we learned that most of our judges lean over backward to try to avoid not only impropriety, but also the appearance of impropriety.

Second, even more important than articulating standards of conduct is the need to assure an effective check on

official impropriety. No mechanism better provides for personal awareness and self-policing, no mechanism offers the public more evidence of the impartiality of judicial action, then complete public disclosure of financial interests and activities.

Third, such measures must not be limited to federal judges alone. All of us who do the public's business—judicial, legislative and executive—must also recognize the public's legitimate interest in our possible financial conflicts. I realize that this is not the most popular stand to take in this august body. I mean to cast no derogation on any of our colleagues. But I think the time has come to look at the real facts of life.

It is not only difficult, it is patently unfair for us to suggest that one individual, one branch of the Government, or one group of individuals be given minute scrutiny, while others need not live up to the same standards.

Out of these principles, I have formulated two bills which I introduce today: the Judicial Disqualification Act of 1970 and the Omnibus Disclosure Act.

Mr. President, I send the bills to the desk and ask that they be appropriately referred.

The ACTING PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills were received, read twice by their titles, and referred, as follows:

By Mr. BAYH (for himself and Mr. TYDINGS):

S. 4201. A bill to improve judicial machinery by amending title 28, United States Code, to broaden and clarify the grounds for judicial disqualification, and for other purposes; to the Committee on the Judiciary.

By Mr. BAYH:

S. 4202. A bill to require periodical financial disclosure by officers and certain employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. MANSFIELD. Mr. President, I was impressed by what the distinguished Senator from Indiana said, that others should not be judged by a criterion by which we do not judge ourselves.

I would hope that instead of a bill being considered which lays down certain guidelines and requires certain explanations and exposures on the part of the judiciary, that we would give the most serious consideration in this body to a bill introduced by the distinguished Senator from New Jersey (Mr. CASE) which would place the members of the legislative branch—including ourselves—and the executive branch, those drawing $18,000 a year or more, on the same basis insofar as the matter of disclosures and the like are concerned.

Furthermore, I think that we ought to do something about the type of restrictions and limitations in the laying down of presidential appointees, because the present system seems to imply or to indicate that these men are guilty before they are proven innocent, rather than that they are innocent before they are proven guilty.

So I would plead with the distinguished Senator—and I am sure this fits in with what he has been advocating—that we do put into effect a disclosure act which applies to all equally and to which there are no exceptions except for those who receive below $18,000 a year, and that in all branches of the Government, and hopefully set out the type of power which would make it mandatory for Federal judges, from the Supreme Court on down, to work on the basis of 11 months a year, rather than on the basis of 8 or 9 months a year, as is the case at the present time.

Mr. BAYH. Mr. President, I appreciate the words of our distinguished leader. I point out, as he has pointed out, that our distinguished colleague, the Senator from New Jersey, has introduced far-reaching legislation in this area. One of the bills which I am introducing this morning has a great deal in common with the bill introduced by the Senator from New Jersey. It goes a bit farther in some areas, particularly with reference to the practice of law. As the Senator from Montana knows, that area is a loophole big enough to drive a 10-ton truck through, as far as true disclosure of potential conflicts is concerned.

We also deal with the thorny problem that arose during the recent consideration of nominees for the Supreme Court, the problem concerning 28 United States Code 455. We find it difficult under this provision to describe when a judge should disqualify himself, because of the leeway permitted in the interpretation of the words "substantial interest."

What we try to do is to state specifically when and how judges should disqualify themselves.

We are dealing with that matter on the one hand and with the disclosure of assets and income on the other, disclosure not only for judges, but for all officials. I think this legislation is exactly along the lines of the suggestion of the majority leader.

THE JUDICIAL DISQUALIFICATION ACT OF 1970

The Judicial Disqualification Act amends sections 455 and 144 of title 28 of the United States Code. Both of these revisions reflect the testimony of John Frank, one of our foremost authorities on judicial disqualification, at the hearings before the Senate Judiciary Committee on the nomination of Judge Clement Haynsworth. They were drafted and revised with the continuing advice and invaluable assistance of Mr. Frank.

The draft revisions were circulated to a number of distinguished lawyers, judges, and professors across the country. Nearly 50 thoughtful and interesting responses were received and a number of these suggestions have been incorporated in the proposed legislation. I am pleased that this measure is cosponsored by my colleague from Maryland, Senator TYDINGS, who has very substantial experience in these matters through his Subcommittee on Improvements in Judicial Machinery.

There are a number of defects in section 455. The central provision of section 455—as I specified a moment ago in response to our distinguished leader—requires a judge to disqualify himself in any case in which he has a "substantial interest." Those are the crucial words "substantial interest." Unfortunately the words, "substantial interest" have at least three interpretations in the Federal courts. In the majority of circuits, any pecuniary interest requires disqualification. But the fifth circuit—and apparently the eighth circuit as well, according to Judge Blackmun's recent testimony—has interpreted the statute to mean that a judge may sit regardless of interest, unless the decision will have a significant effect upon the value of the judge's interest. And the fourth circuit interprets the statute as permitting "disclosure and waiver," in which the judge discloses his interest in the case and may hear it if the parties waive their objection. Such waivers are often made because counsel dare not jeopardize their relationship with a judge before whom they appear regularly by seeming to question his impartiality. A further problem with Section 455 is that although judges are prohibited from sitting in cases where they have been of counsel, or witnesses, or where they are related to a party or counsel, the statute fails to remind the judges of their obligation to "avoid the appearance of impropriety" as required by the American Bar Association's Canons of Judicial Ethics, Canon 4.

The Judicial Disqualification Act which I have introduced today is intended to correct many of these problems. The proposed revision of section 455 eliminates the "substantial interest" language and clarifies the type of interest requiring disqualification. It precludes participation by a judge in a case if he holds any stock in a corporate party, or any corporation substantially related to a corporate party. It also precludes sitting if the judge is a director or holds any other office in such a corporation. The bill deliberately precludes the device of disclosure and waiver, and imposes mandatory disqualification in cases where the provisions of the statute are met. The revision also requires the judge to disqualify for appearance of impropriety, thereby codifying the requirement of canon 4. Finally, the bill relaxes the so-called duty to sit in cases where the judge is not disqualified by the provisions of the statute, and gives him fair latitude to disqualify himself in other instances where "in his opinion, it would be improper for him to sit."

This revision of section 455 would be very similar to the judicial disqualification standard recently recommended in the interim report of the Special Committee on Standards of Judicial Conduct of the American Bar Association. This very distinguished group, chaired by the Honorable Roger Trayner, former chief justice of the California Supreme Court, believes that:

> A judge should disqualify himself in any proceeding in his court in which he knows or should know that he, individually or as a fiduciary, or any member of his family residing in his household, has an interest in the matter in controversy or the affairs of a party to the proceeding.

An "interest" according to their standard would include any legal or equitable

interest no matter how small in a party or thing involved in the litigation or any directorial or active participation in any organization involved in the litigation.

The other major provision covered by the Judicial Disqualification Act is section 144 of title 28, dealing with disqualification for bias or prejudice. When a motion to disqualify for prejudice or bias is made, a party is often dismayed to learn that under section 144, the judge himself determines whether the allegations are sufficient. Surely litigants who believe that they cannot get a fair trial before a particular judge should not have to convince the very same judge of his bias.

This result disturbs me because it contributes to the lack of confidence in our courts. This lack of confidence does not, in my opinion, reflect some basic defect in our political system or our judicial procedures. The problem is not so much one of fundamental injustice as the appearance of injustice. No statute creates more distrust than does the section 144 procedure for disqualification for prejudice.

One possible change in section 144 would require some other judge to rule on the question of a trial judge's alleged bias. However, this still puts undue pressure on counsel, and it ignores the possibility of embarrassment and tension created when one man must rule on the impartiality of his colleague—and often, his friend.

The Judicial Disqualification Act of 1970 takes a different approach to changing section 144. It would create a right in a litigant to one preemptory challenge of a trial judge assigned to hear his case, adopting a disqualification provision now employed in California and a number of other States. Under such a provision a judge is disqualified upon the filing of an affidavit alleging bias or prejudice and signed by one or the other of the parties. The disqualified judge is left with no option except to determine whether the application has been timely made. The affidavit must be filed before any discretionary matter has been presented to the judge. Each side is restricted to one challenge, in order to avoid abuse in cases where one of the parties simply wants to create delays or to avoid trial altogether.

During the debate over Judge Haynsworth, we received a letter from Professor Mellinkoff of the University of California at Los Angeles Law School. This letter deals with the question of impropriety—and the appearance of impropriety. I do not believe the majority of judges—or even a large minority—are guilty of either of these kinds of misconduct. And I suggest that most of those who do, do so inadvertently, because they do not realize that what is insignificant to them is significant to one of the parties or to a citizen on the street.

Professor Mellinkoff, more clearly than anyone else I have heard, succinctly pointed out the facts of one of the cases before us in the earlier controversy. In that case, a seaman had allegedly been scalded in the performance of his duties, and had sued the shipping line company. I believe he sued for $30,000, and he was awarded a $50 judgment. He appealed, and the appellate court ruled against him.

Perhaps the appellate court was correct in its ruling, and I suggest that it was. It was not appealed further, and it is the law of the land. I am confident the court made the right decision in light of all the circumstances.

However, it does not do much to maintain confidence in our system of jurisprudence when the litigant later finds that the judge who ruled against him owned stock in the corporation he was suing, I believe it was about $18,000 worth of stock. I am sure that $18,000 is not a significant amount in the corporate world, but that is a significant amount of money to the Senator from Indiana, and it probably meant even more to the seaman. That is the type thing we are trying to avoid by clearing up the appearance of impropriety.

I ask unanimous consent to have printed in the RECORD the letter received from Professor Mellinkoff of the University of California Law School.

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

UNIVERSITY OF CALIFORNIA,
LOS ANGELES,
Los Angeles, Calif., October 20, 1969.

Hon. JAMES O. EASTLAND,
U.S. Senate, Chairman, Senate Judiciary Committee, Washington, D.C.

MY DEAR SENATOR EASTLAND: As a professor of law teaching legal ethics to future lawyers, I write to invite your further attention to what I believe to be the central issue in the consideration of the fitness of Mr. Justice Haynsworth for appointment to the Supreme Court of the United States.

Three instances of apparent conflict of interest have been given prominence in the press: the Justice's purchase of Brunswick Corporation stock before announcement of his Court's decision in favor of Brunswick; his substantial ownership of Carolina Vend-O-Matic, a company having a valuable business relationship with a successful litigant before the Court; and his small stock holdings in the W. R. Grace Co. at the time of a decision favorable to its subsidiary Grace Lines. According to report, Justice Haynsworth has explained that the Brunswick case had been decided and forgotten before he bought any Brunswick stock and that financial interest did not influence his vote in any of these cases. As a member of the bar for 30 years I accept Justice Haynsworth's explanation.

At the same time I cannot but observe that to the unsuccessful litigant in Justice Haynsworth's Court the explanation would ring hollow. At best losing a lawsuit is a disheartening, at worst a crushing experience to anyone convinced rightly or wrongly of the justice of his cause. The disappointment is endurable only under a system of justice in which the loser knows that the process by which he lost was a fair one.

In a grosser age, when the brilliant Francis Bacon was forced from office and forced to acknowledge that as Lord Chancellor of England he had been taking gifts from litigants, he was still able to assert, ". . . I am as innocent as any born upon St. Innocent's day: I never had a bribe or reward in my eye or thought when pronouncing sentence or order." It may have been true, but it was hardly satisfying, least of all to the man who lost his case in the Lord Chancellor's court.

In a United States district court a jury awards an injured seaman $50.00 on a claim against Grace Lines he thought worth $30,000.00. Saddened, he takes his case to the United States Circuit Court of Appeals. It is not difficult to imagine the bitterness in the heart of the injured seaman when he learns that one of the judges to whom he appealed in vain to right the supposed wrong of the Grace Lines was even a small owner of the company that owns Grace Lines. By the standard of the marketplace Justice Haynsworth's stockholding was trifling. It looms large in the mind of the unhappy litigant searching to discover just what it was that tipped the scale of justice against him.

To avoid such avoidable strains on the legal system, it has long been a maxim of the law that courts shall not only do justice but that they shall seem to do justice. This ancient wisdom finds expression in the Canons of Judicial Ethics of the American Bar Association providing that a judge's conduct should not only be "free from impropriety" but from "the appearance of impropriety." (Canon 4). The importance of the appearance of things is stressed again and again (Canons 13, 24, 26, 33), culminating in the injunction that "In every particular his conduct should be above reproach." (Canon 34).

These Canons apply to judges at every level. They apply most stringently to the men who are to grace the court which sets an example of right to the rest of the nation. I hope, Senator, that you will consider the nomination of Mr. Justice Haynsworth in this light. If you do, I believe you will come to share my conclusion that his confirmation would not promote that necessary public respect for our system of justice which each of us in his own way seeks to preserve.

DAVID MELLINKOFF,
Professor of Law.

THE OMNIBUS DISCLOSURE ACT

Mr. BAYH. Mr. President, the other major piece of legislation I introduce today is the Omnibus Disclosure Act. This bill is based in large part upon the recently published study entitled "Congress and the Public Trust," the report of the Association of the Bar of the City of New York's Special Committee on Congressional Ethics. The executive director of the committee, and the author of its report, is James C. Kirby, Jr., a former chief counsel of the Senate Subcommittee on Constitutional Amendments and dean-designate of the Ohio State University Law School. The bill also draws upon the pioneering work in this area by my distinguished colleague from New Jersey (Mr. CASE), the author of S. 1993, to which our distinguished majority leader referred.

The disclosure provisions of this bill are based upon the premise that the source of all governmental power is in the consent of the governed. This legislation presumes that if the people are supplied with sufficient information about their elected officials and appointees, the people themselves will fashion the most workable standards of conduct in the voting booth.

At this time it is impossible for the public to gain access to this information. A patchwork of congressional rules, judicial conference resolutions, and Executive orders compose the present financial disclosure laws. None of the disclosure provisions are sufficiently comprehensive in the type of financial information required to be disclosed or in the individuals required to file reports. Furthermore, none of the provisions allow for significant public disclosure of financial interests.

The Federal judiciary is presently subject to a resolution passed by the Judicial Conference of the United States on March 18, 1970. This resolution retreats considerably from the comprehensive public disclosure adopted at the behest of former Chief Justice Warren in June of 1969. The most recent resolution requires all Federal judges, except Supreme Court Justices, to file a confidential financial disclosure report with a special committee of the Judicial Conference, the conference of their circuit, and the clerk of their court. Each judge must disclose his total income for extrajudicial services such as lecturing, teaching, and serving as executor of an estate. He must itemize sources of income and gifts of over $100. Each judge must also report whether he has knowingly participated in any decision in which he or any member of his household had a financial interest, or if he has engaged in any transaction involving securities or property of a party to a case pending before him. Finally, he must report any positions held in any organization whether or not compensation is received therefor.

Members of Congress are subject to provisions of the House and Senate rules. Rule 44 of the rules of the House requires Members and officers of the House, their principal assistants, and professional staff members of House committees to file confidential disclosure reports with the Committee on Standards of Official Conduct. The reports require an individual to disclose sources of over $5,000; capital gains of over $5,000 from a single source—other than sale of a residence; nongovernment reimbursements of over $1,000; interest and position in businesses from which he received $1,000 or more and which deal with the Government and are subject to its regulation; and the names of professional organizations with which he is associated and which account for over $1,000 of his income. The House does provide for limited public disclosure, except that the amount of professional and service income, and the market value of business interests, reported under the act remain confidential. Furthermore, an individual is informed of each request to examine his public report.

Members and employees of the Senate are required to make financial disclosure by rules 41, 43, and 44 of the Standing Rules of the Senate. These rules are quite similar to the rules of the House except that they cover candidates as well as Members of the Senate and staff personnel and officers of the Senate who are paid over $15,000. The procedures differ in that the individuals must send to the Comptroller General a confidential disclosure report, which can only be examined by the Select Committee on Standards and Conduct. The reports require considerably more information, such as interests in real estate, debts over $5,000, the individual's income tax form, and the amount and source of legal fees of over $1,000. However, the only public disclosure provided for in the Senate rules is of the source and disposition of campaign contributions of $50 or more, and the amount and source of honoraria of over $300.

Members of the executive branch are required to file disclosure reports pursuant to Executive Order No. 11222, of May 1965. The order applies to all Federal executives over GS–13. Federal executives are required to report basically the same information as Members and employees of the Senate, except that Federal executives are exempt from reports of outside legal activity and from detailed reports of outside income. The Executive order and the civil service rules promulgated pursuant thereto also are more relaxed for members of the President's staff and for consultants, who serve throughout the Government. There is no provision for public disclosure.

The Omnibus Disclosure Act would correct at least six substantial failings in the existing pattern of regulation. First, the existing provisions are completely lacking in uniformity. My proposal would bring order to this area. The Omnibus Disclosure Act requires members of all three branches of Government to file the same disclosure report with the Comptroller General by May 1 of each year.

Second, the existing provisions do not require disclosure from all who should be covered. For example, the House rules do not cover candidates. The Judicial Conference rules do not cover Federal judicial employees other than judges, nor do they apply to Supreme Court Justices. The Executive order does not cover the President and Vice President. The legislation I propose covers all of these individuals, including employees of any branch of Government paid more than $18,000 per year and candidates for Congress, the Presidency, and the Vice-Presidency.

The third problem with existing provisions is that they do not require sufficient information to be presented. For example, the Senate rules require disclosure only of debts of over $5,000 and interests in real estate of over $10,000. The Omnibus Disclosure Act requires disclosure of debts of over $1,000 and creates no exception for residential mortgages; it requires disclosure of real estate valued at more than $500 and goes beyond most of the existing provisions to require disclosure of income over $100. The act also requires disclosure of any dealing in securities and commodities or transactions in real property, and it requires disclosure of gifts worth more than $100 and any contribution to defray campaign and office expenses.

Fourth, the Omnibus Disclosure Act would eliminate many of the loopholes in existing law by the use of detailed attribution rules. Under most existing provisions, an individual can receive benefits through some unknown third party and not be required to disclose. My proposal attributes to any individual the assets, liabilities, receipts, transactions and gifts of persons acting on his behalf, members of his family, corporations of which he owns half the stock, and shares of partnerships and trusts, depending upon his interest therein.

Fifth, the Omnibus Disclosure Act, if enacted, would finally deal with the problem of outside law practice by public servants. The act requires all individuals except nonincumbent candidates to list all law firm clients who paid more than $1,000 in fees. It further requires an explanation of whether the client requested the service of his law firm before or after he entered Government service. Moreover, the individual must identify any administrative or judicial action in which the United States was a party and the client was represented by that firm. This portion of the act is modeled directly after a recommendation of the special committee on ethics of the Association of the Bar of the City of New York.

Sixth, and most important of all, the act would require complete public disclosure of all of the above information. No existing provision requires full disclosure to the public, and in this respect the current law is fatally deficient. I propose that the information required by the act be filed by the Comptroller General and made readily available to the general public.

In conclusion, I believe that passage of this legislation would be a major step toward making our Government more accountable to the people. In a time when the integrity of all of our institutions is under attack, we can no longer settle for only self-regulation, nor for the suspicions inherent in private disclosure. I hope the Senate will move quickly to consider and then to enact these badly needed reforms.

Mr. President, I ask unanimous consent that the complete text of the Judicial Disclosure Act of 1970 and the Omnibus Disclosure Act be printed in the RECORD, together with a section-by-section summary of each bill and a comparison of the provisions of the Financial Disclosure Act with existing laws and regulations.

There being no objection, the texts of the bills and the other material were ordered to be printed in the RECORD, as follows:

S. 4201

A bill to improve judicial machinery by amending title 28, United States Code, to broaden and clarify the grounds for judicial disqualification, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Judicial Disqualification Act of 1970".

SEC. 2. Section 455 of title 28, United States Code, is amended to read as follows:

"§ 455. Interest of justice or judge

"Any justice or judge of the United States shall disqualify himself, and shall not accept waiver of disqualification, (1) in any case in which he has an interest, which shall include any stockholding in a corporate party, any stockholding in a corporation which holds 10 percent or more of the stock of a corporate party, any stockholding in a corporation of which 10 percent or more of the stock is held by a corporate party, and the holding of any office of a corporation described in this section; (2) in any case in which he has been of counsel; (3) in any case in which he is or has been a material witness; (4) in any case in which he is so related to or connected with any party or attorney as to create a conflict of interest or otherwise render it improper for him to sit on the trial, appeal, or other procedings; (5) in any case in which his participation in the case will create an appearance of impropriety; and (6) in any other case in which, in his opinion, it would be improper for him to sit."

SEC. 3. Section 144 of title 28, United States Code, is amended to read as follows:

"§ 144. Bias or prejudice of judge

"Whenever a party to any proceding in a district court makes and files a timely affidavit that the judge before whom the matter is pending has a personal bias or prejudice either against him or in favor of any adverse party, such judge shall proceed no further therein, but another judge shall be assigned to hear such proceeding. The affidavit shall be timely if filed (a) twenty or more days before the time first set for trial or (b) within ten days after the filing party is first given notice of the identity of the trial judge or (c) when good cause is shown for failure to file the affidavit within such times. A party may file only one such affidavit in any case, and only one affidavit may be filed on a side. A party waives his right to file an affidavit by participating in a hearing or submission of any motion or other matter requiring the judge to exercise discretion as to any aspect of the case or by beginning trial proceedings before the judge."

S. 4202

A bill to require periodical financial disclosure by officers and certain employees of the Federal Government, and for other purposes

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

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "Federal officer or employee" means any Member of Congress, Congressional employee, Federal executive officer, Federal executive employee, candidate, Federal judicial officer, or Federal judicial employee.

(2) The term "Member of Congress" means any Member or Member elect of the Senate or House of Representatives, and each Resident Commissioner or Resident Commissioner elect of the House of Representatives.

(3) The term "Congressional employee" means any individual (other than a Member of Congress) who is an elected officer of the Senate or House of Representatives or an employee of the Vice President, the Congress, either House of the Congress, or any Member or committee of the Congress and who receives compensation disbursed by the Secretary of the Senate or the Clerk of the House of Representatives at the rate of $18,000 or more per annum.

(4) The term "Federal executive officer" means the President of the United States, the Vice President of the United States, any civilian officer of the United States (other than a Federal judicial officer) appointed by the President by and with the advice and consent of the Senate or serving under a recess appointment made by the President, and any commissioned officer of any of the armed forces serving on active duty for a period of more than 30 days (as such terms are defined by section 101, title 10, United States Code) who receives basic pay at the rate of $18,000 or more per annum.

(5) The term "Federal executive employee" means any civilian officer or employee of any executive or military department, agency, or office of the United States, or any independent agency, corporation, or other instrumentality of the United States, who receives compensation disbursed by the United States, or by such department, agency, office, corporation, or other instrumentality, at the rate of $18,000 or more per annum and who is not included within any of the classes of individuals described in paragraphs (2), (3), (4), (7), and (8) of this section.

(6) The term "candidate" means any individual who has voluntarily qualified as a candidate in any primary election to be conducted within any State for nomination as a candidate for election as the President of the United States, the Vice President of the United States, or a Member of Congress, or who has qualified as a candidate in any general or special election to be conducted within any State for election to any such position.

(7) The term "Federal judicial officer" means any justice or judge of a court of the United States (as defined by section 451, title 28, United States Code), the Tax Court of the United States, the United States Court of Military Appeals, the United States District Court for the District of the Canal Zone, the District Court of the Virgin Islands, or the District Court of Guam, and any full-time United States magistrate.

(8) The term "Federal judicial employee" means any officer or employee of any court named in paragraph (7) other than a justice or judge of that court, and any officer or employee of the Administrative Office of the United States Courts, who receives from appropriated funds of the United States compensation at the rate of $18,000 or more per annum.

(9) The term "income" means each item of income from whatever source, whether or not taken into account for purposes of computing the tax imposed by chapter 1 of the Internal Revenue Code of 1954.

(10) The term "security" means any security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b).

(11) The term "commodity" means any commodity as defined in section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2).

(12) The term "dealing in securities or commodities" means any acquisition, holding, withholding, use, transfer, disposition, or other transaction involving any security or commodity.

(13) the term "political campaign expense" means a purchase, payment, distribution, loan, advance, deposit, or gift of money or any thing of value, made for the purpose of influencing the nomination for election, or election, of any candidate.

(14) The term "Congressional office expense", when used with respect to a Member of Congress, includes, but is not limited to, expense incurred by such Member for any of the following objects: travel to, from, and within the State or Congressional district of the Member; printing and other expenses in connection with the mailing of speeches, newsletters, and reports to constituents of the Members; expenses of radio, television, and news media methods of reporting to constituents of the Member; telephone, telegraph, postage and stationery expenses in excess of allowances proved by law; subscriptions to newspapers and other periodicals published within the State or Congressional district of the Member; and staff compensation and travel in excess of allowances provided by law.

FINANCIAL DISCLOSURE REQUIREMENT

SEC. 3. (a) On or before May 1 of each calendar year, each individual who has served at any time during the preceding calendar year as a Federal officer or employee other than a candidate shall file with the Comptroller General a financial disclosure report, conforming to the reqirements of this Act, for such preceding year.

(b) Within thirty days after the date on which any individual not otherwise a Federal officer or employee becomes a candidate, such individual shall file with the Comptroller General a financial disclosure report, conforming to the requirements of this Act, for the calendar year preceding the date on which he became a candidate.

(c) Service rendered by an individual as a Congressional employee, Federal executive employee, or Federal judicial employee for a period not exceeding thirty days in the aggregate during any calendar year shall not be considered to be such service during that year for the purposes of this section.

(d) No individual shall be required by this section to file more than one financial disclosure report for any calendar year.

CONTENTS OF REPORT

SEC. 4. (a) Each financial disclosure report required to be filed by any individual under this Act for any calendar year shall contain a full and complete statement of—

(1) the identity and value of each interest in real or personal property having a value in excess of $500 of which such individual was the owner at any time during that year;

(2) the identity of each creditor to whom such individual at any time during that year owed one or more legally enforceable financial obligations aggregating $1,000 or more, and the nature and amount of each such obligation;

(3) the value and source of each item of income, including honoraria and each item of reimbursement for expenditure, other than the exact cost of transportation, exceeding $100 in value received by such individual during that year;

(4) each dealing in securities or commodities by such individual during that year;

(5) each purchase and sale of real property or any interest therein by such individual during that year;

(6) the nature, source, and value of each gift of money or property received by such individual during that year from each source, other than his parents, spouse, and children, from whom such individual during that year received one or more such gifts having an aggregate value of $100 or more;

(7) the amount and source of each contribution received during that year by him, or to his knowledge by any other individual, political committee, or other organization on his behalf or for his account, to defray any political campaign expense or any Congressional office expense of such individual; and

(8) the identity of each client who, during that year and while such individual was a Federal officer or employee other than a candidate, paid to any law firm of which such individual is or then was a partner, or with which such individual is or then was otherwise associated professionally, one or more fees in an aggregate amount exceeding $1,000, provided, that this provision shall not apply to any individual who is a Federal officer or employee solely by virtue of being a candidate.

(b) Whenever during any calendar year any individual while serving as a Congressional employee receives any contribution to defray any political campaign expense or any Congressional office expense on behalf of or for the account of a Member of Congress, without knowledge by such Member as to the source or amount of such contribution, such Congressional employee shall file with the Comptroller General on or before May 1 of the next succeeding calendar year on behalf of such Member a financial disclosure re-Member would have been required by subport containing the information which such section (a) to report if such information had been disclosed to him.

LAW FIRM CLIENTS

SEC. 5. Whenever any Federal officer or employee other than a candidate reports pursuant to paragraph (8) of section 4(a) with respect to any year the identity of any client of a law firm of which such individual is or then was a partner, or with which he is or then was otherwise associated professionally, such report shall—

(1) state whether the client so identified was a client of that firm before the date on which the individual submitting that report became a Federal officer or employee; and

(2) identify any legal or administrative action or proceeding in which the United States or any department or agency thereof was an interested party and with regard to which that client was represented by that firm during that year.

ATTRIBUTION RULES

SEC. 6. (a) For the purpose of this Act, there shall be attributed to any individual required to file a financial disclosure report the assets, liabilities, receipts and transactions of, and gifts to—

(1) any person acting on behalf of or for the account of such individual;

(2) the spouse and minor children of such individual;

(3) any corporation of which such individual owns 50 per centum or more of the outstanding capital stock;

(4) a share of any partnership of which such individual is a partner, or with which he is associated, determined in accordance with the extent of his partnership or other interest therein;

(5) any revocable trust of which such individual was a settlor; and

(6) a share of any trust or estate of which such individual is a beneficiary, determined in accordance with the present actual or actuarial value of his beneficial interest therein.

(b) Paragraph (5) and paragraph (6) of subsection (a) shall not require the disclosure by any individual of any information which he does not possess and which he is precluded by the terms of a trust from acquiring.

FORMS AND REGULATIONS

SEC. 7. The Comptroller General shall prepare, and supply to individuals obligated by this Act to file financial disclosure reports, appropriate forms for such reports, and shall prescribe regulations governing the preparation of such reports. Such regulations shall (1) specify the detail in which each category of information shall be stated in financial disclosure reports filed under this Act, (2) specify the method by which the value of property and interests therein shall be ascertained for the purposes of this Act, and (3) contain such other requirements as the Comptroller General may determine to be necessary to carry out the purposes of this Act.

PUBLIC INSPECTION OF REPORTS

SEC. 8. (a) Each financial disclosure report filed under this Act shall be placed in a file which shall be established by the General Accounting Office. The Comptroller General shall prepare an appropriate index to that file to facilitate the identification of and access to all reports filed by or on behalf of each individual which are contained at any time in that file.

(b) Except as otherwise provided by this subsection, each such report so filed by or on behalf of any individual who is serving as a Federal officer or employee at the time of the filing of that report shall be maintained in such file as long as such individual serves continuously as a Federal officer or employee, and for five years after the end of such service. Each such report filed by any individual who is a candidate, or who is not a Federal officer or employee at the time of the filing of that report, shall be maintained in such file for a period of five years after the date on which that report is filed.

(c) Under such reasonable regulations as the Comptroller General shall prescribe, reports contained in that file and the index thereto shall be made available for inspection by members of the public during business hours of the General Accounting Office.

(d) The Comptroller General shall furnish to the Attorney General upon request a true and correct copy of any financial disclosure report contained in that file.

PENALTY

SEC. 9. Whoever, being an individual required by this Act to file any financial disclosure report—

(1) willfully fails to file such report within the period of time prescribed by this Act;

(2) files any such report containing any information which is false or misleading, with knowledge or with reason to believe that such information is false or misleading; or

(3) files any such report from which there has been omitted any information required by this Act or by regulations promulgated thereunder to be contained therein, with intent to conceal such information, shall be fined not more than $20,000, or imprisoned not more than five years, or both.

CONGRESSIONAL RULES

SEC. 10. (a) This section is enacted by the Congress:

(1) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and this section shall supersede other rules of each such House only to the extent that it is inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change the provisions of this section (so far as relating to such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(b) Rule XLIV of the Standing Rules of the Senate and Rule XLIV of the Rules of the House of Representatives are hereby repealed.

EFFECTIVE DATE

SEC. 11. This Act shall take effect on the first day of the second calendar year beginning after the date of enactment of this Act.

SECTION-BY-SECTION SUMMARY OF THE "JUDICIAL DISQUALIFICATION ACT OF 1970"

Section 1—The act may be referred to as the "Judicial Disqualification Act of 1970".

Section 2—This section revises Section 455 of Title 28 of the United States Code.

Present Law: The present section 455 requires a judge to disqualify himself in any case in which he has a "substantial interest", has been counsel, has been a material witness, or is so related or connected with a party or attorney as to render it improper for him to sit in judgment. Federal courts have had considerable difficulty with the words "substantial interest" and disagree about the size and type of financial holding which should disqualify judges from a particular case. The section also permits the procedure of disclosure and waiver whereby the judge discloses his interest in the case and the attorney waives his objection daring not to question the judge's impartiality. Finally, judges feel that they have a duty to sit in a case unless they are disqualified by a specific provision of section 455.

Proposal: This section clarifies the type of interest requiring disqualification. It precludes a judge's participation in any case in which he has an interest which includes any stockholding in a corporate party, stockholdings in a corporation owning more than 10% of a corporate party, and stockholdings in a corporation of which a party owns more than 10% of the stock, and the holding of any office in any of the above named corporations. It also explicitly prohibits "disclosure and waiver". The act adds to section 455 Canon 4 of the Canons of Judicial Ethics of the American Bar Association requiring a judge to disqualify for "appearance of impropriety." Finally, it relaxes the so-called "duty to sit" by giving a judge the latitude to disqualify himself at any time when "in his opinion, it would be improper for him to sit."

Section 3—This section revises Section 144 of Title 28 of the United States Code.

Present law: Section 144 deals with disqualification of a judge for bias or prejudice. Under this law a party may file an affidavit challenging the impartiality of a judge before whom his case is pending. The judge himself determines whether the allegations are sufficient for this purpose.

Proposal: This section creates a right in a litigant to one peremptory challenge of a Judge assigned to hear his case. This revision essentially adopts the liberal disqualification practice of California and other states. Under such a provision, a judge can be disqualified at the option of one or the other of the parties and the disqualified judge is left with no option except to determine whether the application is timely. A party is limited to one challenge in order to avoid the possibility of abuse.

SECTION-BY-SECTION SUMMARY OF "THE OMNIBUS DISCLOSURE ACT"

Section 1—The act may be referred to as the "Omnibus Disclosure Act"

DEFINITIONS

Section 2—This section defines fifteen terms which are used in the act.

FINANCIAL DISCLOSURE REQUIREMENT

Section 3—This section requires members of all three branches of government to file a financial disclosure report with the Comptroller General on or before May 1 of each year. The disclosure requirement applies to all Federal judges and justices, the President and Vice President and all Members of Congress. The provision also applies to Federal officials and to those employees of Members of Congress, Congress itself, the judiciary, and the executive branch who receive more than $18,000 a year and have served for more than 30 days. Candidates for Congress, the presidency and vice-presidency are also required to file disclosure reports within 30 days of becoming a candidate.

CONTENTS OF REPORTS

Section 4—The disclosure reports required must contain the following information: (1) the identity and value of interests in real or personal property worth more than $500, (2) creditors to whom more than $1,000 is owed and the amount of each such debt, (3) sources and amount of income greater than $100, (4) dealings in securities or commodities, (5) transactions in real property, (6) nature, source and value of each non-family gift of more than $100, (7) the amount and source of each contribution to defray campaign or office expenses, and (8) except in the case of non-incumbent candidates, the identity of each client who pays more than $1,000 to a low firm with which an individual obligated under the act is associated.

LAW FIRM CLIENTS

Section 5—Those who list law firm clients under section 4 must state whether the client sought the services of the individuals law firm before or after he entered government. The individual must also list any administrative or judicial action in which the United States was a party and in which the client was represented by that firm.

ATTRIBUTION RULES

Section 6—This section attributes to any individual required to file under section 3 the assets, liabilities, receipts, transactions and gifts of: (1) any person acting on the individual's behalf, (2) his immediate family, (3) any corporation of which he owns more than one half of the stock, (4) a proportion-

ate share of any partnership of which he is a partner, and (5) certain trusts and estates depending on his knowledge and interest.

FORMS AND REGULATIONS

Section 7—The Comptroller General shall supply forms for reports required under the act and shall prescribe regulations governing the preparation of such reports.

PUBLIC INSPECTION OF REPORTS

Section 8—The General Accounting Office shall keep a file of financial disclosure reports, open to public inspection, for a period of five years after each individual leaves government service.

PENALTY

Section 9—Any individual who fails to file within the time period, files false or misleading information or omits information is subject to a $20,000 fine, or 5 years imprisonment or both.

CONGRESSIONAL RULES

Section 10—Congress exercises its rule-making power to repeal inconsistent rules of each house and to explicitly repeal Rule XLIV of the Standing Rules of the Senate and Rule XLIV of the Rules of the House of Representatives.

EFFECTIVE DATE

Section 11—The act takes effect on the first day of the second calendar year after enactment.

THE OMNIBUS DISCLOSURE ACT COMPARED WITH EXISTING LAW AND OTHER PROPOSED LEGISLATION

I. WHO MUST FILE AND WHEN

(a) *The Omnibus Disclosure Act*

Members of all three branches of government would file a financial disclosure report with the Comptroller General on or before May 1 of each year. The disclosure requirement would apply to all Federal judges and justices, the President and Vice-President and all Members of Congress. The provision also would apply to Federal officers and to those employees of the executive, judiciary, Congress and Members of Congress who receive more than $18,000 a year and have served for more than 30 days. Candidates for Congress, the presidency and vice-presidency would also be required to file disclosure reports within 30 days of becoming a candidate.

(b) *Rules of the House of Representatives (Rule XLIV)*

Members of the House of Representatives (including the Resident Commissioner of Puerto Rico), officers, principal assistants to members and officers and professional staff members of committees must file a financial disclosure report by April 30 of each year with the Committee on Standards of Official Conduct. The provision only applies to the House and does not define "principal assistant" or "professional staff member". The disclosure requirement does not apply to candidates.

(c) *Standing Rules of the Senate (Rules XLI, XLIII, & XLIV)*

Senate Rule 44 requires Senators, candidates for the Senate and officers and employees of the Senate paid more than $15,000 per year to file personal financial disclosure reports with the Comptroller General by May 15 of each year. Every Senator who has appointed an assistant to solicit or receive campaign contributions and who pays such an individual more than $10,000 per year must file that designation with the Secretary of the Senate for public inspection. Officers and employees of the Senate must report the nature of all business or professional activity or employment to his superior to determine conflict of interest.

(d) *Rules of the Judicial Conference (adopted June 10 and Nov. 1, 1969)*

The rules apply to all Federal judges except members of the Supreme Court. Every six months Federal judges must file financial disclosure reports with a special committee of the Judicial Conference, with the Judicial Council of their Circuit, and in the Office of the Clerk of Court of which the judge making the report is a member.

(e) *Executive Order No. 11222 and civil service rules promulgated pursuant thereto*

Each presidential appointee in the Executive Office of the President not subordinate to the head of an agency and each full-time member of a committee, board, or commission appointed by the President shall submit a financial disclosure report to the Chairman of the Civil Service Commission. All of the above individuals must file within 30 days upon assuming office and must update their statements quarterly.

General employees paid according to the executive schedule as defined by 5 USC 5311–5317 and those on the general schedule above GS–13 or employees at a comparable pay level under another authority who are responsible for contracting or procurement, administering or monitoring grants of subsidies, regulating or auditing private or other non-Federal enterprises or other activity which has an economic impact on non-Federal enterprises must file reports with their agency head.

Special employees as defined by 18 USC 202 (consultants and advisors) shall submit financial disclosure reports at the time of employment.

An agency may decide to exempt an employee where the chance of conflict of interest is remote or alternative methods of supervision are available. An employee must file a report within 30 days of employment and by June 30 each year he must update his report.

(f) *Interim report of the Special Committee on Standards of Judicial Conduct of the American Bar Association*

Each full-time judge would file a financial disclosure report of gifts and compensation within 6 months of receipt with the clerk of his court or by some other method designated by rule of court.

(g) *Other proposed legislation*

1. Proposals of the Association of the Bar of the City of New York

On or before May 1 of each year every Representative/Senator and every officer and employee of the House/Senate compensated at a gross rate in excess of $18,000 per year would file with the House/Senate Ethics Committee a disclosure statement.

This proposal would not apply to the executive and judiciary or employees of those branches or to candidates.

2. S. 1993 (Case)

This bill covers the same individuals as the Omnibus Disclosure Act except that it applies only to individuals who have served for more than six months instead of 30 days. It also does not cover full-time U.S. Magistrates.

3. S. 1510 (Tydings)

Each judge and justice of the Federal Judiciary would file annually a financial disclosure report with the Judicial Conference. Not applicable to executive or legislative branches.

II. CONTENTS OF REPORTS

(a) *The Omnibus Disclosure Act*

The disclosure reports would contain the following information: (1) the identity and value of interests in real or personal property worth more than $500, (2) creditors to whom more than $1,000 is owed and the amount of such debts, (3) sources of income greater than $100, (4) dealings in securities or commodities, (5) transactions in real property, (6) nature, source and value of each non-family gift of more than $100, (7) the amount and source of each contribution to defray campaign or office expenses, and (8) except in the case of non-incumbent candidates, the identity of each client who pays more than $1,000 to a law firm with which an individual obligated under the act is associated.

(b) *Rules of the House of Representatives*

Disclosure reports contain the following information: (1) source of income over $5,000 for services rendered, (2) capital gains from a single source of over $5,000, except from sale of a residence, (3) reimbursement for expenditure of over $1,000 (other than from the government), (4) name, position, and interest in any business entity doing substantial business with the U.S. or subject to Federal regulation in which an individual's ownership is over $5,000 or from which he receives more than $1,000, (5) the name, address and type of practice of any professional organization from which he receives more than $1,000 per year and to which he or his spouse is a consultant or of which he is an officer or partner, (6) honorariums from a single source aggregating $300, and (7) each creditor to whom the person reporting was indebted without collateral for more than 90 days and for over $10,000.

(c) *Standing rules of the Senate*

Rule 44 requires confidential disclosure reports containing the following information: (1) the identity of interests in real or personal property worth $10,000 or more, (2) the identity of liabilities of $5,000 or more owed by him and his wife, (3) Federal income tax returns, (4) source and value of gifts of $50 or more, (5) the amount and source of fees of more than $1,000 from a client, and (6) the name and address of each business or professional group with which he was associated from which he received compensation during the last year plus the amount of such compensation.

Rule 44 also requires disclosure for public inspection to the Secretary of the Senate: (1) the source and disposition of campaign contributions to the individual (but not necessarily including contributions to others, or to committees, on his behalf) of $50 or more, and (2) the amount and source of honorariums of over $300.

Under Rule 43 any Senator who designates an assistant to solicit and collect contributions and pays him in excess of $10,000 per year must file that designation with the Secretary of the Senate who in turn must disclose the designation to the public.

(d) *Rules of the Judicial Conference*

The disclosure reports contain the following information: 1) A statement of total income for all extra-judicial services (lecturing, teaching, writing, serving as trustee, executor or director, etc.), 2) an itemized list of extra-judicial income from a single source in excess of $100 with a description of the services rendered, 3) a list of gifts worth more than $100 with the name of the donor and value of the gift, 4) the name of any case in which a judge participated in which he knew that he or his spouse or member of his immediate family had a financial interest, 5) any transaction in which he participated involving the securities or other property of a party to a case while it was pending before him (the nature and amount of transaction and any explanation), 6) the name of any case in which he participated and knew at the time that a member of his immediate family was an officer or employee of a party, 7) a list of all positions held in any organization, business or charitable and 8) a list of all fiduciary positions.

e) Executive Order No. 11222 and civil service rules

Presidential appointees in the Executive Office of the President not subordinate to the head of an agency and each full-time member of a Committee, board or commission appointed by the President shall file a financial disclosure report containing the following information: 1) his interests in real property, other than his personal residence, 2) the names of creditors, except to whom he is indebted by reason of a mortgage on a personal residence or for current and ordinary household and living expenses and 3) a list of all business organizations (profit and non-profit) and educational or other institutions with which he is connected (as an employee, officer, consultant or trustee) and in which he has a continuing financial interest (through pension plan or by present or prior employment or in which he has any financial interest through ownership of securities.) General employees (over GS 13 and in certain policy making positions) and special employees (consultants and advisors) may be required to file the information asked for in a format in the Federal Personnel Manual and no agency can go beyond that format without Civil Service Commission approval.

Furthermore, special employees shall file with their agency a statement of outside employment including all financial, research or governmental groups in which he serves as an employee, officer, director or consultant.

Presidential appointees are not required to disclose information relating to an organization (religious, political or educational) which is not engaged in a "business enterprise." Although general and and special employees are subject to the same regulation, research and educational groups which receive grants and contract with the government are considered "business enterprises."

f) Interim report of the Special Committee on Standards of Judicial Conduct of the American Bar Association

The disclosure report would contain the following information: 1) the source and value of non-family gifts of over $100, 2) the source, purpose and amount of compensation other than salary for judicial duties, and 3) source and amount of reimbursement to the judge or his spouse for expenses and the actual cost to the judge. Except in connection with a disqualification proceeding, a judge would not be required to disclose the identity or extent of his investments or his income therefrom.

g) Other proposed legislation

1. Proposals of the Association of the Bar of the City of New York

The disclosure report would contain the following information: 1) the identity of each property interest of $5,000 or more except bank deposits, insurance policies, household furnishings, personal effects and principal residence, 2) the identity of any creditor to whom the individual owes more than $5,000, except a mortgage on his home, 3) sources of income of $1,000 or more, 4) non-family gifts of $25 or more, 5) contributions to defray campaign or office expenses, and 6) the identity of each client who paid more than $1,000 in fees to a law firm with which the individual is associated.

This proposal does not cover dealings in securities or commodities and transactions in real property.

2. S. 1993 (Case)

Disclosure reports would contain the following information: 1) the value of each asset or piece of property regardless of value, 2) the value of any debt, 3) the amount and sources of income greater than $100, 4) dealings in securities, 5) transactions in real property, 6) non-family gifts of more than $100, 7) contributions to defray campaign or office expenses. Individuals would not be required to disclose law firm clients.

3. S. 1510 (Tydings)

Disclosure reports would contain the following information: 1) income to the individual and his immediate family, 2) the name of each business or professional organization with which he or a member of his immediate family is associated, 3) the identity of debts of over $5,000 owed by him or a member of his immediate family, 5) the name of each business or foundation (profit or non-profit) in which he or a member of his immediate family or an organization with which he is associated holds an interest and the value of that interest, 6) identity of interests in real or personal property worth more than $10,000 in which he or his immediate family, or an organization with which he is associated had an interest and the value of that interest, and 7) the value and source of each honorarium of more than $300.

III. LAW FIRM CLIENTS

a) The Omnibus Disclosure Act

Those who list law firm clients in their disclosure reports would have to state whether the client sought the services of the individual's law firm before or after he entered government. The individual must also list any administrative or judicial action in which the United States was a party and in which the client was represented by that firm.

b) Rules of the House of Representatives

No requirement.

c) Standing Rules of the Senate

No requirement.

d) Rules of the Judicial Conference

No requirement.

e) Executive Order Number 11222 and Civil Service Rules

No requirement.

f) Interim Report of the Special Committee on Standards of Judicial Conduct of the American Bar Association

No requirement.

g) Other Proposed Legislation

1. Proposals of the Association of the Bar of the City of New York

This proposal would require disclosure of the same information as the Omnibus Disclosure Act.

2. S. 1993 (Case)

No requirement.

3. S. 1510 (Tydings)

No requirement.

IV. ATTRIBUTION RULES

a) Omnibus Disclosure Act

The Act would attribute to any individual required to make a disclosure report, the assets, liabilities, receipts, transactions and gifts of: 1) any person acting on the individual's behalf, 2) the individual's immediate family, 3) any corporation of which he owns more than half of the stock, 4) a proportionate share of any partnership of which he is a partner and 5) certain trusts and estates depending on his knowledge and interest.

b) Rules of the House of Representatives

There are no general attribution rules except that the interest of a spouse or any persons constructively controlled by the person reporting is considered the same as the interest of the reporting individual.

c) Standing Rules of the Senate

There are no general attribution rules. However, under Rule 44, an individual is required to report liabilities over $5,000 owed by him and his wife jointly and the identity of certain trusts or fiduciary relations in which he holds a beneficial interest of over $10,000. If the individual does not know the identity of fiduciary interests he must request the fiduciary to disclose to the Comptroller General.

d) Rules of the Judicial Conference

There are no attribution rules except that most disclosure requirements apply to an individual's spouse and immediate family. Also "participation" in a case in which the judge has a financial stake is intended to mean "knowing participation." The Judicial Conference recognizes that there might be cases in which the judge or a member of his household own securities in a corporation through a mutual fund for example and are unaware of such an interest. In such cases a judge's action is not suspect.

e) Executive Order No. 11222 and Civil Service Rules

There are no specific attribution rules except that the interest of a spouse, minor child or member of an individual's household is considered an interest of the person required to report. Where information required to be disclosed is not known to a general or special employee or presidential appointee but is known by another person, the employee shall request that person to submit information on his behalf.

f) Interim Report of the Special Committee on Standards of Judicial Conduct of the American Bar Association

No comparable provisions.

g) Other Legislative Proposals

1. Proposals of the Association of the Bar of the City of New York

This proposal would attribute to an individual the assets but not the income, liabilities, receipts, transactions and gifts of 1) any corporation of which he owns more than half of the stock, 2) a proportionate share of any partnership of which he is a partner and 3) certain trusts depending on his knowledge and interest.

2. S. 1993 (Case)

There would be no specific attribution rules although several sections would attribute specific types of income and assets to the individual. For example, the bill would attribute to an individual the income, assets, dealings in securities, and purchases and sales of real property of his spouse and of him and his spouse jointly.

3. S. 1510 (Tydings)

There would be no specific attribution rules except that individuals would be required to report financial information about immediate family and about organizations with which they were associated.

V. FORMS AND REGULATIONS

a) Omnibus Disclosure Act

The Comptroller General would supply forms for reports required under the act and would prescribe regulations governing the preparation of such reports.

b) Rules of the House of Representatives

The Committee on Standards of Official Conduct administers filing of financial disclosure reports.

c) Standing Rules of the Senate

The Comptroller General and the Secretary of the Senate administer different sections of the rules. They are given no explicit authority to prepare and distribute forms or to prescribe regulations.

d) Rules of the Judicial Conference

Each judge files disclosure forms with a special committee of the Judicial Conference, with the Judicial Conference of his

circuit, and in the office of the Clerk of the Court of which the judge making the report is a member. Judges disclose their financial information on forms adopted by the Judicial Conference in March of this year and actually send the reports to a Receiving Officer (appointed by the Chief Justice), who in turn forwards the reports to a panel of three judges appointed by the Chief Justice.

e) Executive Order No. 11222 and Civil Service Rules

The Civil Service Commission administers the general provisions of the executive order and has in turn promulgated general outlines for disclosure rules leaving discretion in the separate agencies for more specific regulations relating to general and special employees.

f) Interim Report of the Special Committee on Standards of Judicial Conduct of the American Bar Association

Not clear in the present draft.

g) Other legislative proposals

1. Proposals of the Association of the Bar of the City of New York

Disclosure reports would be filed with the Senate and House Ethics Committees and would be filed with the Clerk of the United States District Court of the judicial district in which the individual's home is located.

2. S. 1993 (Case)

This aspect of S. 1993 is substantially the same as the Omnibus Disclosure Act, except that it leaves more discretion in the Comptroller General to group assets, liabilities, and other items on the disclosure form.

3. S. 1510 (Tydings)

While the act is not explicit on this point, it would apparently be administered by the Judicial Conference.

VI. PUBLIC INSPECTION OF REPORTS

a) Omnibus Disclosure Act

The General Accounting Office would keep a file of financial disclosure reports, open to public inspection from the time of filing until five years after the individual leaves government service.

b) Rules of the House of Representatives

Disclosure reports are available for "reasonable public inquiry" subject to the following exceptions and regulations set up by the Committee on Standards of Official Conduct: 1) the value of any income or debts reported under the act or market value of interest in a business is confidential unless the committee decides otherwise; 2) all requests by a member of the public are reported to the individual whose report is viewed and the member of the House to whom he is responsible.

After an individual is no longer required to file his reports they are returned to him.

c) Standing Rules of the Senate

The confidential financial disclosure report is filed with the Comptroller General in a sealed envelope which is returned after seven years, or one year after death. However, a majority of the Select Committee on Standards and Conduct can vote to examine the contents of an envelope after warning the individual concerned. After examination, if the Committee so decides, the contents may be used for any purpose by any member of the Committee or his staff. Reports of contributions and honoria filed with the Secretary of the Senate pursuant to Rule 44 are available to the public and are kept for at least three years. Designations by Senators of assistants to solicit and collect contributions filed with the Secretary of the Senate pursuant to Rule 43 are public. Reports of outside business or professional activity to superiors pursuant to Rule 41 are not made public.

d) Rules of the Judicial Conference

Reports are confidential except to the extent that the special panel of Federal judges decides that a possible conflict of interest should be disclosed to the Executive Committee of the Judicial Conference.

e) Executive Order Number 11222 and Civil Service Rules

Presidential appointees file reports with the Chairman of the Civil Service Commission and General and special employees file reports with their agency head. In neither case are the reports available to the public, except where the Chairman of the Commission or the respective agency head shows that good cause exists for public disclosure.

f) Interim Report of the Special Committee on Standards of Judicial Conduct of the American Bar Association

All reports would be public documents filed with the Clerk of Court or by some means prescribed by court rules.

g) Other proposed legislation

1. Proposals of the Association of the Bar of the City of New York

The reports would be public documents except for the dollar value of interests in real or personal property. It is not explicit, but apparently the monetary values of other items required to be disclosed under the act would be available to the public.

2. S. 1993 (Case)

Would require the same public disclosure as the Omnibus Disclosure Act.

3. S. 1510 (Tydings)

The Judicial Conference would be authorized to insure confidentiality of the reports, except that the Judiciary Committee of the House of Representatives would have access to any information needed in investigating allegations of misconduct leading to an impeachment proceeding.

VII. PENALTY

a) Omnibus Disclosure Act

Any individual who failed to file within the time period, filed false or misleading information or omitted information would be subject to a $20,000 fine, or 5 years imprisonment or both.

b) Rules of the House of Representatives

The House Committee on Standards of Official Conduct can investigate on the basis of complaints and recommend to the House by resolution other such action as the Committee may deem appropriate in the circumstances and with approval of the House, to report evidence of a violation of law disclosed in investigation to federal or state authorities. The Committee can also issue upon request advisory opinions on conflicts of interest questions.

The rules do not provide explicit penalties for omitting information from reports or for falsifying reports.

c) Standing rules of the Senate

Confidential and public disclosure reports filed pursuant to Rule 44 can be the subject of action by the Select Committee on Standards and Conduct or by the whole Senate. Reports of outside employment to superiors filed pursuant to Rule 41 can be acted upon where they think the activity presents a conflict of interest.

The rules do not provide explicit penalties for omitting information from reports or for falsifying reports.

d) Rules of the Judicial Conference

There is no penalty for failure to report or for misrepresentation. By implication the reports can be the subject of appropriate action by the Judicial Conference.

e) Executive Order No. 11222 and Civil Service Rules

There is no specific penalty for refusal to disclose or for misrepresentation. However, once disclosure has been made, the Chairman of the Civil Service Commission determines and reports conflicts of interests to the President, and agency heads are informed of conflicts of interest in their department.

f) Interim report of the Special Committee on Standards of Judicial Conduct of the American Bar Association

No penalty in the present draft.

g) Other legislative proposals

1. Proposals of the Association of the Bar of the City of New York

This proposal contains no penalty provisions.

2. S. 1993 (Case)

Any individual who failed to file within the time period, filed false or misleading information or omitted information would be subject to a $2,000 fine or 5 years imprisonment or both.

3. S. 1510 (Tydings)

This proposal contains no penalty provisions.

Mr. BAYH. Mr. President, in order to indicate my good faith and my concern about the need for voters to have access to detailed information on the financial affairs of Members of the House and the Senate, I hereby submit the following disclosure of my current assets and liabilities as of July 1, 1970, and my income for 1969, and ask unanimous consent that it be printed in the RECORD.

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

Personal financial disclosure of Senator and Mrs. Birch Bayh[1]

ASSETS

Cash in hand and in savings and checking accounts (approx.)	$4,500.00
340-acre farm, Vigo County, Ind. (at market value)	68,000.00
Residence, Washington, D.C.:	
Lot	25,000.00
House	75,000.00
Less mortgage	57,697.00
Net	42,303.00
Securities placed in blind trust in May 1970, with Terre Haute First National Bank (based on May 14, 1970, market value)	45,655.00
1,000 shares Int'l Chemical & Nuclear.	
300 shares Netgo.	
200 shares American Regitel.	
300 shares Blasius Industries.	
200 shares Bonanza International.	
300 shares Boston Digital.	
100 shares Gerber Scientific.	
200 shares Grass Valley Group.	
90 shares Systems Engineering Labs.	

MISCELLANEOUS ASSETS

348 shares Vigo County, Ind., Farm Bureau Cooperative Association, Inc. Patron Account No. 21880	1,740.00
Farm Producers Marketing Association	250.00
Tangible personal property in home in Washington, D.C. (estimated)	6,500.00

Cash value of life insurance (approx.)	$8,000.00
Buick sedan (1970):	
Cost	2,650.00
Encumbrance	2,350.00
Net	300.00
Total assets	177,248.00
LIABILITIES	
Personal liabilities:	
Merchants National Bank, Indianapolis (personal note)	9,000.00
Terre Haute First National Bank, Terre Haute (personal note)	4,000.00
Total personal liabilities	13,000.00
Deficit remaining on obligations incurred in 1968 campaign	15,000.00
Total liabilities	28,000.00
1969 INCOME	
Salary as U.S. Senator	40,416.67
Honoraria	42,000.00
Farm income	12,289.33
Dividends and interests	212.00
Royalties on book	10,728.00
Total income	105,646.00

[1] Does not include property devolving upon Mrs. Bayh as a result of the death of her father, Mr. Delbert Hern, in March 1970. Mr. Hern's estate is still in probate.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the Chair now recognizes the Senator from Montana (Mr. MANSFIELD) for not to exceed 15 minutes.

WHY NOT ABOLISH THE INTERSTATE COMMERCE COMMISSION?

Mr. MANSFIELD. Mr. President, the role of the regulatory agency in the Federal system is an important one in that it was conceived as the protector of the public interest and regulator of commerce, communications, and utilities. Unfortunately, and in my estimation, the independence of these agencies is somewhat in doubt. Their public service role has given way to cumbersome bureaucratic processes. As a Senator from the State of Montana, I am deeply concerned about the lack of concern given to rural, sparsely populated States. This criticism is directed largely at the Interstate Commerce Commission. In short, I believe that, and I say this most reluctantly, that the ICC should be abolished. Some of its activities can be discontinued and others incorporated into an agency within and under the jurisdiction of the Department of Transportation.

Passenger trains service is deteriorating rapidly—it is becoming almost nonexistent—railroad corporations are ignoring their public responsibilities; the consumer is receiving no consideration in freight rate proceedings—and especially so, in the State of Montana, which I believe has the highest freight rates in the Nation—the regulation of rail car orders and the boxcar shortage—again, most especially in Montana—are completely out of hand.

The railroads of our Nation for many years provided excellent passenger service to our citizens. In face of modern methods, the need for new equipment and modernized management, the ICC has allowed the railroad giants to retreat from their position of responsibility in this area and to concentrate on hauling freight.

Why? That is where the money is. That is where the profits are.

The boxcar shortage has plagued the shippers of Montana for almost as long as I have served in the Congress. What was once a seasonal situation is now with us constantly, and the western railroads are unable to give service at peak periods to the grain and lumber industries. The eastern rails are taking advantage of the western rails by using borrowed boxcars which cost them less money than owning their own. The action taken by the ICC has not been sufficient to materially change the situation. The Congress is giving the Commission funds for some 140 additional personnel under the car division. I hope these inspectors will be put in the field where they can report and act on shortages and in places to determine which lines are violating orders to return cars and act accordingly.

The repeated approval of freight rate increases is disturbing; producer, shipper, and consumer protests have been to no avail. In Montana, the grain farmers are always hard hit by these increases. They bear the burden of increasing freight costs out of a declining income that has put many out of business. Blanket increases of freight rates work the hardest on the States with the highest freight rates—and that includes Montana—even though the railroads serving them are not those with the greatest financial problems. Freight rates have historically been a major deterrent to economic expansion of the Big Sky Country, and the position taken by the Commission has only compounded the problem.

Mr. President, I read from an Associated Press dispatch dated August 6, 1970—yesterday, that is—

FREIGHT RATES

WASHINGTON (AP).—The Interstate Commerce Commission today made permanent—

Made permanent—

an across-the-board 6 per cent increase in railroad freight rates it had granted on an interim basis last Nov. 17.

The permanent 6 per cent rate increase applies to all shipped products except western grains and grain products and fresh fruits and vegetables, which the Commission tentatively said could go up to five per cent.

What a break.

Commission Vice Chairman Dale Hardin, in a dissent to the Commission's order, criticized his colleagues for what he called "rubber stamping" the railroads' request for a flat six per cent hike rather than allowing the increase only on selected commodities.

In addition to the six per cent hike sought last November and granted today, the railroads last March sought a second six per cent increase. On May 27, the ICC granted a temporary five per cent increase in rates for most products, giving the railroads an effective 11 per cent hike in freight revenues.

The time has come when we should be concentrating on the consumer; the Interstate Commerce Commission seemingly has been far too industry-oriented.

I do not believe the hands of the ICC are tied; I believe that their authority is flexible and if so disposed, it could act in behalf of the general public.

The regulatory process in the Interstate Commerce Commission has become so cumbersome I am convinced that the only way out is to abolish the Commission and incorporate the necessary activities within the Department of Transportation. The Department, under the guidance of the previous Secretary, Alan Boyd, and the present Secretary, John Volpe, has done a remarkable job of bringing together and administering a very complex situation in all fields of transportation. Policy matter governing freight rates, boxcars, and passenger train service can best be administered within the Department of Transportation, a logical extension of executive reorganization, in my estimation. The antiquated ratemaking procedure now in effect at the Commission is in need of immediate attention.

While I believe that the ICC, as it now is constituted, has outlasted its usefulness, there is a continuing need for a Federal office to represent the consumers of the Nation in various proceedings. My able colleague, the junior Senator from Montana (Mr. METCALF), is now in the process of preparing a legislative proposal to be known as the Transportation Consumers' Counsel Act of 1970. This new office would have the necessary power to represent the interests of the transportation consumers before any Federal agency or Federal court.

The frustration created by the present regulatory process must be broken. We are living in a new age. Our citizens are aware, and they know that their interests in the transportation and shipping areas are not necessarily being given the attention they deserve.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from an old friend of mine, Viggo Andersen of Great Falls, Mont., addressed to my distinguished colleague (Mr. METCALF), under date of April 28, 1970, and a letter by Mr. Andersen addressed to George M. Stafford, Chairman of the Interstate Commerce Commission, under date April 27, 1970.

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

GREAT FALLS, MONT.,
April 28, 1970.

Senator LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Thank you for your letter of March 12 concerning legislation to establish an office of consumer counsel for rail users. It certainly seems that something needs to be done about the way the ICC operates.

The Montana Grain Growers and the Montana Wheat Commission are filing a joint protest against the further 6% increase in rail rates proposed in Ex Parte 265. The Citizens Freight Rate Commission is also filing a protest. The arguments in these protests sound very convincing to me, but in the

light of past ICC decisions it is difficult to be optimistic.

I have written George Stafford, chairman of the ICC, to try to get a more complete picture of what we are up against and I enclose a copy of the letter. I will keep you informed of any reply. Thank you for your interest in this matter.

Sincerely,

VIGGO ANDERSEN,
Chairman, Transportation Committee, Montana Grain Growers Association.

GREAT FALLS, MONT.,
April 27, 1970.

GEORGE M. STAFFORD,
Chairman, Interstate Commerce Commission, Washington, D.C.

DEAR MR. STAFFORD: I am a wheat farmer in Montana and transportation committee chairman of the Montana Grain Growers Organization. I am very concerned about the detrimental effect of Ex Parte 265 on the western states and Montana in particular.

We and other similar organizations have submitted individual and/or joint statements opposing past freight increases and most particularly the last 6% blanket increase. These have had no apparent effect. Accordingly, one can only assume that there must have been more telling arguments in favor of the increases. Would it be possible to learn, in general, the necessity for a blanket increase?

Concerning the decisions the ICC must make on Incentive Per Diem Charges and the second blanket increase in Ex Parte 265, the situation appears to the Grain Growers as follows:

Eastern rails are in general in poorer financial condition than the western rails. However, the eastern rails take advantage of the western rails by using borrowed boxcars wihch costs them less money than owning their own. So, in effect the western lines subsidize the eastern lines. One result is that the western lines are unable to give service at the peak grain hauling periods.

Profits on grain shipments going out of Montana by rail are very high and seem excessive. According to figures obtained from the USDA, the profit on the average carload of grain shipped out of Montana ranged around 246% of actual cost even before the 6% increase last fall. The grain farmers bear the burden of increasing freight costs out of a declining income that has put many out of business.

Blanket increases of freight rates work the hardest on the states with the highest freight rates, even though the railroads serving them are not those with the greatest financial problems.

The effect of these things seems to be that we grain producers are indirectly subsidizing the eastern roads. If Per Diem Charges in the future are to be based partly on mileage, this will make even less of an incentive for eastern rails to reduce western boxcars.

Perhaps this is not a true picture, and if you feel it is not I would certainly appreciate it if you would 'put us straight'. Or, does the ICC consider the present situation a necessary evil?

Sincerely,

VIGGO ANDERSEN.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Arizona be permitted to proceed for 30 minutes.

Mr. GOLDWATER. I believe 30 minutes will be sufficient. If not, I shall ask for more.

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

Mr. MANSFIELD. I further ask unanimous consent that, after the Senator from Arizona completes his remarks, there be a period for the transaction of routine morning business, with statements therein limited to 3 minutes.

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

The Chair recognizes the Senator from Arizona (Mr. GOLDWATER) for not to exceed 30 minutes.

AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PROCUREMENT

Mr. GOLDWATER. Mr. President, earlier in the debate on the military authorization bill I indicated that from time to time I would speak on various aspects of the paper prepared by the Peace Through Law Committee, because I want to keep the record straight, just as I have felt it was necessary to do during the last year. I do not wish to be overly critical of this committee's work, because it shows diligent work and good research, but it does show a rather complete lack of understanding of the application of military principles to our problems today, as we discuss weaponry.

I have already spoken of the inadequacies and mistakes of the economic part of that report. I shall address myself further to that aspect next week. I have also spoken of the mistakes made in the C–5A program. Today I wish to cover three or four more matters as they relate to various weapons asked for or used by the Air Force.

First, Mr. President, I wish to comment on the F–15 portion of the report on military spending by Members of Congress for peace through law, which was released July 15, 1970.

There are three issues relative to the F–15, raised in this report that warrant comment. They are:

First. The number and performance of enemy aircraft and combat situations expected in the post-1975 period.

Second. Design features needed to operate effectively in the post-1975 combat environment.

Third. The relative cost of the F–15 and the F–4.

The report foresees the principal Warsaw Pact Air Force effort to any European conflict as being devoted primarily to air defense. This is not consistent with known Soviet employment doctrine which assigns large numbers of tactical aircraft directly to air-to-ground tasks, nor is it consistent with the post-1975 projection of Soviet and Warsaw Pact Tactical Air Forces. These new aircraft are expected to have range capability completely adequate for the European theater and early models are flying today. Some of the models are already in the operational forces in large numbers.

The Soviet aircraft modernization program is considerably more aggressive than the U.S. program. Our current modification programs tend to concentrate on improving avionics and correcting engineering deficiencies. This was the case with the F–100 A, B, C, and D series, the F–105 B and D series and the F–4 B, C, and D series. Only the F–4 E and J represent any significant improvement in performance or armament. In contrast, the Soviet program emphasizes improvement of performance and armament so that there is little resemblance in the armament and performance of the Mig–21, or Fishbed D and the later Mig–21, or Fishbed J. Consequently, from our frame of reference, "modified" Soviet aircraft are more like new designs than modifications.

A second assertion in the report is that we do not understand those factors which most influence air-to-air combat. Certainly air-to-air combat is a complex matter but this statement is not valid in the context used in the report. Given a specific threat and a specific conflict scenario, we can define the contribution of most factors. The real problem facing military planners, on the other hand, is that it is difficult to predict the nature of the future threat or the nature of future conflict. If experience has taught us anything, it is that the adversary never conforms exactly to our expectations. In addition, our aircraft have seldom been employed in exactly the roles and situation envisioned during design. For this reason, an investment in a force structure designed to operate only within a very narrow spectrum of future conflict possibilities is not likely to provide the options and flexibility required for an effective future force. Therefore, narrowly conceived designs promise to be a very poor investment in the best sense of the failure of the maginot line under the unexpected German attack around its flank.

OSD and the USAF have conducted extensive and continuous studies since 1965 to define the air superiority fighter that we believe can provide air superiority against the spectrum of probable future threat aircraft and conflict situations.

It is likely that maneuvering visual air-to-air combat will dominate post-1975 air-to-air combat.

I might say, Mr. President, that the experience in Vietnam has taught us that we are rapidly getting back to visual air-to-air combat in air superiority fighting. The great majority of the young pilots I have talked with in Vietnam, and those who have returned home, have said, in effect:

> Get rid of the black boxes. Get rid of the rockets. They are great, but they will not work over a two or three G pull. And give us back an optical sight and some cannon.

And it is interesting to note that we are looking into this matter very thoroughly at the present time, because we feel that air-to-air fighting in the future will not be the highly sophisticated thing that many people have envisioned it to be; namely, depending upon black boxes to find the enemy and hit it. A man's eyes, fingers, and judgment, I think, are far superior.

For the reasons I have discussed, major design emphasis in the F–15 is on those factors that contribute most of that capability—that is, low-wing loading, high thrust-to-weight, good handling qualities, good visibility from the cockpit, and reliable close-in weapons. If, in fact, all important future air-to-air combat is of this nature, then the

F–15 could be somewhat simplified. However, it is not prudent to base our plans on so restricted a view of future combat.

The committee report contains the argument that Southeast Asia experience shows that a standoff capability is not a useful counter to an opponent's standoff capability. The claim is made that the Mig–21, by using maneuverability and tactics, was able to force us to close-in engagements. This argument lacks validity on several counts. First, the enemy did not employ a standoff capability. Second, we were forced into close-in combat by factors totally unrelated to maneuverability and tactics of the Mig–21. These factors are related to rules of engagement and support facilities available over North Vietnam.

The charge is made that the Air Force has not imposed design discipline on the F–15 and that the design includes items that are "nice to have" but not necessary. Contrary to the implications of the report, many designs for the F–15 were examined that ranged from simple single-engined day fighters to multipurpose, heavily equipped aircraft. The F–15 design choice is well toward the bottom of this spectrum and the design has undergone extensive review for elimination of "nice to have" features.

The only evidence included to substantiate this charge is that the F–15 cost is four times that of the F–4E. This is shown by assuming a constant budget that will only provide for 320 F–15 aircraft if the aircraft are purchased at contract ceiling price in post-1975 dollars. In contrast, the F–4 unit cost is based on a production of over 4,000 F–4 aircraft and is based on 1960–70 dollars. This is grossly misleading.

Relatively small production runs lead to higher aircraft cost. This effect is known as the "manufacturing learning curve." Based on experience with many programs, the cumulative average cost/aircraft will be reduced about 15 percent each time the number of production aircraft is doubled. This is called an 85 percent learning curve. The large disparity in the numbers used by the members' report in their comparison; 4,000-plus F–4's versus 320 F–15's; leads to a misleading comparison. Ignoring post-1970 inflation—as in the case of the F–4 cost figures used—the cumulative average cost of 4,000 F–15 aircraft based on contract ceiling price would be about $4.3 million compared to the $3 million figure used for the F–4—table 1.

Another, more valid comparison can be made by comparing the projected cost of three wings of F–4E aircraft with delivery beginning in 1975 to the current contract target price of three wings of F–15 aircraft, also with delivery beginning in 1975, as shown in table 1.

As shown, when viewed on a comparable basis, the F–15 cost per aircraft is only about 30 percent more than the F–4 rather than 400 percent more as claimed in the report. For this 30-percent increase in cost the F–15 has a wing loading considerably lower than the F–4E, a thrust-to-weight ratio significantly higher than the F–4E, a range or combat staying power much greater, much improved cockpit visibility, greatly improved handling characteristics, and better maintainability. The size of these improvements in performance have been shown through simulation, flight test, and actual combat to lead to vast improvement in air-to-air combat effectiveness.

The vast improvement in F–15 capability over that of the F–4E for a modest increase in cost is due to the very rigid design discipline imposed by both weight limitations and continuous USAF initiated cost reduction efforts. The F–15 remains the most promising system, and the overall lowest cost system to deal with the range of future combat situations.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "Table 1—F–15, F–4 Cost Comparison."

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

TABLE 1.—F–15, F–4 COST COMPARISON

	Production run (aircraft)		Dollar basis		Cost/aircraft (millions)	
	F–15	F–4E	F–15	F–4E	F–15	F–4E
Production cost—Contract ceiling price	320	4,000+	1975+	Pre-1970	$12.0	$3.0
	4,000		(1)	(1)	4.3	3.0
Flyaway cost—Contract target price	3 wings		(2)	(2)	7.3	5.6

[1] Pre-1970.
[2] Post-1975.

I—U.S. POLICY FOR STRATEGIC FORCES

Mr. GOLDWATER. Mr. President (Mr. SPONG), going into another phase of the report, I will comment on a discussion of the Minuteman III in the report on military spending by Members of Congress for peace through law.

Any meaningful dialog as to the size, characteristics, and the quality of our future strategic forces in general, and of the ICBM force in particular, must be preceded by a clear delineation of the basic national strategy these forces are intended to support. The keystone of our national posture, political, economic, and military, is to deter all wars, if possible, but most essentially large-scale wars either nuclear or conventional. The two potential aggressions of most serious concern to the United States are: First, general nuclear attack by the Soviets on the United States; and second, both nuclear attack and large-scale conventional attack by the Soviets against our NATO allies. An additional concern, of course, is aggression by the Soviets or others against our allies in Asia. The fundamental national strategy in each case is to deter such aggressions.

We deter a general nuclear attack on the United States by maintaining strategic forces of sufficient size and diversity of characteristic that we can inflict serious damage on the Soviet Union with a certainty approaching a confidence level of 100 percent, even if the initial Soviet attack should be a surprise against our force on a day-to-day alert status. This is the "assured destruction" scenario in which all of our possible strategic postures are tested against varying levels of Soviet forces. The definition of the level of damage required for assured destruction has varied over the years from as high as 40 percent of the Soviet urban population to as low as 20 to 25 percent with a corresponding range of the industrial capacity. The lower levels are sometimes invoked by those who wish to cut budgets; the higher ones more often by those who recall from World War II the Soviet capacity to absorb punishment and still rebound with strength.

It has long been the policy of the United States to maintain each member of our triad of offensive forces—land-based missiles, sea-based missiles and bombers—at a level of capability such that each can make a significant contribution toward accomplishing the assured destruction task. Maintaining the triad viable has required a regular force modernization program over the years to respond to the growth in Soviet military capability. One result of the policy is that, if all of our forces were to work as advertised and if all forces were applied to the assured destruction task, then we would have a capability to inflict damage levels over 40 percent.

The origin of the allegedly excessive strategic forces, excessive with regard to minimum capabilities for assured destruction, lies then in the prudent policy of the triad. The policy's goal, clearly, is not excessive expenditures but rather to insure that the Soviet planners will not be able to perceive any combination of tactics and technical advances that would negate our capabilities to respond with overwhelming force. Currently, our land-based missile force, because of the high day-to-day alert rates, carries nearly half of the nuclear warheads which could be used by the National Command Authority to retaliate immediately to a Soviet attack. The remainder of the warheads available are carried by strategic bombers and sea-based forces.

Our commitments to NATO—both in terms of treaties and deployments of tactical forces to Europe—help to underwrite the strategy of deterrence of Soviet attack on NATO. The tactical forces with their capability for the initial defense of NATO and the threat of use of nuclear weapons by NATO SLBM forces and our tactical forces, raise the threshold of aggression so high that the Soviets cannot clearly perceive the outcome. By launching an attack on NATO, the Soviets would run a serious risk of escalation to general nuclear war; that is, nuclear weapons detonating on Soviet sovereign territory.

Likewise, it is hoped that the commitments made to our Asian allies, by treaty and unilateral policy statements (for example, extending our nuclear shield to Asia), will deter aggression against them.

Deterrence is an essential requirement that our strategic forces must meet—this requirement establishes the absolute minimum for our force levels. We must be able to respond under any circumstances to a Soviet massive attack with sufficient force to insure the destruction of the Soviet Union as a viable, modern nation. But we also rely on our strategic forces to deter other actions that affect our vital national interests. When the Soviets tried to base nuclear missiles in Cuba, we risked a face-to-face confrontation with all of our nuclear arms. This, of course, was in a day when we had an overwhelming superiority in numbers and quality of nuclear delivery systems. However, the Soviets, with their massive buildup since then, have insured that if another confrontation occurs, the United States will not have superiority. In view of their massive buildup of strategic forces, what if the Soviets confront us in a way that our vital national interests are threatened or our sovereignty is involved? We cannot enforce deterrence, it is the Soviets' choice to be deterred. The Soviets might decide in a moment of crisis that their best option for enforcing their will on us would be to make a small scale attack on some of our military forces. What are our options to respond?

If our force posture is such that we have only the minimum forces required to do assured destruction, our options are extremely limited. We can destroy a city, or two, or several—recall that our assured destruction forces need only to be able to shoot at cities—knowing that the Soviets will respond in kind. Obviously, this is an unsatisfactory situation. In speaking of our strategic posture the President has stated:

Our review took full account of two factors that have not existed in the past.

First, the Soviets' present build-up of strategic forces, together with what we know about their development and test programs, raises serious questions about where they are headed and the potential threats we and our allies face. These questions must be faced soberly and realistically.

Second, the growing strategic forces on both sides pose new and disturbing problems. Should a President, in the event of a nuclear attack, be left with the single option of ordering the mass destruction of enemy civilians, in the face of the certainty that it would be followed by the mass slaughter of Americans? Should the concept of assured destruction be narrowly defined and should it be the only measure of our ability to deter the variety of threats we may face?

Our review produced general agreement that the overriding purpose of our strategic posture is political and defensive: to deny other countries the ability to impose their will on the United States and its allies under the weight of strategic military superiority. We must insure that all potential aggressors see unacceptable risks in contemplating a nuclear attack, or nuclear blackmail, or acts which could escalate to strategic nuclear war, such as a Soviet conventional attack on Europe.[1]

II—ASSESSMENT OF THE CAPABILITIES OF CURRENTLY PLANNED STRATEGIC FORCES

We can calculate with relative precision the force levels required for assured destruction. But what levels of forces are required to provide the capability for alternative responses plus assured destruction? Our current forces, when generated to advanced alert status—or fully generated—can carry about 4,000 warheads, most of which have a yield of about one megaton but many are smaller. The number of weapons on day-to-day alert is slightly over 2,000 weapons, nearly half of which are contained in the land-based missiles force. These are numbers of warheads, the number of equivalent one-megaton warheads is somewhat less. When our forces are fully generated, they can adequately target most of the Soviet military structure and all of the larger Soviet cities, together with some forces reserved to attack China. Options are available to the National Command Authority to attack with the whole force or options thereof against selected targets.

The effect of introducing MIRV's on Minuteman III and Poseidon is to increase the number of warheads but, contrary to the implication in the report, there will be an insignificant increase in the deployment of equivalent megatons, a much more correct measure of the potential for assured destruction than the number of warheads. What will be increased is our assurance that the missiles will continue to be able to deliver their warheads in spite of the present and potential Soviet ABM deployment. In 1965 the United States made a conscious and deliberate choice to limit deployment of additional ICBM's, SLBM's and strategic bombers. Rather, a force modernization program was instituted which consists of Minuteman III, Poseidon, the FB–111—as an interim step—and the B–1. These programs respond to the known and projected buildup of Soviet strategic forces—both offense and defense—in many ways, some of them quite technical and complex. However, the major thrust of the modernization is to provide specific counters to the problem of penetration of Soviet defenses.

Among the wide variety of technical approaches to penetrating Soviet ballistic missiles defenses, the United States made a deliberate choice to rely primarily upon multiple warheads. This choice is the most certain method and the one least likely to be misinterpreted by the Soviets. Since deterrence is our strategy we want the Soviet military planner to be under no illusions as to our capability. As it turns out, from technical considerations, the mechanisms for effective deployment of multiple warheads to penetrate Soviet defenses have, as a fallout, the ability to independently target these warheads to groups of nearby targets. However, because of the number of warheads required to have high confidence of destroying a Soviet silo—because of the low yield of U.S. system—there is essentially no payoff from using MIRV's over single payloads—that is, Minuteman III—for this purpose. Therefore, MIRV capability is a consequence and not the driving factor in deciding to put multiple warheads on Minuteman III and Poseidon.

The problem with MIRV, from the standpoint of strategic stability, is that it can, under some circumstances—larger yields and high accuracy—markedly improve the capability of a missile to destroy enemy ICBM's in their silos. The worry is that MIRV, thereby, provides an incentive for a first-strike, counterforce attack. But in the case of Minuteman III and Poseidon the size of the missiles in turn leads to such small yields for the multiple warheads that the killing potential, per missile, against Soviet ICBM's is actually reduced by going to the MIRV configuration. On the other hand, the Soviet SS–9, a much larger missile, presents a much more capable threat to the Minuteman with MIRV than without.

At present, the number of SS–9's, their configuration and their technical performance do not constitute a serious danger to the survivability of Minuteman. The trend, however, in the buildup has led the United States to begin deployment of the Safeguard system to defend Minuteman and to commence a vigorous and rewarding research and development program for further measures to maintain the currently high levels of Minuteman survivability.

III—BALANCE OF STRATEGIC FORCES

Who is to say that our current force posture has been unsuccessful? Certainly, we have had no nuclear wars nor even a serious threat of one. Could we have achieved the same results with less forces? Perhaps so. But the situation of our forces vis-a-vis the Soviets has changed drastically over the decade of the 1960's. Our relative capabilities have degraded from a posture of overwhelming superiority in the early 1960's—at the time of the Cuban crisis—to virtual parity at present. What happens next is not entirely under our control. The Soviet buildup in offensive forces—ICBM's and SLBM's—over the recent years has exceeded our highest estimates.

Mr. President, I repeat that they have exceeded our highest intelligence estimates. These figures are going higher and higher as the intelligence becomes more and more acute. The growth of defensive forces—ABM, bomber defenses, and antisubmarine warfare forces—has been equally significant. With a commitment of resources far less in size than our commitment to Southeast Asia, they could build additional offensive forces and achieve overwhelming superiority without slowing the pace of their defensive system buildup. That is what they can do. Now, what is economically and technically feasible? What the Soviets will do with or without an agreement in the current strategic arms limitation talks may be another matter. But to rest too much of our strategic planning on our estimates of Soviet intentions, and too little on what they are capable of doing, could lead to a grievous error in our calculations from which there might not be time to recover.

Our current plans for strategic forces, if carried out, would lead to a viable force "in-being" at near current levels of capability vis-a-vis the Soviets throughout the 1970's and provide a modernized force at the beginning of the 1980's. The thrust of these plans is to maintain relative capabilities, not to escalate to higher levels. A careful scrutiny of our current plans will reveal no arms

[1] U.S. Foreign Policy for the 1970's; A Report to the Congress by Richard Nixon; February 18, 1970.

spiral, but rather a dogged determination to maintain adequate capability in the face of very large buildups by the Soviets. Admittedly, our projections of Soviet force levels and capabilities are more uncertain for the far years. But we plan our hedges—with R. & D. on new systems—against the worst case threats, modify the system design as hard intelligence data becomes available and make our hard choices for production on more certain appraisals of quantitative needs over shorter leadtimes.

IV—THE VALUE OF CONTINUING MINUTEMAN III

Those who criticize the plans to deploy new strategic systems have focused their attention on the costs and what they consider to be unnecessary additions to our capabilities to attack Soviet urban-industrial targets. In the case of the Minuteman III, for example, most comments have been critical of our decision to deploy a system capable of delivering multiple warheads—MIRV—when apparently the system which is being replaced, the Minuteman I, already provides more capability than is required. Such comments overlook several key points:

First. The multiple warheads on Minuteman III, and Poseidon, do not increase the deployed capability for assured destruction. On the contrary, the multiple warheads give us greater assurance that these missiles can be effective against known and future Soviet defenses.

Second. The Minuteman III post-boost system for dispersing multiple warheads is also essential for dispersing effective penetration aids against Soviet defenses.

Third. The Minuteman III missiles incorporate important, technical improvements that would have been required whether or not the missile was equipped with multiple warheads, in particular, greater hardness against the effects of nuclear weapons.

Fourth. The older Minuteman I missiles will have to be replaced eventually. With time the propellant ages and various electrical and control systems exceed their reliable lifetime—Minuteman missiles stand almost continuous alert.

Fifth. The program acquisition cost—as reflected in selected acquisition report—SAR—of March 31, 1970—to deploy the Minuteman III during fiscal year 1971 through fiscal year 1975 is about $3,000 million. The draft congressionel report gives the impression that the cost to complete is $5,400 million, but that is the total program acquisition cost, of which approximately $2,400 million have been programed in fiscal year 1970 and prior years.

Sixth. The Minuteman currently is estimated to enjoy a high level of prelaunch survivability against attack by Soviet ICBM's. Safeguard has been initiated as a counter to future increases in this threat. Beyond Safeguard there are several measures for assuring the continued high prelaunch survivability of Minuteman. These include upgrading of the current silos to increased resistance to nuclear explosions, a close in, slio-to-silo active defense that could be complementary to Safeguard and a limited form of land mobility that would conceal the exact location of each Minuteman missile.

COMMENTS ON SECTIONS ENTITLED "MOBILE MINUTEMAN, ADVANCED ICBM AND SUPER-HARDENING" IN THE REPORT ON MILITARY SPENDING BY MEMBERS OF CONGRESS FOR PEACE THROUGH LAW, RELEASED JULY 15, 1970

The research and development activities discussed in the report under these headings have undergone considerable alteration of direction and technical content over the last several years. This has been the result primarily of changed perceptions of the Soviet strategic buildup and of increased knowledge of system costs and performance gained through the research and development programs themselves. Such program changes are normal and quite proper—indeed, to not change in the face of new information is highly improper.

As a result of these changes, however, the treatment of these programs in the report is quite confusing and, in places, misleading. In order to clarify matters the following points should be held firmly in mind:

First. The fiscal year 1971 R.D.T. & E. authorization request contains two line items entitled "Minuteman Rebasing" and "Advanced ICBM Technology" for which $77 million and $6 million is requested, respectively.

Second. Activities funded under the Minuteman rebasing line item include the determination of costs and performance of promising concept for maintaining the current high levels of Minuteman prelaunch survivability in response to various future Soviet deployments. Other activities include certain improvements in the electrical and mechanical subsystems in the present Minuteman silos.

Third. Activities funded under the advanced ICBM technology line item relate primarily to the development of advanced subsystems concepts for ICBM missiles. These also respond to various possible Soviet developments. The subsystem concepts developed in this program would have application to Minuteman, Poseidon, or any future long-range missile, be it based on land or sea.

Fourth. The Department of Defense has no intention in the foreseeable future of requesting development of a new, large payload ICBM. Design work on such a large payload missile was undertaken several years ago as a cost effective hedge against the possibility of a massive Soviet ABM defense. The work was terminated after completion of preliminary design when the emphasis on offense in the Soviet buildup became apparent. The Minuteman III and Poseidon MIRV programs are the most cost effective counter to handle the currently projected Soviet ABM defense levels.

Fifth. The prelaunch survivability of Minuteman is currently very high and can only be reduced significantly when subject to the coordinated attack of many accurate, high yield reentry vehicles such as an SS–9 MIRV. The Soviet forces are not now estimated to have the capability for such an attack nor is it believed that they will have it in the next year or so. The Soviet trend, however, particularly in SS–9 deployment, points the way to a growing capability several years from now. There is also some potential that SS–9 is already a MIRV system. Accordingly, the Safeguard ABM defense has been requested and the siting of its defense elements chosen so as to maximize its utility to defend Minuteman.

Sixth. No major relocation of Minuteman to railroads or to hard rock silos is anticipated. However, several other systems or changes are being studied and may prove necessary to insure the continued high prelaunch survivability of Minuteman.

The Air Force has devised several new options for further actions to respond to various possible Soviet threats to Minuteman. These include upgrading of the current silos to increased resistance to nuclear explosions and a close-in, silos to-silo active defense that could be complementary to Safeguard and a limited form of land mobility that would conceal the exact location of each Minuteman missile. The costs to implement these measures, should they prove necessary, would be comparable to the current budget levels for ICBM force modernization. The purpose of the fiscal year 1971 R.D.T. & E. budget request for the Minuteman rebasing line item is to provide funds for timely design and development work on these promising concepts. By doing the development now we would be in a better position to incorporate changes, if desired, as we deploy Minuteman III, thus reducing overall costs.

To return to more general matters, the report implies, erroneously, that the Department of Defense has not considered seriously the possibility "simply to abandon our land-based deterrent system, and depend instead on submarine-launched missiles as our principal deterrent." On the contrary the Department has considered such a proposal in depth, on several occasions, and has rejected it in each instance. The principal reason is that we wish to preserve a mixed deterrent force, posing maximum difficulty to the Soviets to counter. SLBM's like ICBM's, have their own potential vulnerabilities—however, these are of an essentially different character and so require a different set of reactions for a successful counter by the Soviets. This is the basis of the trilateral strategic force structure, bombers, SLBM's and land-based strategic missiles.

The basic problem with which SLBM's must cope is that the United States cannot, by exercise of its sovereignty, keep Soviet antisubmarine forces from entering, during peacetime, those areas of international waters in which our submarines normally patrol.

Mr. President, I might say that in the last week Soviet submarines have been patrolling off the southern coast of Florida, off Key West, and off the Cuban coast. Large-scale Russian naval maneuvers were held in the North Atlantic a few weeks ago. Their submarines are as completely aware of the bottom characteristics of the Mediterranean as we are.

The very danger stemming from the increased threat of their building as many as 12 nuclear submarines a year means our nuclear submarine force prob-

ably will be outnumbered by the end of next year.

The degree of invulnerability of our Polaris and Poseidon submarines depends, therefore, on how well our submarines can do against the Soviet antisubmarine warfare forces. In response to the recent increase and projected buildup in the capability of these Soviet ASW forces, the fiscal year 1971 R.D.T. & E. budget request includes a line item to fund technical improvements in our counter-ASW capability as well as a line item to fund design work for a completely new system, the undersea long-range missile system—ULMS. This system responds to the Soviet ASW buildup by going to a longer range missile than Poseidon so that the patrol areas can be larger and further from Soviet home ports. It was for this same reason that Poseidon itself has a longer range missile than the early model Polaris missile.

Thus we see that the United States has, through the years, pursued prudent programs in R.D.T. & E. to insure the continued high prelaunch survivability of both its ICBM and SLBM forces. Similarly, programs relating to bomber prelaunch survivability have been pursued.

The point is that the three elements of the strategic triad—ICBM's, SLBM's, and bombers—together with Safeguard, ASW and bomber defense form a balanced and mutually reinforcing strategic posture. Neglect of any one element can be shown to open up the flank of the other elements, to various direct and indirect attacks, with untoward consequences.

Our strategy is deterrence; we seek to underwrite this strategy with a mutually reinforcing strategic posture of diverse systems so that no Soviet military planner can find any way to counter all of them at one time.

Finally, the report is guilty of proposing a self-fulfilling prophecy when it implies the following: Since ICBM's will or may be vulnerable if the Soviets should do such and such, we should not spend R.D.T. & E. funds to develop the means to insure survivability in the face of these possible Soviet actions. The report is erroneous in concluding that the Minuteman force cannot usefully survive a first strike threat. With the planned development programs to improve its survivability and penetration effectiveness it will continue to provide a useful part of our overall strategic deterrent capability. If, however, the advice of the report is followed and all R.D.T. & E., funds denied, the system will be condemned to remain in its present state and its ultimate vulnerability to Soviet attack would be assured by this very action.

Mr. President, instead of completing my comments this morning on the bulk of the Air Force section of the report on military spending submitted to the Congress on July 15 by the Committee on Peace Through Law, I would like to reserve my comments until we get into an actual discussion of the subject because this pertains to the FB–111. I will discuss this at some greater length. Before I do, I want the benefit of having another flight in the FB–111, which I intend to do in Fort Worth next Monday.

Mr. President, I have to assure you, the people in the galleries, and the people who read my remarks that this is distasteful for me, but I have to do it. I wish it were possible for me to join those dreamers who think we have no problems in this world. I wish it were possible for me to join those Members of Congress who want to cut the military budget to nothing because in their vague minds they see no threat from the Soviets or China. But I am old enough to have lived through this same thing before. It is not difficult at all for me to transport myself back in time to the 1920's and the 1930's when, as a young man, I can remember this country as an isolated country, and I can remember this country being called a "Fortress America." I can remember when our troops drilled with wooden guns and paper tanks, when we did not have enough airplanes in our Air Corps to even hold maneuvers, when our Navy was weak, all because we were going through the very same kind of thing we hear expressed on this floor and the floor of the other Chamber, and on radio, television, and in newspapers throughout this country today.

We have an understandable desire—many Americans have an understandable desire—to be at peace. Lord knows, I do not want another war. One is enough. One is par for the course in my book. I do not want my grandchildren to have to suffer war, but neither do I want my children or grandchildren or the children of any American to be subjected to the dangerous, serious threat that our country was faced with in the late 1930's, when we knew we were going to have to go to war and we knew that we were not equipped.

Thank God, in those days our weapons systems were such that the oceans that separated us allowed us time to build up an overwhelming Air Force, to build up an overwhelming Navy, to build and equip the best Army in the world, to build and equip the best Marines and Coast Guard that we have ever had.

I suggest to you, Mr. President, and to those people hearing my remarks, that it is a different situation in the 1970's. We punch a button and in 15 minutes one of the largest countries in the world disappears. They punch a button and in 15 minutes the United States of America is practically destroyed.

What is going to prevent this from happening? I hate to say this because I know it shakes people, it hurts people, it makes them mad. They call me a hawk and a warmonger and all of that. But we are peacemongers because we have lived through it. We are not daydreamers, we are not flying around on cloud nine, saying there is no threat of war, there is no trouble in this world, that we need not worry any more. We realize that force is the only kind of thing the Communists respect. I suggest that we have not had a nuclear war because of the threat of the massive deterents ability that we have maintained throughout the years, which the Soviet is now in the process of exceeding.

So I repeat again, I do not make my remarks in defense of a highly defensive weapons system with any degree of satisfaction, unless that satisfaction might come to me in my older years as I sit on my hill in the desert and think that possibly the warning a few of us are trying to give to the American people were heeded and that I could sit in peace on that hill and talk with my grandchildren about the desert, about the flowers, and life in general.

I would hate to live to be an old man and think that something I did not have the guts to say brought on the destruction of my country; and I hope that my remarks are understood, because I feel them deeply, and I speak, I am sure, for many young people in this country, for middle-aged people, and for older people, all of whom, while they abhor war, know that unless we are ready for it, we are going to get into it, just as surely as tomorrow is Saturday or today is Friday.

SAFEGUARD AND SALT

Mr. GOLDWATER. Mr. President, the U.S. Safeguard ABM program and its ongoing momentum are the most important leverage the United States has in persuading the Soviet Union to enter a SALT agreement. This leverage is critical for getting Soviet agreement to limit the buildup of Soviet offensive systems, as well as limits on defensive systems. Continuation of Safeguard which has as one major purpose the defense of Minuteman is in no way inconsistent with our pursuit of a SALT agreement which might provide for a more limited ABM system with a different focus.

SAFEGUARD AS LEVERAGE IN SALT

Safeguard is the one major ongoing U.S. program which the Soviets have to bargain to put under control. Their discussion of why ABM should be controlled was carefully thought out in advance and sophisticated. They responded quickly and positively to the U.S. suggestion that ABM's be limited to low levels. Any congressional action to cut back the momentum of Safeguard would carry with it a serious risk of adverse impact on chances of a successful SALT negotiation.

SAFEGUARD AND RESTRAINING SOVIET OFFENSIVE SYSTEMS

Safeguard constitutes our principal leverage to obtain a halt in the buildup of Soviet offensive missiles. Safeguard is the major ongoing U.S. strategic program which the Soviets are interested in restricting. They recognize that a SALT agreement must cover both offensive and defensive systems. Their own statements have expressed clearly the interrelationship between strategic offensive and defensive systems, and the U.S.-Soviet agreement to begin SALT negotiations specified that SALT would deal with both offensive and defensive systems. In the hard bargaining as to what specific offensive systems shall be covered, and particularly in achieving our objective of stopping the construction of large SS–9 missiles, Safeguard is our principal bargaining card.

CONSISTENCY OF SAFEGUARD AND SALT ABM PROVISIONS

Safeguard is designed to achieve a number of U.S. strategic objectives in the absence of a SALT agreement. Until

agreement is reached, we must go ahead with such essential strategic programs, as the Soviets are doing. Cutting back Safeguard would mean interruption of the orderly and timely prosecution of the program, which includes several elements which have very long leadtimes. It would also signal to the Soviets the prospect of further delaying or blocking the program by protracted negotiation—while their own missile construction and testing continue apace.

The specific design of Safeguard and particularly the defense of Minuteman are intended to deal with the threat of continued buildup of a potential Soviet first-strike capability. In the absence of a SALT agreement, this protection would be essential. A SALT agreement, if reached, would deal with the Soviet first-strike threat in a different way—by stopping construction of SS–9's and also limiting the number of other Soviet missiles such as the SS–11 which, through increased accuracy, might contribute to a first-strike capability. If the Soviet offensive first-strike capability is constrained by a sound SALT agreement, we will have made a significant contribution to the survivability of Minuteman as well as our bombers. Under these circumstances we could forgo Minuteman defense and accept a limit on ABM's to low levels and to a geographically restricted area. If SALT is not successful—which no one can assure—we will need Safeguard and perhaps other measures to insure survivability of Minuteman.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to the consideration of routine morning business, with a time limitation of 3 minutes on statements made therein.

RECESS

Mr. BYRD of West Virginia. Mr. President, I move that the Senate stand in recess awaiting the call of the Chair, with the understanding that the recess not extend beyond 11:45 o'clock this morning.

The motion was agreed to; and (at 11:34 a.m.) the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 11:40 a.m., when called to order by the Presiding Officer (Mr. BYRD of West Virginia).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT OF AIR FORCE ON SEMIANNUAL EXPERIMENTAL, DEVELOPMENT, TEST AND RESEARCH PROCUREMENT ACTION

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report on semi-annual experimental, development, test and research procurement action of the Air Force for the period January 1, 1970, through June 30, 1970 (with an accompanying report); to the Committee on Armed Services.

REPORT OF THE DEPARTMENT OF THE INTERIOR ON GRANTS MADE TO NONPROFIT INSTITUTIONS AND ORGANIZATIONS FOR SUPPORT OF SCIENTIFIC RESEARCH PROGRAMS

A letter from the Secretary of Interior, transmitting, pursuant to law, a report for the Department covering grants made during the calendar year 1969 to nonprofit institutions and organizations for support of scientific research programs (with an accompanying report); to the Committee on Government Operations.

REPORT ON ACTIVITIES OF THE GEOLOGICAL SURVEY IN AREAS OUTSIDE THE NATIONAL DOMAIN

A letter from the Secretary of the Interior, reporting, pursuant to law, on activities carried on by the Geological Survey of the Department outside the national domain for the period January 1 through June 30, 1970; to the Committee on Interior and Insular Affairs.

FOREIGN AGENTS REGISTRATION ACT

A letter from the Assistant Attorney General, transmitting, for the information of the Senate, provision of the Foreign Agents Registration Act which have particular relevance to the work of the Congress (with an accompanying paper); to the Committee on the Judiciary.

THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATION FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference classifications for certain aliens (with accompanying papers); to the Committee on the Judiciary.

SUPPLEMENT TO NATIONAL HIGHWAY NEEDS REPORT FOR 1970

A letter from the Secretary of Transportation, transmitting, pursuant to law, a supplement to the 1970 National Highway Needs Report, dated April 1970 (with an accompanying report); to the Committee on Public Works.

ENROLLED BILLS SIGNED

The ACTING PRESIDENT pro tempore (Mr. ALLEN) announced that on today, August 7, 1970, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 1076. An act to establish a pilot program in the Departments of Interior and Agriculture designated as the Youth Conservation Corps, and for other purposes; and

H.R. 16915. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1971, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. MANSFIELD:

S. 4199. A bill for the relief of Josefina Gonzales Batoon; to the Committee on the Judiciary.

By Mr. PROXMIRE.

S. 4200. A bill for the relief of Concetta Fazio; to the Committee on the Judiciary.

By Mr. BAYH (for himself and Mr. TYDINGS):

S. 4201. A bill to improve judicial machinery by amending title 28, United States Code, to broaden and clarify the grounds for judicial disqualification, and for other purposes; to the Committee on the Judiciary.

(The remarks of Mr. BAYH when he introduced the bill appear earlier in the RECORD under the appropriate heading.)

By Mr. BAYH:

S. 4202. A bill to require periodical financial disclosure by officers and certain employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

(The remarks of Mr. BAYH when he introduced the bill appear earlier in the RECORD under the appropriate heading.)

AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PROCUREMENT—AMENDMENT

AMENDMENT NO. 828

Mr. BAYH submitted an amendment, intended to be proposed by him, to the bill (H.R. 17123) 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 or each Reserve component of the Armed Forces, and for other purposes, which was ordered to lie on the table and to be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 7, 1970, he presented to the President of the United States the enrolled bill (S. 1076) to establish a pilot program in the Departments of Interior and Agriculture designated as the Youth Conservation Corps, and for other purposes.

ADDITIONAL COSPONSOR OF A BILL

S. 4188

Mr. BYRD of West Virginia. Mr President, at the request of the Senator from Alaska (Mr. STEVENS) I ask unanimous consent that his name be added as a cosponsor of S. 4188, offered by the able Senator from Alaska (Mr. GRAVEL) to amend title 23, United States Code, relating to highways, in order to authorize the construction of marine highway facilities as part of the Federal-aid primary or secondary system.

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

Mr. TOWER. Mr. President, are we in the morning hour?

The PRESIDING OFFICER. The Senate is continuing to conduct morning business, with statements therein limited to 3 minutes.

Mr. TOWER. Mr. President, I ask unanimous consent that I may proceed for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 20 minutes.

Mr. TOWER. Mr. President, for the information of the Senate, I shall talk

this morning about the ABM, but first I have some other remarks to make.

HANOI IS LISTENING

Mr. TOWER. Mr. President, sometime this week—or by the latest, next week—someone in the North Vietnamese Government will read these words.

We have ample evidence that Hanoi watches the deliberations in this body very carefully. It is not uncommon for it to respond to remarks made in this Chamber within 24 hours. It appears to pay careful attention to American press reports as well. No time has been wasted in congratulating violent pro-Hanoi demonstrations in this country.

Since we know Hanoi follows American public opinion, why has it not responded to our inquiries concerning the Americans it holds prisoners?

Hanoi must know of the deep concern felt by all Americans, regardless of political persuasion, for the welfare of our men it has captured.

Hanoi must realize this is the one issue in the whole Indochina question on which there is little dissension among Americans. It cannot hope to win approval from any rational group by this callous breach of the Geneva conventions.

Hanoi is listening.

Why will it not respond? Can it be that it dare not?

AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PROCUREMENT

Mr. TOWER. Mr. President, approximately 1 year ago, this body approved the initial Safeguard ABM system. It did so after a very lengthy and sometimes bitter debate. The margin by which we approved Safeguard was narrow.

Now we are again faced with a decision on the Safeguard system. It is my contention that the reasons which the proponents of Safeguard advanced in support of Senate approval have proven to be sound ones. Conversely, I feel that the reasons which were given for opposing approval of the system have proven to be unsound.

The primary reasons for implementing the Safeguard ABM system was to protect our land based retaliatory forces from Soviet attack. Clearly, the validity of that reason is dependent upon two factors: The existence of a Soviet threat of sufficient magnitude to endanger the land based deterrent and the ability of the system to protect that deterrent. The validity of the reason varies directly according to the magnitude of the threat and the effectiveness with which the Safeguard system can cope with it. To put it simply, those of us who support the Safeguard system must answer two questions: Do we need it and will it work?

One year ago, the answers to both these questions were positive.

First, the Soviet threat to our land based deterrent was clearly materializing. As we debated the ABM last year, we knew that the Soviets had approximately 700 SS–11 and SS–13 ICBM's operational or under construction. The SS–11 and SS–13, while smaller than the infamous SS–9, are fully capable of destroying soft targets in the United States.

Second, the Soviets were actively pursuing deployment and construction of Polaris-type missile submarines and attack submarines. The Soviet Y class submarines is roughly equivalent to our Polaris submarines in that each is capable of carrying 16 missiles. These missiles, if launched from off our shores in relatively flat trajectories, could present a very clear danger to our land-based bombers.

Finally, the Soviets had deployed or initiated construction on about 230 of the huge SS–9 missiles. This missile is capable of carrying a huge warhead of up to 25 megatons. In addition, it is believed to be sufficiently accurate to attack hard targets. The SS–9 is an inefficient vehicle for purposes of soft target attacks which would be associated with retaliatory strikes. It is, however, superbly suited for hard target attacks. Consequently, we must ask ourselves just why the Soviets allocate so much of their strategic resources on a weapon suited for hard target attacks.

The only conclusion which can be drawn is that the Soviets greatly desire to have the capability to destroy hard targets. Since our Minuteman missile fields in the Midwestern United States contain the only large concentration of hard targets in the world outside of the Soviet Union, we are forced to conclude that the Soviet Union desires to possess the capability to destroy our Minuteman missiles.

Let me emphasize the significance of this, Mr. President. Our nuclear force is a deterrent one, a second strike force. We do not have the capability to destroy large numbers of hard site targets. We cannot destroy the Russian nuclear force. Instead we base our security upon our ability to completely destroy the Soviet Union in response to a nuclear attack by that nation.

That, then, is the difference between the Soviet nuclear missile force and our own. While we have gone to relatively small missiles capable of carrying only warheads sufficiently powerful enough to destroy soft targets, the Soviets have chosen the far more expensive policy of developing and deploying huge missiles capable of carrying sufficiently large warheads to destroy hard targets. And, Mr. President, no one pretends that a second strike would be aimed at hard sites, at enemy missile sites. A second strike or retaliatory strike would not be aimed at hard missile sites because, by definition, those missiles will have already been used to initiate the holocaust. But a first strike, in order to succeed, must eliminate the victim's ability to retaliate. If a nation wanted to initiate a first strike, it would develop weapons capable of destroying hard missile sites.

To put it quite simply, Mr. President, the Soviet Union has invested a great deal of its resources in an effort to be capable of attacking hard missile sites. They could have done as we have done; developed only the capability to retaliate. Furthermore, they could have done it with much cheaper weapons systems than the SS–9. But they have not. So we as rational human beings living in the real world must conclude one of two things. Either the Soviets are stupid and have chosen an absurdly expensive way of "protecting" themselves, or they desire the capability to launch a first strike against this country. If they are stupid, Mr. President, we probably have nothing to worry about. If they are not, I suggest that we should proceed as rapidly as prudently possible to protect ourselves.

One year ago then, the existence of a developing Soviet threat to our land-based deterrent was clearly evident. What has happened to this threat in the intervening year?

Now the Soviets have over 800 SS–11 and SS–13's, a Minuteman type ICBM. This is an increase of approximately 100 or 14 percent.

Now, the Soviet have under construction or deployed 24 Y-class submarines, the Soviet equivalent of our Polaris submarine. A year ago the equivalent figure was 16. Consequently, we have seen a 50 percent increase in the Soviet nuclear submarine effort.

Now the Soviets have approximately 300 of the SS–9s deployed or in preparation. While we had hoped that the deployment and development of this fearsome weapon would level off, it has not. Not only have the Soviets increased the number of the force by more than 30 percent, they have also expended considerable effort to improve its ability to attack hard targets. Our intelligence has furnished us with dramatic pictures which indicate that the Soviets have successfully tested a triple warhead on the SS–9. Consequently, the capability of the Soviet Union to launch a first strike against the United States is becoming a reality.

Mr. President, I have been able to find only one explanation for the Soviet SS–9 development—the desire to possess a first-strike capability. If there is another explanation, I hope that those who feel we do not need to proceed with Safeguard will share it with me.

One year ago, many opponents of the Safeguard expressed doubt that a Soviet threat to our land-based retaliatory force was developing. That doubt, while reasonable, has proven to be unfounded. The answer, then, to the first question, "Do we need Safeguard?" remains affirmative.

This year, as last year, we are faced with multitudes of scientists, all claiming to be "the" expert on anti-ballistic missile system technology. For convenience, I divided them up into two groups a year ago, the "yes" scientists and the "no" scientists. Refusal to proceed with Safeguard would amount to accepting the position of the "no" scientists who insist that the system will not work. Proceeding with the system, however, does

not amount to accepting completely the position of the "yes" scientists. Rather, we would proceed according to the best evidence available, keeping our options to proceed as developing technology dictates.

Since last year, substantial technical progress has been made on the Safeguard system. My able colleague from Washington, Senator JACKSON, outlined it in his recent speech. Since this progress is important, I should like to reiterate it.

First, excellent progress has been made on the two radars employed by the system, the perimeter acquisition radar—PAR—and the missile site radar—MSR. A test model of the PAR, a large, powerful radar, has been brought into operation at the manufacturer's facilities. I am informed that 95 percent of the components for the PAR will be released for production early this fall.

The missile site radar—MSR—a phased array radar with a phenomenal ability to locate and attack reentry vehicles, has, in the last year, met or bettered most of its design specifications. This is a remarkable achievement for as advanced a piece of equipment as the MSR.

Development of the missiles to be used in the system, the Spartan and Sprint, is also proceeding satisfactorily. Since January of 1969, there have been 15 tests of the Sprint missile of which 10 have been complete successes and three partial successes. Of the eight tests of the Spartan missile in that time frame, there have been six total and partial successes.

Technical progress has indeed been satisfactory. There is every reason to believe that the Safeguard System will preserve our land-based deterrent. If the Soviets develop their first-strike capability to the fullest extent possible, the system can be augmented. If on the other hand the Soviets recognize that the cost of pursuing a first-strike capability in the face of Safeguard is overwhelming, this will not be necessary.

To the extent that history is a guide, Mr. President, we must believe that the Soviets respond more favorably to a demonstration of strength and determination than to appeals to reason and justice. Any limitation of deployment and development of the Safeguard system beyond what the Armed Services Committee has proposed would, in my opinion, greatly lessen the showing of determination and strength which our Safeguard program presents to the Soviets.

Mr. President, there has been considerable effort to discredit the technical concept of Safeguard. Some critics of Safeguard have suggested that we should go to a strictly hard-point defense instead of Safeguard because Safeguard will be overwhelmed by the Soviet nuclear threat.

It is interesting to note that one such group of critics, the American Federation of Scientists, is composed of men who refused to believe the emerging Soviet threat last year and do not believe it presents a danger this year. They say on the one hand "there is no Soviet threat to worry about" and then turn right around and argue that the Soviet missile strength will be so great by the time that Safeguard is deployed fully in the Minuteman fields that the Soviets will easily overwhelm it.

While having one's cake and eating it too is a pleasant thought, it is not a logical one.

In the event that the Soviet threat develops far beyond what we now anticipate, a system of dedicated hard-point defense would be one possible response.

Mr. President, I am struck by the inconsistency of those who object to Safeguard on the grounds that it has not been fully tested, but urge that rather than pursue this technology with its working components we base our security on the hope that a new and untried system—still in the conceptual stage—can be designed, built, tested and deployed in time to offset a real and growing threat.

The precise design of such a system is as yet unknown. The costs are yet unknown. The schedules on which it can be built are as yet unknown. There are certain to be technical uncertainties, only some of which have been clearly identified. When I consider this proposal in light of the "fly before you buy" doctrine, I am struck by the fact that Sprint missiles are flying; Spartan missiles are flying; the MSR is undergoing advanced testing. And yet we are being urged to abandon Safeguard for a program that has not even been defined.

If a realistic hard-point system can be developed, and I think it is essential that we continue efforts to do so, there is no reason why it cannot be used to augment Safeguard if the Soviet threat develops into the so-called "worst case" phase. A form of hard-point defense is in no way incompatible with Safeguard. It would, however, be folly to abandon Safeguard in favor of a concept not yet defined.

In conclusion, the answer to the second question, "Will it work?" remains affirmative.

Because the events of the year since the Senate first approved Safeguard have reinforced the reasoning behind the deployment of that system, they dictate that we proceed with the program proposed by the Armed Services Committee.

But what of the arguments raised against Safeguard 1 year ago? How have the events of the intervening year affected the logic behind them?

I have already dealt with two of the major reasons presented by opponents of Safeguard last year. The existence of an emerging Soviet threat to our land based deterrent cannot be seriously challenged after the events of the past year. Soviet offensive capability has expanded in every possible manner. Most concerning is the continued development and deployment of the SS–9.

We have already examined the proposition that Safeguard will not work and found that the technical development of the past year gives us every reason to believe that the system will perform as planned.

One argument presented last year, but somewhat modified this year, was that our deployment of Safeguard would eliminate the possibility of having Strategic Arms Limitation Talks with the Soviet Union. It has become apparent that a decision to proceed with the Safeguard system has provided a most valuable tool to our negotiators at the talks. While 1 year ago reasonable men could argue about the relation between Safeguard and SALT, that relation is clearly a positive one now. In fact, it is my belief that failure to proceed with the Safeguard program would seriously damage the chances of success at the SALT talks.

We must remember that the history of United States-Soviet relations has demonstrated that the Soviets respond to U.S. peace initiatives only when it is clearly in their interest to do so. To the extent that we decrease the motivation the Soviets have to negotiate, we decrease the probability that successful agreements will be reached. As the Soviets are vitally interested in our Safeguard system, it would be folly to unilaterally abandon it.

Let us not ask the Soviets to love us, although we would welcome some display of brotherhood with open arms. Let us rather only ask the Soviets to act in their own best interests. Then let us proceed to make it in the best interests of the Soviet Union to make peace. Let us never become so weak as to allow the Soviets to even think that it is in their interest to make war.

The path to international peace is not an easy one, I fear; nor is it a short one. We will not arrive at the end of it simply by asking, hoping, and dreaming. We must do more. We must have the courage and perseverance to be realistic. If we combine our peaceful overtures to the Soviet Union with solid evidence that it is in the interest of the Soviet Union as well as the United States to limit the possibility of war, our hopes and dreams will not be in vain.

Our decision to further the Safeguard ABM system will be clear evidence to the Soviet Union and the world of our commitment to realism. Our history is replete with ample evidence of our good will. We should and will continue to add to it. If we do so from the position of strength that Safeguard helps provide, I am confident that we shall succeed.

EXTENSION OF TIME FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, at the expiration of the morning hour today, the unfinished business not be laid down and that the period for the transaction of routine morning business be extended, with a limitation of 3 minutes on statements therein.

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

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I ask unanimous consent to be allowed to proceed for 10 minutes in the morning hour.

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

ADMINISTRATION FAILS TO ACT ON INFLATIONARY AUTO PRICE INCREASES

Mr. PROXMIRE. Mr. President, the Ford Motor Co. has indicated it is planning an across-the-board price increase ranging from 5 to 6 percent, more than $125 on its 1971 model cars and trucks. Not only that, but it is proposing to cut back warranty coverage by discontinuing the 5-year—50,000-mile guarantee. This, in itself, represents a further price increase insofar as it is diminishing the value received by the consumer.

The proposed price increase would perhaps be the biggest auto price increase in any year in history.

It is a major blow to hopes for easing the inflation that has been causing injury to the economy, particularly to the beleaguered consumer.

It is disturbing to note that this Ford decision follows in the wake of the Chrysler Corp. announcement that it plans to raise truck prices more than 5 percent on its 1971 models and cut back its warranty coverage on trucks. The plain import of this is that the next announcement will be higher car prices. These two actions are much too close together for comfort. If these actions stand, we will surely hear from the other manufacturers, thus insuring the continuance of the upward price-wage spiral.

This price hike is not only shocking but incomprehensible coming at this time. The economy is stagnating.

Total output has fallen at an annual rate of 1.2 percent since last summer—the first such decline since the recession of 1961. In June we had 4.7 million persons unemployed, 1¼ million more than a year ago. Experts have been predicting as high as 6 percent before the end of the year, compared with about 5 percent in recent months.

And what has happened to inflation? About the only thing the administration can claim is that it has stopped the acceleration. What a pyrrhic victory. The annual rate of increase in the consumer price index went up by 6.1 percent in the spring quarter, compared with 5.9 percent in the first 3 months of the year and 6.1 percent over all of 1969. This is an unbearable rate of inflation.

The Ford price increase makes a mockery of the administration's contention. Ever since the present administration came into office they have resisted the urgings of the Joint Economic Committee to establish wage-price standards and use the persuasive power of the presidency to make them effective. For a long period, the administration simply washed its hands of such matters, thereby opening the gate to inflationary pressures. Relatedly, the President has set up a National Commission on Productivity for the announced purpose of "finding ways of restoring growth to productivity and thus achieve price stability, healthy growth and a rising standard of living." Significantly, the Commission has no power to set standards, and whether or not it is expected to call attention to excesses is in doubt at the moment.

I understand that the Commission is to receive its first factual report on wage-price developments from the Council of Economic Advisers today and that presumably sometime thereafter the Council will issue its commentary on the subject. This is a clear case of fiddling while Rome burns. We cannot afford the rate of inflation we now have, and the auto increase will worsen it.

The Joint Economic Committee held 3 weeks of intensive hearings during which inflation combined with rising unemployment loomed as the biggest economic fear and the biggest economic problem facing the American public. In the course of those hearings, the administration witnesses tried to assure us that the worst was over and that price and wage stability were on the way. I wonder how they reconcile this with the recent Ford announcement?

I am today sending the following letter to Chairman McCracken asking for an analysis of the relation between cost factors and the Ford price action, as well as an analysis of the repercussion of this action on the economy generally. I can think of no more urgent problem in the field of economic policy at the present time.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter I wrote to Paul McCracken, Chairman of the Council of Economic Advisers.

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

AUGUST 6, 1970.

Hon. PAUL MCCRACKEN,
Chairman, Council of Economic Advisers, Washington, D.C.

DEAR MR. CHAIRMAN: This morning's paper indicates that the Ford Motor Company is planning an across-the-board price increase ranging from 5 to 6 percent, somewhere between $125 and $150 on its 1971 model cars and trucks, and a cut back in its warranty coverage which in itself obviously represents further price increase. This would be perhaps the biggest auto price increase in any year in history. Coming so close upon the reassurances that you and other Administration leaders gave us in the course of the recent Joint Economic Committee hearings, to the effect that wage price increase would abate in the second half, this price increase is most disturbing. I consider it a severe blow to any hopes we may have entertained for more wage-price stability.

In the circumstances, I urge you to investigate this matter at once. Would you provide me with: 1. The cost factors in auto production related to this increase, and your judgment as to whether it is justified; and 2. The effects of this action on the cost of living, and the economy generally.

Among other things, it seems obvious that this increase provides a green light go-ahead to auto workers in their current wage negotiations. It strikes me as a clear cut attempt to resolve a labor-management difference by taking it out on the consumer's hide.

I hope that you and your staff will direct your attention to this crucial problem immediately and give us your analysis as soon as possible. I might add that our need is accentuated by the fact that we in the Joint Economic Committee are now in the process of formulating our views on the state of the economy as a sequel to our extensive July hearings.

Sincerely,

WILLIAM PROXMIRE,
Vice Chairman.

Mr. PROXMIRE. Mr. President, it is quite a coincidence that the day after the Ford Motor Co. announced its sharpest increase in the history of the automobile industry, coinciding with the Chrysler announcement, at almost the same level, the Department of Labor releases statistics showing unemployment is at 5 percent—and that unemployment among the manufacturing workers is the highest in 6 years. Furthermore earnings during the past year, the average weekly earnings throughout the American economy, after the adjustment for the rise in prices, dropped—went down—declined—by 1.7 percent.

It is clear that the economic game plan of the administration to conquer inflation, without substantially increasing unemployment, is failing and failing dismally. It is obvious that we need an effective program, and a vigorous program by the President, to call attention to price increases which are unusual, and attempt to roll them back.

Certainly, when the automobile industry, which is noted for its great productivity and efficiency, which for years has been able to provide improved vehicles at prices which are stable or declining, when they, under present circumstances, announce the kind of sharp increase that they have—as I say, what appears to be the sharpest increase ever in automobile prices—it is clear that the administration's policy, which simply tries to cope with inflation by slowing down the economy, is not doing the job.

Mr. President, I ask unanimous consent to have printed in the RECORD the press release from the Department of Labor on the employment situation for July 1970.

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

THE EMPLOYMENT SITUATION: JULY 1970

Unemployment declined less than it usually does in July, and the overall unemployment rate rose from 4.7 percent to 5.0 percent, the same as in May. At the same time, seasonally adjusted nonfarm payroll employment dropped for the fourth consecutive month, the U.S. Department of Labor's Bureau of Labor Statistics reported today.

The July increase in unemployment occurred almost entirely among adult women and young adult men. Jobless rates declined for workers covered by State unemployment insurance programs.

Nonfarm payroll employment declined by 145,000 in July, after seasonal adjustment. Employment declines were widespread among the major industries, although the largest drop occurred in manufacturing. The average workweek edged up slightly for the second month, after reaching its low point in May.

UNEMPLOYMENT

The number of unemployed persons totaled 4.5 million in July, down 160,000 from June. However, unemployment typically drops more sharply in July, and, as a result, joblessness was up 275,000 over the month after seasonal adjustment. The increase in joblessness occurred mainly among adult women and men 20-to-24 years old. Since last July, unemployment has risen by 1.3 million—725,000 adult men, 400,000 adult women, and 200,000 teenagers.

The unemployment rate for adult women (20 years and over) rose from 4.5 to 5.0 percent in July, a return to the May level. The increase primarily reflected rising joblessness among women 25 years old and over, whose

rate moved up to 4.5 percent, its highest level since early 1965.

Unemployment rates for all adult men (3.7 percent) and for married men (2.7 percent) rose over the month, continuing the upward trends in evidence since last winter. However, the rise for adult men occurred almost entirely among those 20-24 years of age, whose rate increased from 7.2 to 9.1 percent.

Jobless rates for both full-time workers (4.6 percent) and part-time workers (7.4 percent) moved up in July. Nearly all of the recent rise in total joblessness has occurred among full-time workers.

White workers accounted for all of the July increase in joblessness, as their rate moved up to 4.7 percent, the highest in 6 years. The unemployment rate for Negroes, at 8.3 percent, was about the same as in June. The ratio of Negro-to-white unemployment rates in July was less than 2 to 1, the ninth month out of the last 11 in which this has occurred.

Among occupational groups, there was a substantial increase in the jobless rate for white-collar workers. Their rate rose from 2.6 to 3.1 percent in July, due primarily to increased unemployment among professional and clerical workers. The jobless rate for blue-collar workers—craftsmen, operatives, and nonfarm laborers—was 6.6 percent in July compared with 4.3 percent in December 1969.

The jobless rate for workers who last worked in manufacturing continued to climb in July and, at 6.0 percent, was at its highest point since late 1963. The jobless rate in the finance and service industries also edged up in July and contributed to the rise in unemployment among adult women.

Unlike the developments in recent months when most of the increased joblessness occurred among persons who had lost their last jobs, the increase in July was almost entirely among workers who had just reentered the labor force, mostly adult women and 20-24 year-old men.

The unemployment rate for workers covered by State unemployment insurance programs, which relates primarily to adult experienced workers who had lost their last jobs, fell from 3.7 to 3.5 percent in July. This was the first decline in the State-insured rate since it first began to edge up last winter.

The number of persons on part-time work for economic reasons—such as slack work, material shortages, availability of only part-time work, or started or stopped a job within the survey week—rose substantially in July to 2.3 million. The percent of labor force time lost by persons who were working part time involuntarily and those who were unemployed rose from 4.9 to 5.4 percent. This was a return to the May level, which was the highest recorded since April 1965. (Labor force time lost is a measure of man-hours lost to the economy as a percent of total man-hours available from those in the labor force.)

INDUSTRY PAYROLL EMPLOYMENT

Nonfarm payroll employment was 70.5 million in July, down 900,000 over the month, a larger than usual decline for this time of year. As a result, payroll employment was down by 145,000 after seasonal adjustment, the fourth straight monthly reduction. The decline would have been even greater except for the net return to payrolls of about 50,000 striking workers. (Workers on strike are not counted as employed in the payroll series but are classified as "employed—with a job but not at work" in the household series.)

Employment cutbacks in July were widespread among the major industry divisions, with the largest seasonally adjusted decline taking place in manufacturing. Factory payroll employment dropped by 75,000, continuing the persistent downward trend that began last fall. Since last September, employment in manufacturing has declined by 850,000.

Nearly all of the July decline in manufacturing occurred in the durable goods industries. Although job losses in durables were widespread, especially large declines were posted in the lumber and wood products, transportation equipment, and electrical equipment industries. Small but pervasive declines in employment were also registered in the nondurable goods industries, which were largely offset by employment advances in the rubber and plastics (primarily the result of a strike return) and apparel industries.

Employment in contract construction edged down 15,000 on a seasonally adjusted basis in July, despite the net return of a nearly equal number who had been on strike. Compared to July 1969, employment in contract construction was down by 140,000, although part of the decline reflected increased strike activity this July.

Seasonally adjusted employment declines also occurred in services (30,000), trade (20,000), and government (15,000). In government, a gain in State and local government (15,000) was more than offset by a cutback of 30,000 workers in Federal government, about half of whom were temporary 1970 census workers.

AVERAGE MONTHLY CHANGES IN NONAGRICULTURAL PAYROLL EMPLOYMENT, SEASONALLY ADJUSTED

[In thousands]

Industry	July 1970	Average monthly change: March 1970 to July 1970	Average monthly change: July 1969 to March 1970	Average monthly change: July 1968 to July 1969
Total nonagricultural payroll employment	70,455	−200	107	203
Goods-producing industries	23,328	−181	−32	52
Mining	617	−2	1	0
Contract construction	3,311	−43	5	14
Manufacturing	19,400	−136	−38	38
Service-producing industries	47,127	−20	139	151
Transportation and public utilities	4,507	1	6	12
Trade	14,922	−16	39	48
Finance, insurance, and real estate	3,676	3	12	16
Service and miscellaneous	11,484	−13	42	49
Government	12,538	5	40	26

The declines in total nonagricultural payroll employment in the past 4 months have reflected job losses in nearly all industry sectors. Since March, nonagricultural payroll employment has fallen by 800,000 (seasonally adjusted), an average of 200,000 a month. (See table.) This contrasts with an average monthly gain of 110,000 in the July 1969–March 1970 period and 200,000 a month in the July 1968–July 1969 period, when all major industries registered substantial employment increases. In both of these earlier periods, the total payroll employment gains were dominated by increases in service-producing industries; however, in the most recent period (March–July 1970), employment has declined even in the services sector, thus providing no offset to the accelerated cutbacks in manufacturing.

HOURS OF WORK

The average workweek for rank-and-file workers on private nonfarm payrolls inched up by 0.1 hour (seasonally adjusted) in July to 37.3 hours. In the past 2 months, hours of work have risen by 0.2 hour from the May low of 37.1 hours. The seasonally adjusted workweek edged up in all major industry divisions with the exception of contract construction and transportation and public utilities.

In manufacturing, the workweek was up 0.1 hour from June to 39.9 hours, only slightly higher than the 9-year lows of May and June. The nondurable goods industries accounted for all of the over-the-month rise in factory hours.

Factory overtime was down 0.1 hour on a seasonally adjusted basis, although remaining in the narrow range (2.9–3.1 hours) which has prevailed since April. Overtime was down in both durable and nondurable goods.

EARNINGS

Average hourly earnings of production and nonsupervisory workers on private payrolls edged up 1 cent in July to $3.22. Compared with a year ago, hourly earnings were up by 17 cents, or 5.6 percent.

Average weekly earnings rose by $1.02 over the month to $121.07, increasing in all major industries except manufacturing and mining. Compared with July 1969, weekly earnings were up by $5.17, or 4.5 percent.

Over the year ending in June 1970, average weekly earnings rose by 4.2 percent; after adjustment for changes in consumer prices, however, earnings were down by 1.7 percent.

CIVILIAN LABOR FORCE AND TOTAL EMPLOYMENT

The civilian labor force increased by 750,000 over the month to 84.8 million; it normally remains about unchanged in July. The increase returned the civilian labor force to the March–April level (seasonally adjusted). The July labor force was 2.0 million above a year ago, with nearly all of the increase divided about evenly among adult men and women. Part of the over-the-year increase for men reflects the entry into the civilian labor force of returning veterans.

Total employment was 80.3 million in July, up about 400,000 more than seasonally. Compared to July 1969, total employment was up by 675,000, with more than two-thirds of the employment gain among part-time workers, mostly women.

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample surveys of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on industry employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. A description of the two surveys appears in the BLS publication *Employment and Earnings.*

TABLE A-1.—EMPLOYMENT STATUS OF THE NONINSTITUTIONAL POPULATION BY SEX AND AGE

[In thousands]

Employment status, age, and sex	July 1970	June 1970	July 1969	Seasonally adjusted: July 1970	June 1970	May 1970	Apr. 1970	Mar. 1970
TOTAL								
Total labor force	87,955	87,230	86,318	85,967	85,304	85,783	86,143	86,087
Civilian labor force	84,801	84,050	82,797	82,813	82,125	82,555	82,872	82,769
Employed	80,291	79,382	79,616	78,638	78,225	78,449	78,924	79,112
Agriculture	4,118	4,208	4,155	3,519	3,554	3,613	3,586	3,550
Nonagricultural industries	76,173	75,174	75,460	75,119	74,671	74,836	75,338	75,562
On part time for economic reasons	2,763	2,571	2,156	2,326	2,105	2,249	2,360	1,936
Usually work full time	1,204	1,321	862	1,240	1,126	1,253	1,400	1,093
Usually work part time	1,559	1,250	1,294	1,086	979	996	960	843
Unemployed	4,510	4,669	3,182	4,175	3,900	4,106	3,948	3,657
MEN, 20 YEARS AND OVER								
Civilian labor force	47,700	47,602	46,791	47,294	47,154	47,226	47,199	47,060
Employed	46,033	46,018	45,846	45,524	45,521	45,593	45,667	45,709
Agriculture	2,759	2,801	2,815	2,593	2,603	2,625	2,602	2,537
Nonagricultural industries	43,274	43,218	43,031	42,931	42,918	42,968	43,065	43,172
Unemployed	1,667	1,584	945	1,770	1,633	1,633	1,532	1,351
WOMEN, 20 YEARS AND OVER								
Civilian labor force	27,730	27,826	26,784	28,500	28,026	27,885	28,274	28,295
Employed	26,339	26,524	25,798	27,073	26,772	26,476	27,022	27,016
Agriculture	713	770	715	545	573	567	571	583
Nonagricultural industries	25,626	25,754	25,082	26,528	26,199	25,909	26,451	26,433
Unemployed	1,391	1,302	987	1,427	1,254	1,409	1,252	1,279
BOTH SEXES, 16–19 YEARS								
Civilian labor force	9,370	8,622	9,222	7,019	6,945	7,444	7,399	7,414
Employed	7,919	6,840	7,972	6,041	5,932	6,380	6,235	6,387
Agriculture	646	637	625	381	378	421	413	430
Nonagricultural industries	7,273	6,203	7,346	5,660	5,554	5,959	5,822	5,957
Unemployed	1,451	1,783	1,250	978	1,013	1,064	1,164	1,027

TABLE A-2.—FULL- AND PART-TIME STATUS OF THE CIVILIAN LABOR FORCE BY SEX AND AGE

[Numbers in thousands]

Full- and part-time employment status, sex, and age	July 1970	July 1969	Seasonally adjusted: July 1970	June 1970	May 1970	April 1970	March 1970	July 1969
FULL TIME								
Total, 16 years and over:								
Civilian labor force	74,884	73,514	71,132	70,653	71,116	70,810	70,557	69,735
Employed	71,132	70,927	67,855	67,585	67,742	67,720	67,707	67,572
Unemployed	3,753	2,587	3,277	3,068	3,374	3,090	2,850	2,163
Unemployment rate	5.0	3.5	4.6	4.3	4.7	4.4	4.0	3.1
Men, 20 years and over:								
Civilian labor force	45,644	44,819	45,042	44,966	45,061	44,898	44,715	44,177
Employed	44,097	43,971	43,403	43,476	43,554	43,487	43,460	43,279
Unemployed	1,547	848	1,639	1,490	1,507	1,411	1,255	898
Unemployment rate	3.4	1.9	3.6	3.3	3.3	3.1	2.8	2.0
Women, 20 years and over:								
Civilian labor force	22,224	21,666	22,295	22,050	21,937	22,054	21,982	21,752
Employed	21,084	20,830	21,211	21,046	20,736	21,042	20,982	20,956
Unemployed	1,140	837	1,084	1,004	1,201	1,012	1,000	796
Unemployment rate	5.1	3.9	4.9	4.6	5.5	4.6	4.5	3.7
PART TIME								
Total, 16 years and over:								
Civilian labor force	9,917	9,283	11,640	11,455	11,425	11,949	11,958	10,883
Employed	9,159	8,688	10,775	10,685	10,689	11,064	11,109	10,212
Unemployed	757	594	865	770	736	885	849	671
Unemployment rate	7.6	6.4	7.4	6.7	6.4	7.4	7.1	6.2

Note: Persons on part-time schedules for economic reasons are included in the full-time employed category; unemployed persons are allocated by whether seeking full- or part-time work.

TABLE A-3.—MAJOR UNEMPLOYMENT INDICATORS (PERSONS 16 YEARS AND OVER)

Selected categories	Thousands of persons unemployed: July 1970	July 1969	Seasonally adjusted rates of unemployment: July 1970	June 1970	May 1970	April 1970	March 1970	July 1969
Total (all civilian workers)	4,510	3,182	5.0	4.7	5.0	4.8	4.4	3.5
Men, 20 years and over	1,667	945	3.7	3.5	3.5	3.2	2.9	2.2
Women, 20 years and over	1,391	987	5.0	4.5	5.1	4.4	4.5	3.7
Both sexes, 16–19 years	1,451	1,250	13.9	14.6	14.3	15.7	13.9	12.2
White	3,615	2,487	4.7	4.2	4.6	4.3	4.1	3.2
Negro and other races	895	695	8.3	8.7	8.0	8.7	7.1	6.5
Married men	959	551	2.7	2.5	2.6	2.4	2.2	1.6
Full-time workers	2,753	2,587	4.6	4.3	4.7	4.4	4.0	3.1
Part-time workers	757	594	7.4	6.7	6.4	7.4	7.1	6.2
Unemployed 15 weeks and over [1]	599	337	.9	.8	.7	.7	.7	.5
State insured [2]	1,774	1,033	3.5	3.7	3.6	3.1	2.7	2.1
Labor force time lost [3]			5.4	4.9	5.4	5.1	4.8	4.0
OCCUPATION [4]								
White-collar workers	1,195	800	3.1	2.6	2.8	2.9	2.7	2.2
Professional and technical	280	170	2.2	1.5	2.1	2.1	2.3	1.4
Managers, officials, and proprietors	114	57	1.7	1.5	1.1	1.2	1.2	.9
Clerical workers	611	426	4.4	4.0	3.9	4.0	3.6	3.2
Sales workers	191	148	4.0	3.4	4.4	4.1	3.5	3.2
Blue-collar workers	1,915	1,112	6.6	6.3	6.2	5.7	5.2	3.8
Craftsmen and foremen	357	156	4.4	4.0	4.2	3.5	3.1	1.9
Operatives	1,138	675	7.2	6.8	6.7	6.3	6.2	4.2
Nonfarm laborers	420	281	9.9	10.4	9.1	8.8	7.4	7.1
Service workers	559	442	5.3	5.0	4.9	5.0	4.9	4.3
Farm workers	85	93	2.7	2.0	3.5	2.1	2.3	2.9

Footnotes at end of table.

Selected categories	Thousands of persons unemployed		Seasonally adjusted rates of unemployment					
	July 1970	July 1969	July 1970	June 1970	May 1970	April 1970	March 1970	July 1969
INDUSTRY [4]								
Nonagricultural private wage and salary workers [5]	3,319	2,041	5.6	5.2	5.2	4.8	4.6	3.5
Construction	323	163	11.0	10.9	11.9	8.1	8.1	5.9
Manufacturing	1,302	697	6.0	5.3	5.2	4.7	4.7	3.2
Durable goods	780	420	5.9	5.1	4.9	4.9	4.8	3.1
Nondurable goods	522	278	6.2	5.6	5.7	4.5	4.6	3.3
Transportation and public utilities	162	90	3.3	3.3	3.3	3.9	3.1	2.0
Wholesale and retail trade	752	551	5.3	5.4	5.1	5.5	4.7	4.1
Finance and service industries	773	536	4.8	4.1	4.2	3.9	4.0	3.6
Government wage and salary workers	279	253	2.0	1.9	2.2	2.2	2.1	1.8
Agricultural wage and salary workers	104	106	8.6	5.5	9.3	5.9	6.4	8.9

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs—unemployment rate calculated as a percent of average covered employment.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation includes all experienced unemployed persons, whereas that by industry covers only unemployed wage and salary workers.
[5] Includes mining, not shown separately.

TABLE A-4.—UNEMPLOYED PERSONS 16 YEARS AND OVER BY DURATION OF UNEMPLOYMENT

[In thousands]

Duration of unemployment	July 1970	July 1969	Seasonally adjusted					
			July 1970	June 1970	May 1970	April 1970	March 1970	July 1969
Less than 5 weeks	2,313	1,858	2,061	1,961	2,219	2,295	1,995	1,656
5 to 14 weeks	1,597	986	1,334	1,303	1,214	1,075	1,154	824
15 weeks and over	599	337	711	685	612	569	545	400
15 to 26 weeks	341	159	470	450	352	372	363	233
27 weeks and over	258	179	241	235	260	197	182	167
Average (mean) duration, in weeks	8.4	7.4	9.3	9.5	9.0	8.2	8.4	8.2

TABLE A-5.—UNEMPLOYED PERSONS BY REASON FOR UNEMPLOYMENT

[Numbers in thousands]

Reason for unemployment	July 1970	July 1969	Seasonally adjusted					
			July 1970	June 1970	May 1970	April 1970	March 1970	July 1969
NUMBER OF UNEMPLOYED								
Lost last job	1,778	979	1,833	1,928	1,912	1,613	1,503	1,009
Left last job	635	459	600	569	550	573	466	434
Reentered labor force	1,342	1,010	1,284	1,036	1,168	1,207	1,225	967
Never worked before	756	734	439	468	464	550	479	426
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lost last job	39.5	30.8	44.1	48.2	46.7	40.9	40.9	35.6
Left last job	14.1	14.4	14.4	14.2	13.4	14.5	12.7	15.3
Reentered labor force	29.8	31.7	30.9	25.9	28.5	30.6	33.4	34.1
Never worked before	16.8	23.1	10.6	11.7	11.3	13.9	13.0	15.0
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Lost last job	2.1	1.1	2.1	2.3	2.3	1.9	1.8	1.2
Left last job	.7	.6	.8	.7	.7	.7	.6	.5
Reentered labor force	1.6	1.2	1.6	1.3	1.4	1.5	1.5	1.2
Never worked before	.9	.9	.9	.6	.6	.7	.6	.5

TABLE A-6.—UNEMPLOYED PERSONS BY AGE AND SEX

Age and sex	Thousands of persons		Percent looking for full-time work	Seasonally adjusted unemployment rates					
	July 1970	July 1969	July 1970	July 1970	June 1970	May 1970	April 1970	March 1970	July 1969
Total, 16 years and over	4,510	3,182	83.2	5.0	4.7	5.0	4.8	4.4	3.5
16 to 19 years	1,415	1,250	75.3	13.9	14.6	14.3	15.7	13.9	12.2
16 and 17 years	741	704	63.6	15.2	16.0	15.6	18.7	15.7	14.6
18 and 19 years	710	546	83.8	13.2	13.3	13.8	13.8	12.4	10.3
20 to 24 years	950	594	88.9	8.6	7.4	8.1	7.7	6.8	5.8
25 years and over	2,109	1,338	87.3	3.5	3.2	3.3	3.1	3.0	2.3
25 to 54 years	1,726	1,067	89.5	3.7	3.3	3.4	3.2	3.1	2.3
55 years and over	383	270	77.8	2.9	3.0	3.3	2.8	2.7	2.0
Males, 16 years and over	2,475	1,608	86.0	4.5	4.3	4.4	4.2	3.6	2.9
16 to 19 years	807	663	72.0	14.1	14.8	15.0	15.2	12.5	11.8
16 and 17 years	418	394	63.6	15.2	16.6	16.4	17.2	14.6	14.4
18 and 19 years	389	268	81.0	13.6	13.2	14.6	13.9	10.8	9.7
20 to 24 years	528	285	91.5	9.1	7.2	7.7	7.9	6.4	5.3
25 years and over	1,140	660	93.3	3.0	2.9	2.9	2.6	2.4	1.7
25 to 54 years	907	500	95.7	3.0	2.9	2.8	2.6	2.3	1.7
55 years and over	233	159	83.7	2.8	2.8	3.1	2.8	2.8	1.9
Females, 16 years and over	2,035	1,574	79.9	5.9	5.5	5.9	5.7	5.7	4.6
16 to 19 years	644	587	75.3	13.7	14.3	13.4	16.4	15.6	12.7
16 and 17 years	323	310	63.5	15.1	15.3	14.6	20.6	17.0	14.8
18 and 19 years	321	277	87.2	12.7	13.4	12.9	13.7	14.3	11.0
20 to 24 years	422	309	85.8	8.1	7.7	8.7	7.5	7.2	6.3
25 years and over	969	678	80.4	4.5	3.8	4.2	3.8	4.0	3.5
25 to 54 years	819	566	82.5	4.8	4.1	4.3	4.2	4.4	3.2
55 years and over	150	111	68.0	3.1	3.2	3.6	2.7	2.5	2.3

TABLE B-1.—EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY

[In thousands]

Industry	July 1970 [1]	June 1970 [1]	May 1970	July 1969	Change from June 1970	Change from July 1969	Seasonally adjusted July 1970 [1]	Seasonally adjusted June 1970 [1]	Seasonally adjusted May 1970	Seasonally adjusted Change from June 1970
Total	70,486.0	71,378.0	70,780.0	70,481.0	−892.0	5.0	70,455	70,598	70,852	−143
Mining	634.0	634.0	620.0	635.0	0.0	−1.	617	619	620	−2
Contract construction	3,569.0	3,506.0	3,344.0	3,707.0	63.0	−138.0	3,311	3,326	3,351	−15
Manufacturing	19,296.0	19,622.0	19,432.0	20,164.0	−326.0	−868.0	19,400	19,473	19,572	−73
Production workers	13,948.0	14,253.0	14,061.0	14,700.0	−305.0	−752.0	14,100	14,135	14,180	−35
Durable goods	11,137.0	11,399.0	11,352.0	11,889.0	−262.0	−752.0	11,226	11,295	11,386	−69
Production workers	7,989.0	8,229.0	8,164.0	8,612.0	−240.0	−623.0	8,099	8,136	8,186	−37
Ordnance and accessories	242.8	250.0	254.1	322.1	−7.2	−79.3	243	250	256	−7
Lumber and wood products	584.1	605.9	579.2	627.5	−21.8	−43.4	565	584	582	−19
Furniture and fixtures	441.5	452.7	451.4	476.2	−11.2	−34.7	449	452	456	−3
Stone, clay, and glass products	643.6	649.9	638.0	670.9	−6.3	−27.3	628	636	638	−8
Primary metal industries	1,318.5	1,329.0	1,319.4	1,374.3	−10.5	−55.8	1,303	1,303	1,309	0
Fabricated metal products	1,381.6	1,401.1	1,385.6	1,428.9	−19.5	−47.3	1,398	1,389	1,394	9
Machinery, except electrical	1,976.4	1,998.8	2,006.4	2,032.1	−22.4	−55.7	1,976	1,983	2,004	−7
Electrical equipment	1,902.0	1,930.9	1,932.5	2,022.7	−28.9	−120.7	1,923	1,935	1,956	−12
Transportation equipment	1,776.5	1,890.0	1,897.2	2,022.9	−113.5	−246.4	1,863	1,877	1,897	−14
Instruments and related products	459.6	465.0	465.5	477.4	−5.4	−17.8	460	463	468	−3
Miscellaneous manufacturing	410.7	425.6	422.4	433.7	−14.9	−23.0	418	423	426	−5
Nondurable goods	8,159.0	8,223.0	8,080.0	8,275.0	−64.0	−116.0	8,174	8,178	8,186	−4
Production workers	5,959.0	6,024.0	5,897.0	6,088.0	−65.0	−129.0	6,001	5,999	5,994	2
Food and kindred products	1,828.7	1,793.4	1,736.7	1,832.6	35.3	−3.9	1,791	1,797	1,805	−6
Tobacco manufactures	72.1	71.4	70.8	71.9	.7	.2	81	81	81	0
Textile mill products	949.3	970.4	967.4	992.0	−21.1	−42.7	956	958	971	−2
Apparel and other textile products	1,344.2	1,400.7	1,372.4	1,369.2	−56.5	−25.0	1,390	1,385	1,375	5
Paper and allied products	709.7	720.7	707.8	715.7	−11.0	−6.0	706	711	714	−5
Printing and publishing	1,098.6	1,103.7	1,102.3	1,092.5	−5.1	6.1	1,099	1,101	1,108	−2
Chemicals and allied products	1,064.6	1,064.9	1,058.3	1,076.1	−.3	−11.5	1,053	1,056	1,060	−3
Petroleum and coal products	197.4	196.8	191.9	195.3	.6	2.1	191	193	192	−2
Rubber and plastics products, nec	569.0	566.4	543.2	588.8	2.6	−19.8	577	564	548	13
Leather and leather products	325.3	334.5	329.2	341.2	−9.2	−15.9	330	332	332	−2
Transportation and public utilities	4,561.0	4,547.0	4,469.0	4,507.0	14.0	54.0	4,507	4,498	4,478	9
Wholesale and retail trade	14,913.0	15,009.0	14,878.0	14,663.0	−96.0	250.0	14,922	14,941	14,968	−19
Wholesale trade	3,886.0	3,878.0	3,813.0	3,787.0	8.0	99.0	3,840	3,854	3,859	−14
Retail trade	11,027.0	11,131.0	11,065.0	10,876.0	−104.0	151.0	11,082	11,087	11,109	−5
Finance, insurance, and real estate	3,738.0	3,701.0	3,670.0	3,628.0	37.0	110.0	3,676	3,672	3,677	4
Services	11,668.0	11,700.0	11,641.0	11,384.0	−32.0	284.0	11,484	11,516	11,572	−32
Government	12,107.0	12,659.0	12,726.0	11,793.0	−552.0	314.0	12,538	12,553	12,614	−15
Federal	2,707.0	2,710.0	2,765.0	2,842.0	−3.0	−135.0	2,633	2,663	2,781	−30
State and local	9,400.0	9,949.0	9,961.0	8,951.0	549.0	449.0	9,905	9,890	9,833	15

[1] Preliminary.

TABLE B-2.—AVERAGE WEEKLY HOURS OF PRODUCTION OR NONSUPERVISORY WORKERS [1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

[In thousands]

Industry	July 1970 [2]	June 1970 [2]	May 1970	July 1969	Change from June 1970	Change from July 1969	Seasonally adjusted July 1970 [2]	Seasonally adjusted June 1970 [2]	Seasonally adjusted May 1970	Seasonally adjusted Change from June 1970
Total private	37.6	37.4	37.0	38.0	0.2	−0.4	37.3	37.2	37.1	0.1
Mining	42.8	42.8	42.7	43.0	0	−.2	42.4	42.3	42.6	.1
Contract construction	38.7	38.5	38.1	38.7	.2	0	37.6	37.7	38.1	−.1
Manufacturing	39.7	40.0	39.8	40.4	−.3	−.7	39.9	39.8	39.8	.1
Overtime hours	2.9	3.1	2.9	3.5	−.2	−.6	3.0	3.1	2.9	−.1
Durable goods	40.1	40.7	40.3	40.9	−.6	−.8	40.5	40.5	40.3	0
Overtime hours	2.8	3.2	2.9	3.6	−.4	−.8	3.0	3.2	3.0	−.2
Ordnance and accessories	40.0	40.7	40.8	39.8	−.7	.2	40.5	40.6	40.8	−.1
Lumber and wood products	39.3	39.9	40.1	39.7	−.6	−.4	39.4	39.7	39.7	0
Furniture and fixtures	37.9	39.0	38.5	39.7	−1.1	−1.8	38.4	38.8	38.8	−.4
Stone, clay, and glass products	41.6	41.6	41.5	41.8	0	−.2	41.5	41.2	41.3	.3
Primary metal industries	40.3	40.7	40.4	41.6	−.4	−1.3	40.4	40.4	40.2	0
Fabricated metal products	40.6	41.1	40.7	41.2	−.5	−.6	41.0	40.9	40.6	.1
Machinery, except electrical	40.7	41.2	41.1	41.8	−.5	−1.1	41.2	41.1	41.1	.1
Electrical equipment	39.1	39.8	39.6	39.8	−.7	−.7	39.7	39.7	39.7	0
Transportation equipment	40.5	41.6	40.4	41.6	−1.1	−1.1	41.0	41.6	40.3	−.6
Instruments and related products	39.5	40.0	40.0	40.5	−.5	−1.0	39.9	39.9	40.1	0
Miscellaneous manufacturing	38.2	38.7	38.6	38.5	−.5	−.3	38.9	38.6	38.7	.3
Nondurable goods	39.2	39.2	39.0	39.8	0	−.6	39.2	39.0	39.1	.2
Overtime hours	2.9	3.0	2.9	3.4	−.1	−.5	2.9	3.0	3.0	−.1
Food and kindred products	40.7	40.5	40.5	41.2	.2	−.5	40.2	40.3	40.7	−.1
Tobacco manufactures	37.7	38.1	36.8	37.6	−.4	.1	38.1	37.5	37.1	.6
Textile mill products	40.0	40.2	39.7	40.7	−.2	−.7	40.4	39.9	39.8	.5
Apparel and other textile products	35.5	35.4	35.1	35.9	.1	−.4	35.6	35.2	35.1	.4
Paper and allied products	41.7	41.8	41.8	43.0	−.1	−1.3	41.7	41.7	41.8	0
Printing and publishing	37.7	37.7	37.6	38.4	0	−.7	37.8	37.7	37.7	.1
Chemicals and allied products	41.3	41.4	41.6	41.7	−.1	−.4	41.4	41.4	41.5	0
Petroleum and coal products	43.5	42.8	42.8	43.6	.7	−.1	42.7	42.6	42.5	.1
Rubber and plastics products, nec	40.3	40.2	39.9	40.8	.1	−.5	40.7	40.2	40.0	.5
Leather and leather products	37.6	37.9	37.5	37.4	−.3	.2	37.3	37.5	37.7	−.2
Transportation and public utilities	41.0	40.7	40.4	41.1	.3	−.1	40.6	40.6	40.6	0
Wholesale and retail trade	36.3	35.6	35.0	36.5	.7	−.2	35.5	35.4	35.4	.1
Wholesale trade	40.3	40.1	39.9	40.3	.2	0	40.0	40.0	40.1	0
Retail trade	35.0	34.2	33.5	35.2	.8	−.2	34.0	33.9	33.9	.1
Finance, insurance, and real estate	36.9	36.7	36.7	37.1	.2	−.2	36.9	36.7	36.8	.2
Services	34.9	34.5	34.3	35.3	.4	−.4	34.6	34.4	34.5	.2

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.

[2] Preliminary.

TABLE B-3.—AVERAGE HOURLY AND WEEKLY EARNINGS OF PRODUCTION OR NONSUPERVISORY WORKERS[1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	Average hourly earnings						Average weekly earnings					
					Change from						Change from	
	July 1970[2]	June 1970[2]	May 1970	July 1969	June 1970	July 1969	July 1970[2]	June 1970[2]	May 1970	July 1969	June 1970	July 1966
Total private	$3.22	$3.21	$3.20	$3.05	$0.01	$0.17	$121.07	$120.05	$118.40	$115.90	$1.02	$5.17
Mining	3.80	3.82	3.80	3.59	−.02	.21	162.64	163.50	162.26	154.37	−.86	8.27
Contract construction	5.17	5.11	5.10	4.76	.06	.41	200.08	196.74	194.31	184.21	3.34	15.87
Manufacturing	3.36	3.36	3.34	3.19	0	.17	133.39	134.40	132.93	128.88	−1.01	4.51
Durable goods	3.56	3.57	3.55	3.38	−.01	.18	142.76	145.30	143.07	138.24	−2.54	4.52
Ordnance and accessories	3.62	3.58	3.59	3.41	.04	.21	144.80	145.71	146.47	135.72	−.91	9.08
Lumber and wood products	2.92	2.98	2.92	2.75	−.06	.17	114.76	118.90	117.09	109.18	−4.14	5.58
Furniture and fixtures	2.76	2.76	2.75	2.62	0	.14	104.60	107.64	105.88	104.01	−3.04	.59
Stone, clay, and glass products	3.41	3.40	3.38	3.19	.01	.22	141.86	141.44	140.27	133.34	.42	8.52
Primary metal industries	3.90	3.92	3.90	3.79	−.02	.11	157.17	159.54	157.56	157.66	−2.37	−.49
Fabricated metal products	3.54	3.54	3.52	3.33	0	.21	143.72	145.49	143.26	137.20	−1.77	6.52
Machinery, except electrical	3.76	3.76	3.77	3.56	0	.20	153.03	154.91	154.95	148.81	−1.88	4.22
Electrical equipment	3.33	3.30	3.27	3.09	.03	.24	130.20	131.34	129.49	122.98	−1.14	7.22
Transportation equipment	4.07	4.11	4.06	3.90	−.04	.17	164.84	170.98	164.02	162.24	−6.14	2.60
Instruments and related products	3.34	3.31	3.30	3.13	.03	.21	131.93	132.40	122.00	126.77	−.47	5.16
Miscellaneous manufacturing	2.80	2.82	2.81	2.64	−.02	.16	106.96	109.13	108.47	101.64	−2.17	5.32
Nondurable goods	3.09	3.06	3.05	2.92	.03	.17	121.13	119.95	118.95	116.22	1.18	4.91
Food and kindred products	3.17	3.15	3.16	2.97	.02	.20	129.02	127.58	127.98	122.36	1.44	6.66
Tobacco manufactures	3.01	3.02	2.99	2.77	−.01	.24	113.48	115.06	110.03	104.15	−1.58	9.33
Textile mill products	2.43	2.44	2.43	2.35	−.01	.08	97.20	98.09	96.47	95.65	−.89	1.55
Apparel and other textile products	2.38	2.38	2.36	2.28	0	.10	84.49	84.25	82.84	81.85	.24	2.64
Paper and allied products	3.46	3.42	3.40	3.27	.04	.19	144.28	142.96	142.12	140.61	1.32	3.67
Printing and publishing	3.90	3.90	3.88	3.68	0	.22	147.03	147.03	145.89	141.31	0	5.72
Chemicals and allied products	3.73	3.68	3.64	3.49	.05	.24	154.05	152.35	151.42	145.53	1.70	8.52
Petroleum and coal products	4.28	4.22	4.25	4.03	.06	.25	186.18	180.62	181.90	175.71	5.56	10.47
Rubber and plastics products, nec	3.20	3.13	3.09	3.09	.07	.11	128.96	125.83	123.29	126.07	3.13	2.89
Leather and leather products	2.48	2.49	2.49	2.34	−.01	.14	93.25	94.37	93.38	87.52	−1.12	5.73
Transportation and public utilities	3.85	3.83	3.79	3.65	.02	.20	157.85	155.88	153.12	150.02	1.97	7.83
Wholesale and retail trade	2.70	2.70	2.70	2.55	0	.15	98.01	96.12	94.50	93.08	1.89	4.93
Wholesale trade	3.41	3.40	3.41	3.23	.01	.18	137.42	136.34	136.06	130.17	1.08	7.25
Retail trade	2.44	2.43	2.43	2.30	.01	.14	85.40	83.11	81.41	80.96	2.29	4.44
Finance, insurance, and real estate	3.05	3.04	3.04	2.91	.01	.14	112.55	111.57	111.57	107.96	.98	4.59
Services	2.81	2.81	2.80	2.63	0	.18	98.07	96.95	96.04	92.84	1.12	5.23

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.

[2] Preliminary.

THE USE OF INTERSTATE HIGHWAY FUNDS TO SUBSIDIZE JONES & LAUGHLIN

Mr. PROXMIRE. Mr. President, I want to call to the attention of the Senate a recently released GAO report entitled "Questionable Basis for Approving Certain Segments of the Interstate Highway System." I want first to commend the GAO for their masterful use of understatement in the title of this report. The basis on which certain highway funds have been allocated is not just "questionable," it is shocking and scandalous.

This GAO report reveals that $39 million taken from the Federal highway trust fund has been used to construct 13 miles of four-lane highway which is, in essence, nothing but a private driveway for the Jones & Laughlin steel plant in Hennepin, Ill. What this boils down to is a subsidy, pure and simple—a $39 million Federal subsidy to the Jones & Laughlin Steel Co.

I will grant that, by some standards, $39 million is a modest sum. The Defense Department undoubtedly wastes almost that much every day in the week. However, since the highway trust fund was created in 1956, we have been exceedingly jealous of the uses to which it could be put. We could not spare anything from this trust fund to spend on highway maintenance, on highway beautification, on mass transit, on housing, or on any of the other things we need so badly, yet we could spare $39 million to build a private road for Jones & Laughlin. I think it is worth taking a few minutes to inquire how this particular highway came to be built with Interstate funds.

The normal procedure of the Highway Administration, in reviewing requests for additions to the Interstate System, is to evaluate them on a point system, using four basic factors: national defense, system integration, industry, and population as the basis for assigning points. Now, this is far from constituting the kind of comprehensive social cost and benefit analysis which should be applied to the highway program. I have frequently stressed the need for better economic analysis of the highway program. However, at least this point system does represent some attempt to give uniform consideration to proposals for additions to the Interstate System.

In the case of certain auxiliary routes which have been added to the Interstate System from time to time, the Highway Administration has chosen to skip this evaluation in terms of a point system and to approve applications on a case-by-case basis. The GAO concludes that this procedure was "contrary to [the Federal Highway Administration's] previously established practice of approving interstate mileage allocations only after systematically rating, evaluating, and comparing the relative merits and needs of all State requests."

Let me continue to quote from the GAO report:

> For the most part, the segments that were approved on a case-by-case basis are located in populous areas or furnish access to such areas from nearby through routes and, therefore, appear to provide general benefits within the concept of the Interstate System. However, one segment—Spur Route I–180—a 13.2-mile, four-lane highway—was approved for construction during this period and cannot, in our opinion, be considered to provide the general benefits normally associated with interstate highways because it will primarily benefit a steel plant located near the small rural community of Hennepin, Illinois. FHWA estimates that the total cost of this spur route will be $47.1 million—the Federal share of which is $39 million. The approval of this spur route is particularly significant when taking into consideration the fact that, at various times prior to its approval of I–180, FHWA refused to approve auxiliary routes for urban areas such as Tucson, Arizona; Greensboro, North Carolina; and Tacoma, Washington, apparently on the basis that the then available mileage was being held in reserve for adjustments to previously approved routes.

Tucson, Ariz., has a population of over 2,000,000. It was denied a 1.5-mile interstate spur route. Asheville, N.C., Tacoma, Wash., and other good-sized cities have also been denied spur routes. I do not necessarily criticize the decisions not to build these routes with Interstate funds. The Interstate System was intended to provide transportation between cities, not to meet all local transportation needs. What I do question is why Hennepin, Ill., with a population of less than 1,000 is entitled to a spur route, when Asheville, Tacoma, and Tucson were not.

The Department of Transportation's answer is that, although Hennepin is presently rural in character, it is a rapidly changing area. There will be more traffic volume in the future. This, however, is not the real story. The GAO points out:

> No other auxiliary route has been approved on the basis that the area which it was to serve had the *potential* to become an industrial center.

The real story is very clear from the GAO report. The Jones & Laughlin Steel Co. informed the State of Illinois that

it would locate at Hennepin only if good highway access were provided. The State agreed to seek funds to construct the needed road. Instead of seeking its funds from the State legislature, however, the State submitted its request to the Federal Highway Administration. What is more incredible is that the Highway Administration approved this request. This highway was built with 90 percent Federal funds.

This particular highway has been built. But we must not allow this type of thing to reoccur. We must insist that Federal aid highways projects are fully analyzed in terms of their social costs and benefits before they are built. This analysis must be made available to Congress, and funds must be denied where the expenditure cannot be justified in terms of public benefits.

The Congress is considering highway legislation this year. I hope we will take a lesson from experience and introduce into the law the safeguards necessary to insure that highway funds will be expended in the public interest.

ADDITIONAL STATEMENTS OF SENATORS

PROPOSAL TO AMEND GUN CONTROL ACT OF 1968

Mr. PEARSON. Mr. President, I voted for the passage of the Gun Control Act of 1968 when it passed the Senate by a vote of 70 yeas to 17 nays on September 18, 1968. That bill was passed in the heat of national passion and under sorrow caused by a rash of fatal shootings of national import.

Since that time, I have had second thoughts about some of its provisions which I now feel are too restrictive. In retrospect, I now believe that insufficient attention was paid to the workings of the act and its implications, a fact that subsequent events have borne out quite clearly.

Because I am realistic in my knowledge that Congress will probably not repeal the Gun Control Act—and, in fact, because I do not feel that all of it should be repealed—I believe a productive approach to changing this law is to move on the most objectionable portions, a piece at a time. Last year, I cosponsored with the Senator from Utah (Mr. BENNETT) and other Senators legislation which passed the Congress eliminating recordkeeping requirements under the act with respect to shotgun and rifle ammunition.

On June 26 of this year, I joined with the Senator from Wyoming (Mr. MCGEE) and other Senators in the sponsorship of S. 3724. The bill, if enacted, will eliminate the recordkeeping requirements of the Gun Control Act as they pertain to .22-caliber rimfire ammunition. I, along with the other cosponsors, am hopeful that this legislation will also pass Congress before the end of this session.

To a lesser degree, we are now faced with a similar situation as the one in 1968 which brought forth the Gun Control Act. Earlier this year, the country was subjected to a rising tide of terrorism. In Washington, D.C., the Nation's Capital, on one day in early March there were 28 bomb threats. On the same day in New York City, there were 161 bomb threats. That same night, a building in Buffalo, N.Y., was seriously damaged by an explosion. During the first 3 months of this year, more than a score of bombs exploded in more than a dozen different cities, killing and injuring people and causing property damage well into the millions of dollars.

President Nixon made a commitment to the American people to deal with this rash of bombings, as he rightfully should have. The result was proposed legislation sent to Congress to strengthen the laws concerning illegal use, transportation, or possession of explosives and the penalties with respect thereto. In the Senate, the administration bill is S. 3650, with similar bills pending in the House of Representatives.

Basically, I am in full accord with President Nixon's efforts to crack down on the distressing increase of violence in this country, and I am shocked by the use of bombs and explosives which can kill and injure innocent and helpless citizens. We must have effective tools to fight crime, and we must have legislation with severe penalties to deter these vicious criminals.

But the broad scope of some of these "explosive control" bills—like the Gun Control Act of 1968—would result in needlessly penalizing law-abiding sportsmen who hand load their own shells to be used for legitimate sporting purposes. I do not believe that this bill should cover this type of sporting activity.

Therefore, I was pleased to join with the Senators from Pennsylvania (Messrs. SCHWEIKER and SCOTT) and other Senators in the cosponsorship of amendment No. 728 to S. 3650, the administration bill. The amendment would eliminate from that bill any restrictions on the possession of up to 24 pounds of smokeless powder and up to 6 pounds of black powder for use for lawful sporting purposes. Many sportsmen hand load their own shells for legitimate sporting activities, and I see no reason why they should be put under the broad scope of the administration bill. We should not have to go through with the gradual repeal of these explosive bills as we have done and are doing on the Gun Control Act.

Last week, a constituent of mine from Kansas sent me a copy of a statement made by Mr. Neal Knox, editor of the Handloader magazine and the Rifle magazine, before Subcommittee 5 of the House Judiciary Committee. Because this testimony has quite a bit of bearing on amendment No. 728, I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT OF NEAL KNOX

Mr. Chairman, members of the committee, I greatly appreciate the opportunity to represent what I, as editor, believe to be the views and interests of the readers of The Handloader and The Rifle magazines. The Handloader is the only mazagine devoted exclusively to the rapidly growing hobby of ammunition reloading. The Rifle Magazine is also highly specialized, designed to interest and inform technically advanced rifle shooters, hunters and amateur ballisticians, almost all of whom reload their own ammunition. The Rifle was adopted last year as the official publication of the National Bench Rest Shooters Association, which I also represent.

In addition, I have been asked by the National Reloading Manufacturers Association, a trade association composed principally of small businesses, to state that NRMA is in substantial agreement with my views and wishes to be associated with the comments in my prepared statement.

The combined circulation of the magazines is more than 50,000, with an estimated readership of more than 150,000, yet we know that we reach only a fraction of the nation's handloaders, estimated to number more than 1,000,000. Handloading is a safe, simple, but fascinating subject. Although most handloaders begin reloading as an adjunct to shooting, it frequently becomes a separate hobby with an investment of several hundred dollars in equipment. By reloading his own ammunition, a shooter is able to improve his performance by precisely tailoring his ammunition to his gun and the conditions under which he shoots.

The resulting ammunition, whether for rifle, shotgun or handgun, is often considerably superior to that which is produced by ammunition manufacturers, and, if the investment in time and equipment is not considered, often less expensive. But improved performance, not economy, is the principal reason that our readers handload, according to a survey taken last year. That survey also showed that 52% of our readers are college-educated, 35% are professional people, and the median income is more than $14,000 per year. As these figures would indicate, our readers are substantial, law abiding citizens.

These citizens are quite concerned about the bills before this committee, for without exception the proposed laws would place the same controls upon smokeless propellents that are being considered for high explosives—yet an endless list of substances equally hazardous or more hazardous than smokeless propellents would not be similarly regulated. We consider any such legislation unjust and discriminatory.

There are two general classifications of explosives—detonating or "high" explosives, such as dynamite, TNT and nitroglycerin, and deflagrating (burning) or "low" explosives, such as black powder, smokeless propellant, ammonium nitrate and a virtually endless list of other chemicals and susbtances. Because of the terrorist bombs and incendiary devices are made with chemical compounds detailed in high school and college chemistry textbooks, we directed our research toward standard chemistry encyclopedias, such as those by Clark & Hawley and Kirk-Othmer. Government publications deal principally with standard commercial explosives and often do not agree as to what substances are explosive, due to differing criteria. For instance, the Department of Transportation classifies pure ammonium nitrate, such as that used as a fertilizer, as an oxidizer, not an explosive, on the basis of its relative safety in transportation, while the Department of Defense classifies it as an explosive and uses it as an explosive (see TM 9–1910/TO Military Explosives and various U.S. Army demolition manuals).

Chemistry reference works usually classify "high explosives" as substances designed to detonate with a burning rate of more than 1,000 meters per second while unconfined, while those which simply burn, are difficult to detonate, or undergo "low order detonation" at a rate of less than 1,000 meters per second are classified as "low explosives." Low explosives are also often referred to as propellants, for their rates of burning are both predictable and controllable. As they burn they produce large quantities of gases which push against any restraining object, which allows them to be used as rocket fuels and

in firearms. The Army uses pure ammonium nitrate, detonated by a large charge of TNT, as a cratering charge, for it literally shoves rocks and soil from a hole.

Although it is generally assumed that the crack of a rifle shot indicates an explosition within the barrel, that is not the case. Modern smokeless propellent, principally a form of nitrated cellulose, burns at a controlled rate within a gun's barrel. As it burns, the gases build up pressure which forces the bullet out of the bore, in much the same manner that gasoline within a car engine burns and releases gases which force the piston downward during the firing stroke. A substance which detonates, that is, releases all of its energy almost instanteously, such as nitroglycerin, cannot be used in either a gun or a car engine, for instead of exerting controlled pressures upon either a bullet or piston, the detonation would shatter the gun or engine.

If a gun barrel were plugged by a firm obstruction, such as mud or snow, the bullet would not get out of the bore and gas pressures within the barrel would become so high that it would burst, much like a boiler explosion. Although such an incident could seriously injure the shooter or someone nearby due to flying bits of metal, the gun would not have actually detonated in the sense of the detonation of a high explosive.

A similar situation would exist if smokeless propellent were confined in a steel pipe and rapid burning initiated with the aid of a proper priming charge, which might be only a firecracker. As with a plugged gun barrel, the pressure in the pipe would increase beyond the strength of the steel, causing the pipe to burst and sending fragments in all directions. This is precisely how a pipe bomb is made. The fragments are certainly hazardous to anyone nearby, but the effect is far less than the building-destroying destruction caused by the detonation of a high explosive.

Since it is my intention to convince the committee that smokeless propellent should not be included in anti-bombing legislation, it might seem strange I have outlined the method for making a hazardous pipe bomb from smokeless propellent. My reason is simple: you have already been told, or will be told, that pipe bombs have been and can be made out of smokeless propellent. However, I intend to prove that many other substances which are not included in the legislation you are considering are widely known to have equal or far greater explosive power. There are so many such substances that it would be impossible to control them all by any type of point of sale legislation.

Smokeless propellent is nitrated cellulose and any form of nitrated cellulose can be used to produce a pipe bomb similar to the bomb I have just described. Celluloid shirt collars were made of nitrated cellulose. Certain types of photographic film were also nitrated cellulose. Dry model airplane cement is nitrated cellulose. The amber handles of certain better quality screwdrivers and chisels are nitrated cellulose. Any of these substances, if shaved and chipped into small particles and used in the same type pipe bomb are capable of producing essentially the same result. For that matter, a similar hazardous bomb may be made of nothing but the heads of wooden matches. Of course, if one has access to college chemical storerooms, or has the address of a chemical supply house, the prospects are endless.

During my research on this subject I was constantly amazed by the number of common materials which can be used to produce explosive and incendiary devices—and I will only mention a few. Although this research was conducted with the assistance of a graduate chemical engineer who holds a key post with one of the largest manufacturers in the nation, and with a member of our editorial staff who holds a Ph.D. in chemistry and is also an attorney, we studied no material other than standard chemistry reference works available at almost any high school, college or public library, military training manuals and reprints, and other standard references. To insure the accuracy of our findings, this prepared statement also has been checked by explosives experts employed by the largest manufacturers of explosives and propellents in the nation.

Bear in mind that the principal target of this anti-bombing legislation is not the common uneducated criminal, but the well-educated militant radical who is quite accustomed to the use of libraries. Many are apparrently skilled in chemistry—reportedly making their own LSD. In addition, radical organizations are believed to be selecting, publishing and distributing information concerning the manufacture of explosive and incendiary devices from common substances, such as found in reference works, U.S. and foreign guerilla warfare manuals and explosives patent papers.

As evidence that standard sources of information are being used, and as indication of the impossibility of controlling such use, note that a few days ago the American Library Association issued a strong protest because federal agents in at least two cities had asked for lists of people who had been checking out and reading books dealing with explosives.

At this point I would like to request that some of the examples that I am about to give be off the record, and I further request that the members of the press refrain from taking notes on, publishing or otherwise disseminating the specific formulas and techniques which I shall use as examples. Information which I would prefer not to be published, even in the record of these hearings, is set off by dots in the written statement. I don't wish to give the terrorists any help.

Because of the very real problem of informing you without publicizing information that would be hazardous in the wrong hands, I have refrained from discussing some of the formulas I have seen. I can think of no better way for you to be properly informed on the subject of home-made explosives and incendiaries than for the committee to arrange a demonstration for members of Congress only. The U.S. Army Special Forces has formulated and tested many such devastating devices and could undoubtedly prepare a demonstration at Aberdeen Proving Grounds which would be of great value to you and other members of Congress.

Explosives depend upon an oxidizing agent and a reducing agent, or fuel. Many oxidizing agents which are readily available because of their peaceful uses include ammonium nitrate, sodium or potassium nitrates, chlorates, perchlorates, chromates, peroxides and permanganates. Fuels may be anything combustible: petroleum products powdered charcoal from briquets, sulphur and some powdered metals. The uses of these chemicals and their variations, are almost endless—and *the knowledge cannot be repealed.*

We are all too-familiar with the Molotov cocktail, a gasoline-filled bottle with a rag wick. But more refined versions are known. For instance, before the 1968 Democratic convention in Chicago, I received a clipping, reportedly from an "underground" newspaper, with explicit directions for a simple modification which would ignite when the bottle broke, eliminating the need for a wick and lighting the device before throwing it. The clipping was signed off: "See you in Chicago."

A routine college chemistry experiment is the mixing of ammonium nitrate and . . . zinc dust . . . in equal volume, with a touch of . . . ammonium chloride . . . blended in. A drop of water will set it off, producing an intense flame with large volumes of gas. A gelatin cap, such as used for administering medicines, filled with water and left on the mixture would produce a hazardous incendiary time bomb, or could be used as a delay igniter for certain explosive devices.

In militant publications we saw frequent references to easily made incendiary devices, which statistics recently released by the Administration indicate are the favorite weapon of terrorists. Many of these formulas called for the addition of chemistry set chemicals to household sugar. One of the U.S. Army training manuals described in precise detail how to construct a building-destroying bomb in which one of the principal ingredients is common wheat flour.

Perhaps the best example of a commonly available explosive is ammonium nitrate, the cause of at least four of the ten largest accidental explosions in modern history, including the blast which almost destroyed Texas City, Texas in the late 1940's. Ammonium nitrate is one of the most popular dry fertilizers. It is available, no questions asked, for about $2.30 per 50-pound bag or $62.00 a ton. Like smokeless propellent, ammonium nitrate is technically classified as a low explosive. However, the addition of a fuel, which may be diesel oil, sawdust, wax or many other substances, converts ammonium nitrate into a high explosive. It is common knowledge that ammonium nitrate, mixed with No. 2 diesel fuel, is regularly used as a commercial explosive, particularly in quarrying and mining operations. In this mix it is relatively insensitive and requires a powerful initiating charge, usually a few sticks of dynamite, to make it detonate. But by varying the mixture, the resulting explosive can be made to detonate more easily.

Transportation regulations for "blasting agents" require that pre-mixed ammonium nitrate/fuel oil not be detonatable by a blasting cap when unconfined. However, the Kirk-Othmer *Encyclopedia of Chemical Technology* states: "under the confinement of a steel pipe it (ammonium nitrate-fuel oil mix) can be detonated with a No. 8 blasting cap. Its explosive strength is 120 percent of that of TNT as judged by the ballistic pendulum test, and it detonates at a rate of 2,100 meters per second when confined in a steel pipe." That is essentially the same treatment that must be given to smokeless propellent in order to make a pipe bomb, but this easily prepared ammonium nitrate explosive will have one-fifth more power than TNT.

If ammonium nitrate is mixed with a substance which is itself an explosive, unlike the mild diesel fuel, the mixture becomes both extremely powerful and quite easily detonated. Many chemicals have the necessary characteristics, including . . . gasoline . . . but perhaps one of the most powerful mixtures is 90 percent ammonium nitrate . . . five percent coal and five percent nitromethane, the "speed fuel" used by auto racers and available at any hotrod shop. . . . At one time, Hercules Powder Co. made such a mixture and observed that it was cap-sensitive, meaning that it could be detonated with nothing more than a blasting cap, which might be substituted by a firecracker in a pipe bomb. The power of this mixture is approximately equivalent to nitroglycerin powder, according to Hercules.

"Fertilizer grade" ammonium nitrate is essentially the same as the ammonium nitrate used as an explosive, and can be made into a high explosive by the same techniques. The U. S. Army field manual FM31-20, *Special Forces Operational Techniques,* gives two formulas for converting standard 33⅓ percent nitrogen fertilizer into a high explosive with a detonating velocity of 3,000 to 4,000 meters per second.

Yet ammonium nitrate is not specifically included in the legislation before you, while smokeless propellent is included. I have no desire to see Congress require explosive dealer licenses of all feed stores and fertilizer dealers, nor do I have any desire to see special requirements on the purchase and

possession of this fertilizer. But neither do I wish to see such requirements placed upon dealers and users of smokeless propellents.

In light of the evidence I have presented, *I fail to see how Congress can justify special controls upon smokeless propellents unless similar controls are enacted for all other substances of equal or greater hazard,* including not only ammonium nitrate fertilizer, but gasoline, propane, and the potentially violent chemicals used in the manufacture of plastics and other materials.

Obviously, as now written, *every bill before you and before the other body is inequitable and discriminatory* against those of us who use smokeless propellents for peaceful purposes. Therefore, on those grounds, all of the legislation you are considering is unconstitutional.

If Congress desires to enact additional controls and restrictions upon the interstate shipment and sale of high explosives only, I would have no objection except to observe that it would work a hardship upon the legitimate dealers and users of high explosives through radically increased costs without meeting the objectives of the legislation—a decrease in the number of terrorist bombings. In my state of Illinois a recently enacted explosives control law requires serial numbering of all sticks and cases of dynamite, which is expected to result in an increase in cost of at least 5 percent. The cost will ultimately be borne by the consumer, including we taxpayers since road-builders are among the principal user of explosives. Yet an Illinois explosives dealer told me of a dud bomb discovered at Quincy, Illinois composed of recent manufacture serial-numbered dynamite. The serial number had neatly been cut away from each stick.

If Congress desires to enact additional controls upon high explosives, *such legislation should apply only to high explosives and the blasting caps and other materials designed to detonate them.* Low explosives and potential explosives are too numerous and too common to specifically regulate, *but should be included when they are used as an ingredient in an explosive device.*

It is difficult to define the dividing line between high and low explosives, since various substance perform in radically different ways under differing conditions. But in general it may be said that high explosives are of themselves hazardous and may be made to detonate in a variety of ways. Low explosives may be made to detonate only by special treatment or under certain limited conditions, and even then usually with relatively limited power. In other words, a stick of dynamite is hazardous, no matter what; *a can of propellent or sack of ammonium nitrate fertilizer must deliberately be made hazardous.*

In drafting legislation, Congress should bear in mind that smokless propellants, small arms primers and bombs and incendiary devices are already regulated under the provisions of the Gun Control Act of 1968, Chapter 44 of Title 18, United States Code.

I propose the following definition be submitted for the existing definition in any legislation enacted:

"As used in this title, the term 'explosive' means substances classified in standard reference works as high or detonating explosives such as dynamite TNT or nitroglycerin, and the substances and devices intended to be used to detonate such high explosives; the term 'explosive' shall not include small arms ammunition primers regulated by Chapter 44, Title 18 United States Code, nor chemical substances classified in standard reference works as low or deflagrating explosives or propellants such as ammonium nitrate, smokeless propellants or gasoline unless such substances are contained in a chemical or mechanical mixture, packing or device which upon ignition by fire, by friction, by concussion, by percussion, or by detonation will create, or is designed to create, an explosion or incendiary effect."

This definition, by grouping materials according to effect, would eliminate the possibility of inadvertently exempting certain types of bombs and incendiaries. At the same time it effectively includes difficult-to-define Molotov cocktails, which are made with the low explosive gasoline. It would eliminate special controls over ammonium nitrate, smokeless propellent, black powder and other substances which are primarily used for non-explosive purposes, yet would include all bombs and incendiary devices made from those or any other substance, even the simple incendiary made by laying a burning cigarette across a book of paper matches.

The fact that this definition would exempt from special controls our oldest explosive, black powder, requires some comment: black powder, though easily ignited, has far less power than easily made more modern explosives and is itself quite easy to make. I, along with some other youngsters, made the stuff while I was in seventh grade. The grade we produced was of poor quality, but would be almost as effective as commercial grades in a bomb or as an igniter. However, black powder suitable for use in muzzle loading firearms, as used by the North-South Skirmish Association and the National Muzzle Loading Rifle Association, cannot be home-made. Black powder is seldom used for commercial blasting, but it is regulated by existing state and federal controls, including the Gun Control Act of 1968. In my opinion, the elimination of additional special controls upon black powder would not materially affect the effectiveness of any new law, in fact would make it possible to write a more restrictive law since all explosives of equivalent power would be given equal treatment.

As I have outlined, it is impossible to repeal the wide-spread knowledge concerning easily made explosive and incendiary devices, and it is equally impossible to regulate all of the materials which may be made into such explosives. By regulating materials designed and used as high explosives and placing similar restrictions upon the manufacture and possession of all incendiary and explosive devices, whatever their ingredients, Congress will achieve the maximum effect of any law designed to control sales, interstate transportation or possession of explosive or incendiary devices. But such a law would not unfairly discriminate against users of substances such as propellents and ammonium nitrate fertilizers.

However, even such a law is unlikely to curtail terrorist bombings unless severe penalties are promised for violation of the law, or for the unlawful destruction of property and the injury of persons by the use of explosive or incendiary devices. Any other form of explosives control legislation may have the appearance of positive action but is unlikely to successfully reduce bombings. As evidence, note the testimony of New York City Police before the Senate. Although they stated that high explosives are "extremely well controlled" in the state, I note that most of New York's major blasts have involved those "well-controlled" high explosives. Also, they testified that information on how to make bombs is being distributed in the schools, yet they urged the adoption of federal controls which emulate their own stringent but ineffective control laws. Does anyone honestly believe that federal controls can accomplish what tough state and local laws have failed to accomplish? I think the key to New York's bombing problems is that some bombing cases have been pending in the courts for as much as five years.

Severe penalties are included in both the bill introduced by the Chairman, Mr. Celler, and by Mr. McCulloch. Of the two bills, I feel the Administration bill introduced by Mr. McCulloch offers the greater likelihood of achieving its objectives, provided the definition were changed as I have proposed. I find the bill introduced by Mr. Celler unworkable for several reasons, principally because it copies the provisions of a law structured to control the sale of firearms and ammunition. The bulk of Mr. Celler's bill consists of the wording of the 1968 Gun Control Act with the word "explosives" substituted for "firearms," except in one place where "firearm" was inadvertently left in the bill.

Applying the provisions of the Gun Control Act to explosives would work many hardships upon the lawful users of high explosives—for instance, highway contractors who could not bid on out-of-state jobs for it would be unlawful for them to obtain explosives outside their state of residence. At the same time, the Celler bill would work a hardship upon firearms dealers who sell smokeless propellents, for due to the identical provisions of two separate laws they would be required to buy two separate licenses and maintain two separate record books to record each sale of a single product. At the very least, the Celler bill should be amended to not include the small arms ammunition components regulated by the Gun Control Act.

Gentlemen, until the bills before you were introduced I knew absolutely nothing about explosives other than the characteristics and uses of propellents used in firearms. I have never taken a chemistry course in my life, but from what I have learned in the past three months from books available in any public library I assure you that, if I were inclined to do so, I would have not the slightest difficulty in damaging or destroying any number of private and public buildings and/or people with a wide variety of explosive and incendiary devices. And whether or not you pass any of the legislation before you would not make the slightest difference.

Any radical with the ability to read and the will to carry it out could do the same thing. The only possible way to deter him would be to enact legislation promising such severe punishment that he would be afraid to take the risk.

I thank you for being allowed to appear before the committee.

BLACK MARKET AREA IN SAIGON

Mr. FULBRIGHT. Mr. President, the Chicago Daily News of August 3 contained an article entitled "Free Enterprise a la Vietnam," written by Mr. Raymond R. Coffey, relating his inspection of a flourishing black market area in Saigon. Mr. Coffey wrote:

Rich Vietnamese now can buy American steak in the black market cheaper than they can buy water buffalo beef in Saigon's central market. They can also buy scotch whisky, towels, bed linens, and other U.S. goods in the black market at prices lower than GIs and American civilian officials have to pay in the PX.

Mr. Coffey's article describes but the tip of the iceberg of the havoc this war has wreaked on Vietnam's economy and its society. I ask unanimous consent to have it printed in the RECORD.

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

FREE ENTERPRISE A LA VIETNAM—BLACK MARKETEERS STOCK GOODS THAT NEVER GET TO THE PX AT PRICES OFTEN LOWER THAN GIS WOULD PAY THERE

(By Raymond R. Coffey)

SAIGON.—Rich Vietnamese now can buy American steak in the black market cheaper

than they can buy water buffalo beef in Saigon's central market.

They also can buy scotch whisky, towels, bed linens and other U.S. goods in the black market at prices lower than GIs and American civilian officials have to pay in the PX.

The black market is doing so well and is so well organized, operators can advertise their bargains in advance.

Frozen American steaks—stolen somewhere along the line between the ship they arrived on and the commissary they never got to—were going like hotcakes the other day when I walked through the black market with a Vietnamese.

And the people selling them were urging their customers to return next day when a shipment of lamb—a meat almost nonexistent in the Vietnamese economy—would be available.

There has been a black market in Vietnam almost since the first Americans got here. Most of what has been said and written about it has dealt with a collection of sidewalk stalls around the tax building, a shopping complex, in downtown Saigon.

The black market deals mostly in stolen cameras, film, ballpoint pens, cigarets, toilet articles and the like.

But a much larger black market—practically a supermarket full of popular U.S. brand names—operates along both sides of Nguyen Thong St., more than a mile from downtown. It stretches for about 1½ blocks and operates daily from about 3:30 p.m. to 6 p.m.

Occasionally, very occasionally, the Vietnamese police raid it. But mostly it is ignored.

As I walked through it, two Vietnamese policemen were sitting at a sidewalk soup kitchen drinking tea and paying no attention to the black market merchants.

On sale, along with the frozen steaks, were U.S. chicken, pork, huge canned hams, shrimp, canned corned beef, long loaves of baked ham and bacon.

There were also neatly piled pyramids of fresh red apples—something not even grown in Vietnam—and of oranges and grapefruit.

There were also butter, cooking oil, and orange, apple and tomato juices, laundry detergents, bath soap, mustard, olives, pickles, peanut butter, jelly, canned chili, spaghetti mix, crackers, cookies, candies and paper plates, cups and napkins.

There were cases of canned beer and soft drinks, bottles of champagne, scotch, bourbon, brandy, cigars, cigarets and after-dinner mints.

There were T-shirts, sport shirts, undershorts and swimming trunks, bedsheets and pillow cases, toothbrushes, shampoos, raincoats and flashlight batteries, blue jeans and bath talcum.

The PX itself is almost eternally out of some of the items. Recently, for example, it had shelves full of bourbon but no scotch. The black market, though, had plenty of both.

Apart from the PX and commissary system, some of the black market goods also are diverted from the U.S. Aid program. Thus some of the butter and cooking oil is marked with the clasped-hands symbol of the Food for Peace Program and marked "donated by the American people" and "not to be sold."

THE PRICES

What is most striking about it all is the prices. Vietnamese buy and sell food generally in kilogram weights—a kilo equalling 2.2 pounds. They deal in piasters, the official exchange rate being 118 piasters to the dollar and the black market rate being about 375 to the dollar.

In the legitimate central market in Saigon, a kilo of Vietnamese beef costs about 700 piasters. In the black market a kilo of American beef costs 550 piasters. Chicken and pork are also cheaper in the black market.

A Vietnamese grapefruit in the central market costs 100 to 110 piasters. An American grapefruit in the black market costs 35 to 40 piasters.

Some of the items are possibly cheaper in the black market here, in fact, than they are in supermarkets back home. A kilo, or 2.2 pounds, of apples for example, costs 350 piasters on the black market, and at the black market rate of exchange, that is less than $1.

Likewise, well-off Vietnamese are able to buy goods in the black market cheaper than GIs and those in the U.S. mission can buy them at the PX—when the stuff actually gets to the PX.

A bottle of scotch costs a GI $3.40. In the black market it goes for 1,200 piasters which, at the black market exchange rate, comes to less than $3.25.

NO USE TO MANY

The black market, of course, is of little or no use to the ordinary Vietnamese who cannot afford much in the way of fresh meat and fruits at either black market or central market prices. The ordinary Vietnamese lives mostly on rice and fish.

A soldier fighting the war is paid only about 4,300 piasters a month and the low-ranking civil servant gets about 5,500 piasters a month.

The black market principally serves the rich Vietnamese who have profited from the war and managed to stay ahead of the country's galloping inflation.

Inflation and the growing gulf between rich and poor has become South Vietnam's most urgent problem—and its touchiest political issue.

This year the country is headed for an inflation gain of about 50 per cent. And poor people are finding it almost impossible keeping themselves and their families fed.

A 100-kilo bag of rice, enough to feed a typically large family for about six weeks, now costs about 5,500 piasters—a whole month's salary for the bottom-rung civil servant. A year ago it cost about 3,500 piasters. The price of beef is up about 40 per cent and fish, 30 per cent in the last six months, according to U.S. economists.

In a letter to a Saigon newspaper, a civil servant complained recently that "civil servants and military men are living in very bad conditions.

"Our daily meals consist only of vegetables, sesame seed and salt or soya cakes. Only the small children eat breakfast. Our families, although not in a hunger situation, are wearing rags and are hungry for ordinary food such as meat and fish."

The grievance at the heart of many of Saigon's almost daily anti-government demonstrations, particularly by disabled war veterans, is the soaring cost of living.

And Vice President Nguyen Cao Ky, obviously setting the stage to run against President Thieu in next year's election, is playing heavily on the pocketbook issue.

He stirred things up again recently with a speech about war profiteers and the idle rich who make as much as 1 million piasters a day without really doing anything, while nothing is done about social reform and the plight of the poor.

GETTING WORSE

And as President Nixon's "Vietnamization" program goes on, Vietnam's economic crisis is likely to grow even worse. Troop withdrawals will mean less U.S. spending for rents and goods and the services of the tens of thousands of Vietnamese now working in U.S. installations.

The United States will spend nearly $300 million in Vietnam this year and put another $550 million in aid programs into the country.

The Saigon government already is hurting for money, and it wants an extra $200 million a year in U.S. aid to offset the U.S. withdrawals under the "Vietnamization" program.

The Americans, so far at least, are insisting that the Vietnamese are also going to have to make some moves of their own—to introduce a little austerity, to get tougher on taxes and so on.

President Thieu now has pending in the National Assembly a "decree law" that would give his government authority to regulate the economy by edict.

But those Vietnamese who have done well in recent years and have gotten used to television, motorbikes and other luxuries are not going to take kindly to belt tightening now.

And it is extremely doubtful, anyhow, that the government bureaucracy is capable of enforcing an effective tax collection system. It certainly is not capable of enforcing wage and price controls, which some Americans have suggested.

It seems entirely possible the economy may give the government more trouble than the Viet Cong in the months immediately ahead. And on this front the Vietnamese are becoming frightened at the prospect the United States is becoming less enthusiastic about bailing them out than it has been in the past.

Nguyen Ba Luong, chairman of the National Assembly's House of Deputies, warned that when the government takes strong steps on its own, the United States may reduce economic aid and the piaster will become so valueless "people will have to pay cases of money for one kilo of beef."

He noted that at one time before the coup d'etat of 1963, the government of late President Diem had become "stubborn" and the Americans cut off aid to the point where Diem "could not even pay the armed forces for two or three months."

SEVENTY-ONE SENATORS SEND LETTER TO PRESIDENT NIXON ON THE MIDEAST

Mr. DOLE. Mr. President, recent acceptance of the Nixon administration's initiatives toward peace in the Mideast by Israel and the principal Arab States can be a major step toward reducing the risks of explained warfare and a superpower confrontation.

The President has taken significant steps to assure Israel that we will not sacrifice that country's security in our efforts to formulate a peaceful settlement. Those assurances played a major part in the Israel Government's acceptance of our proposals.

Prior to the breakthrough on this peace initiative, a letter signed by 71 Senators was sent to President Nixon on July 30. It expressed support for our Government's policy in the Mideast and, furthermore, urged continuation of efforts to insure the integrity of every country in the region.

The letter was felt to be an appropriate expression of senatorial concern and interest and a clear message to the world of the strong backing the administration's policy has within the legislative branch.

A just and secure Mideast peace is the goal we all share and one which recent events indicate may be attainable given the cooperation and dedication of all concerned parties.

Mr. President, the United States has done and will do its utmost to achieve a lasting peace, but continued vigilance is demanded until peace becomes a reality. I ask unanimous consent that the July

30 letter to the President and the list of Senators signing it be printed in the RECORD.

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

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: As you will recall, eight weeks ago, more than three-fourths of the Senate joined in a letter to Secretary Rogers to express our "sense of urgency respecting the deteriorating situation in the Middle East." We maintained that the United States, for the protection of its own interests, should provide Israel with the aircraft needed for its defense.

That letter has now been overtaken by events, especially by the increasingly overt intervention of the Soviet Union on behalf of the United Arab Republic—in an area you have so aptly described as "the hinge of NATO." These events place the situation in a more grave and even broader context than before. Now strategic interests of the United States and its allies are being challenged.

Under these circumstances, we believe that your television statements on July 1 were important expressions of United States policy intentions with respect to the Middle East—which we support. You took account of Israel's urgent need for aircraft and other assistance in stating that, "once the balance of power shifts where Israel is weaker than its neighbors, there will be war."

Because of the danger of confrontation between our country and the Soviet Union in the Mideast, to which you referred, peace efforts by the United States should be pursued with all possible vigor, so that the integrity of every country in the area within mutually recognized and secure borders may be realized.

Our attempts to find peaceful solutions, however, should not be misinterpreted by the Soviet Union. A superpower confrontation in the Middle East should be avoided and we believe the Soviet Union could be deterred from bringing about such a confrontation as the result of a clearly expressed policy on the part of the United States to protect and defend its interests in the Middle East and Southern Europe. You may be assured of our support to this end.

SENATORS SIGNING LETTER

James B. Allen of Alabama.
Gordon Allott of Colorado.
Howard H. Baker, Jr., of Tennessee.
Birch Bayh of Indiana.
Wallace F. Bennett of Utah.
J. Caleb Boggs of Delaware.
Edward W. Brooke of Massachusetts.
Quentin N. Burdick of North Dakota.
Harry F. Byrd, Jr., of Virginia.
Robert C. Byrd of West Virginia.
Howard W. Cannon of Nevada.
Clifford P. Case of New Jersey.
Marlow W. Cook of Kentucky.
Norris Cotton of New Hampshire.
Alan Cranston of California.
Thomas J. Dodd of Connecticut.
Robert Dole of Kansas.
Peter H. Dominick of Colorado.
Thomas F. Eagleton of Missouri.
Paul J. Fannin of Arizona.
Hiram L. Fong of Hawaii.
Charles E. Goodell of New York.
Albert Gore of Tennessee.
Mike Gravel of Alaska.
Edward J. Gurney of Florida.
Clifford P. Hansen of Wyoming.
Fred R. Harris of Oklahoma.
Philip A. Hart of Michigan.
Vance Hartke of Indiana.
Spessard L. Holland of Florida.
Roman L. Hruska of Nebraska.
Daniel K. Inouye of Hawaii.
Henry M. Jackson of Washington.
Jacob K. Javits of New York.
Edward M. Kennedy of Massachusetts.
Warren G. Magnuson of Washington.
Charles McC. Mathias, Jr., of Maryland.
Gale W. McGee of Wyoming.
George McGovern of South Dakota.
Thomas J. McIntyre of New Hampshire.
Lee Metcalf of Montana.
Walter F. Mondale of Minnesota.
Joseph M. Montoya of New Mexico.
Frank E. Moss of Utah.
George Murphy of California.
Edmund S. Muskie of Maine.
Gaylord Nelson of Wisconsin.
Robert W. Packwood of Oregon.
John O. Pastore of Rhode Island.
James B. Pearson of Kansas.
Claiborne Pell of Rhode Island.
Charles H. Percy of Illinois.
Winston L. Prouty of Vermont.
William Proxmire of Wisconsin.
Jennings Randolph of West Virginia.
Abraham Ribicoff of Connecticut.
Richard S. Schweiker of Pennsylvania.
Hugh Scott of Pennsylvania.
Ralph T. Smith of Illinois.
John Sparkman of Alabama.
William B. Spong, Jr., of Virginia.
John C. Stennis of Mississippi.
Ted Stevens of Alaska.
Stuart Symington of Missouri.
Herman E. Talmadge of Georgia.
Strom Thurmond of South Carolina.
John G. Tower of Texas.
Joseph D. Tydings of Maryland.
Harrison A. Williams, Jr., of New Jersey.
Ralph Yarborough of Texas.
Stephen M. Young of Ohio.

THE URBAN COALITION'S REPORT: "LAW AND DISORDER II"

Mr. HARTKE. Mr. President, the study by the Urban Coalition confirms my statements of months ago that the battle against crime in the streets is being lost because of a failure of leadership at every level of government.

Title I of the Omnibus Crime Control and Safe Streets Act of 1968 could be the greatest single device at the disposal of the Federal Government to check the crime which is engulfing our cities in fear. Under title I, $63 million was made available to the States in 1969 for the creation of State planning agencies and action programs to upgrade both State and local criminal justice agencies. The appropriations under the act were increased in 1970 to $286 million and much larger expenditures are slated for the next year.

Despite these large expenditures, the program has operated far below its potential. The Urban Coalition's report, "Law and Disorder II," documents the lack of leadership at both the Federal and State levels which now jeopardizes the war against crime. Contrasted to its fierce rhetoric, the executive administration of the major crime bill passed by Congress has been less than satisfactory. The Law Enforcement Assistance Administration has not actively sought to encourage excellence in programing at the local level, although even the Attorney General has acknowledged that the LEAA was "designed to provide leadership and technical assistance to help the States and cities." If the LEAA is to have an effective leadership role, the very least it can do would be to abandon the policy of granting 50 percent of the aid without requiring the States to show where the action money would be spent geographically and for what purposes.

Even more serious than these shortcomings at the Federal level is the neglect and apathy in some States—Indiana is a sorry example of what has gone wrong in administering title I of the Safe Streets Act. The Urban Coalition report flatly states:

> The State (Indiana) commitment has been minimal, and the State planning agency is said to be operating without strong support from the Governor.

In 1969, the Governor in what was billed as an economy drive, provided only two staff professionals to administer a Federal grant of over $716,000.

This is false economy. Today the agency remains understaffed though three more professionals who were able to meet the Governor's political tests were added.

Indiana has been slow in distributing its funds and in obtaining applications.

Indiana has not made an effort to coordinate the State agency's efforts at planning with the many private and public agencies involved in the area of crime prevention. Obviously, business, labor, and social service agencies can play an important part in the rehabilitation process and crime prevention, but the resources are not being used in the statewide crime fighting effort.

The Indiana Criminal Justice Planning Commission is composed of eight members representing the present system of criminal justice and four members representing State and local government. One lonely member represents citizens and community interests. In addition to the commission, there is a 13-member advisory committee. Gary, one of the highest crime areas in the State is not represented on either body. Nor is there a representation of inner-city residents, even though the effects of crime are most severe in the inner city.

Besides administrative ineptness there has been a geographic dissipation of funds. The urban coalition cites the highly political focus in the distribution of action funds, as one explanation for this inbalance. Funds have been squandered on piecemeal projects, instead of coming to grips with the crime problem by creating a few well funded innovative programs. The funds have been used as political rewards. In the attempt to do something for everybody, many grants were so small as to have insignificant effect on crime. I believe that the war against crime should be above such political considerations.

Funds allocated under title I have often been misspent in low crime areas. To correct the inadequacies of title I, I have introduced amendments to the Omnibus Crime Control and Safe Streets Act of 1968.

My legislation would change section 306 of title I so that no more than 50 percent of the funds appropriated by Congress, rather than the 85 percent now provided, would go to the States as block grants. Attached to this amendment is the proviso that a State's block grant allocation will be increased by 20 percent from funds allocated at the discretion of LEAA, where it finds that the comprehensive State plan, required under the act, adequately deal with the special needs and particular problems of its

major urban areas, and other areas of high crime incidence within the State.

This legislation further provides that a State's block grant will be increased by an additional 20 percent from LEAA discretionary funds where the State contributes at least 50 percent of the non-Federal share of the cost for programs of local government.

Thus, if LEAA finds that a State has adequately dealt with the pressing problems of its urban areas and if that State is also willing to accept at least half of the matching cost burden now placed on units of local government, the State's block grant award will actually be larger than under the current formula. That is, a State which complies with the two provisos in this legislation will receive a 90-percent block grant allocation rather than the 85 percent currently provided.

Let me emphasize that it is not the purpose of the first proviso to weaken the effective control that the States now exert over title I funds. Rather it is an effort to increase the sensitivity of State governments to the needs of their major urban areas. As things stand now, all too many State planning agencies have failed to take sufficient account of the aggravated crime problems of their urban areas where high population density and low median income combine to breed massive lawlessness.

Similarly the second proviso is not meant to strengthen the position of the urban areas at the expense of the States, but is an attempt to better recognize fiscal realities. At a time when our cities, and other units of local government, find it increasingly difficult to generate revenue to adequately perform even the most basic services, the matching requirements of title I place an unfair burden on our already overextended cities. Even now many cities are finding it difficult to furnish matching funds under a program which is still relatively modest in scope. What then will be their position when title I grows into a billion-dollar program. I strongly believe that if the block grant approach to Federal assistance is to work, there must exist a partnership between not only the Federal Government and the States, but also between the States and the units of local government. It is my belief that this partnership can best be established by requiring a more equitable sharing of costs.

Certain objections have been raised to my legislation. Chief among these is the contention that it is too soon to tell if grant money is being misallocated by the States. I believe the study of the urban coalition, a nonpartisan independent organization, adequately demonstrates that the grant money is being misallocated.

That this was its finding should not be surprising in light of what I view as the inherent pressures on the block grant approach to Federal assistance. Unless sufficient safeguards are built into a block-grant program, it is completely predictable that States will be compelled to utilize a "buckshot" method of grant distribution. Why? Because politics dictate that no important part of a statewide constituency be ignored during the distribution process. This is so even though any objective listing of priorities would not include small, rural jurisdictions where crime does not constitute a clear and present danger.

It is my view that my legislation would serve to encourage the States to put objective crime-fighting considerations above considerations of political expediency. As it is now, objective crime-fighting considerations are not being allowed to take precedence over political ones.

Another charge which has been raised against my legislation is that the States would prefer to compete with the units of local government for discretionary funding rather than comply with either of the two provisos mentioned above. According to this argument, the States, if my legislation became law, would not choose to deal adequately with the special crime problems of its major urban areas and would not opt to contribute at least 50 percent of the non-Federal share of the cost for programs of local government, But rather would enter into active competion with the cities for discretionary grant money. In this regard Mr. Richard Velde, Associate Administrator of LEAA had the following to say during the House hearings on my bill:

> On the basis of our experience, we would feel that these state agencies would be very vigorous and effective competitors. They are staffed, they have the expertise, they have gone through these comprehensive planning exercises, so they would be very capable competitors. The net effect of the Hartke amendment may well be the additional funds would not go to the cities. We would have to consider these applications on their merits and on the ability to provide a sound, well thought out proposal for funding. We just can't give money to a city because it is a city. (See page 669 of House Hearings).

After giving careful attention to this objection I find that I cannot accept it. It is my considered opinion that the States generally would prefer to comply with the two provisos in question and thereby receive a 90-percent block grant award—as compared with the 85-percent award now provided under the statute—than attempt to compete for the additional discretionary funds. Mr. Velde's contention that the State planning agencies have staffs, expertise and planning experience superior to that of the urban areas is at best problematical. The studies done by the National League of Cities and the Advisory Commission on Intergovernmental Relations have concluded that SPA's are generally understaffed and suffer from an obvious lack of expertise.

For a State to consciously not comply with my two provisos would constitute a calculated risk which I believe few States would care to take.

Yet another objection to the Hartke legislation is that it would concentrate the crime-fighting effort in the area of law enforcement to the exclusion of programs in the area of courts and corrections. This objection I must also take exception to. I believe it critically important that appropriate emphasis be given to each of the three components in the criminal justice system. Clearly, any fight against crime must aim at strengthening our courts and correctional systems as well as the first line of defense against street crime, the police.

The imbalance in favor of the police and against courts and corrections should be eliminated and I trust it will be. It can be righted, however, without compromising the law-enforcement efforts of our urban areas if the SPA's are willing to abandon the "Buckshot" method of funding distribution. But absent intelligent modification of title I, I am not confident this will occur. In short, it is not the purpose of the Hartke legislation to shortchange the effort in courts or corrections, nor would this be its effect. What it does attempt to do is put funds for law-enforcement purposes where the need is and that is in the urban areas of this country.

I would suggest that the fear of crime—lawlessness' worst legacy—will not be diminished until real progress is made to check crime in our cities. It should be emphasized that, although nonurban crime is on the rise, and cannot be ignored, it still represents only one-twelfth of the overall incidence of crime in this country.

If the war against crime is to be won, it must be won in our cities for it is our cities that the fear of crime is born, grows, and spreads itself into the countryside. If real substantial progress is made in our cities, I am confident that all areas of the country, both urban and nonurban, will profit.

"SANCTUARIES"—A COUPLET BY ROBERT L. SPEER, FORT SMITH, ARK.

Mr. FULBRIGHT. Mr. President, Mr. Robert L. Speer, of Fort Smith, Ark., has written a remarkable couplet on the tragic conflict in Indochina.

In a few succinct phrases, Mr. Speer describes the profound human degradation resulting from the war. I commend it to the Senate and ask unanimous consent that it be printed in the RECORD.

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

SANCTUARIES

(By Robert L. Speer)

Endlessly rocking, the mindless ones
Endlessly staring, the sightless ones
Endlessly feeling, the faceless ones
Endlessly dying, the limbless ones
Refuse of endless wars
ordered by soulless men,
who have—
minds
eyes
faces
limbs
and the sanctuaries
of high office.

ECONOMIC OPPORTUNITY DIRECTOR DONALD RUMSFELD

Mr. DOMINICK. Mr. President, an article published recently in the Chicago Tribune discusses Office of Economic Opportunity Director Donald Rumsfeld and his decision to give up his congressional seat to take that position.

Mr. Rumsfeld recently appeared before the Senate Appropriations Subcommit-

tee on the Departments of Labor, and Health, Education, and Welfare and related agencies, and the Tribune took that occasion to comment on Mr. Rumsfeld's 14-month tenure in the executive branch and his attempts to reform the Office of Economic Opportunity.

In view of the fact that we will soon be considering the OEO appropriation bill, I ask unanimous consent that the article be printed in the RECORD.

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

CAPITOL VIEWS: DON RUMSFELD HAS NO REGRETS

(By Willard Edwards)

WASHINGTON, July 21.—After 14 months of hacking his way thru the federal jungle, Don Rumsfeld is not visibly scarred, altho he has suffered some wounds in the bureaucratic warfare that never flags in the executive branch of the government.

He has no regrets about cutting short a promising congressional career in May, 1969, to occupy, at President Nixon's request, one of the most politically hazardous posts in the administration.

He has gained, he says, a new perspective about the Civil Service System which he lacked when he was a member of Congress from the 13th [North Shore] District of Illinois. He sees clearly the need for changes designed to make nonelected federal employes more responsive to the people.

The 38-year-old director of the Office of Economic Opportunity [OEO] also serves as a Presidential adviser with Cabinet rank. The latter role is increasing in stature.

In his first appearance before a congressional committee a year ago, he was appalled by what he had found in his first days in office. There was literally no knowledge, he reported, on whether the spending of $9 billion in four years by the antipoverty agency had helped the poor.

It had, by wide agreement, proved a bonanza for payrollers who collected handsome salaries for supervising a wide variety of programs aimed at improving the health, economy and living conditions of the poor.

Now Rumsfeld was back, this time before a Senate appropriations subcommittee headed by Sen. Warren G. Magnuson [D., Wash.], to report on his experiences. Rumsfeld was the first high administration official to feel the heat generated by President Nixon's sharp attack last weekend on excessive spending by Congress. Magnuson was obviously resentful of the charge that the legislative branch was driving the nation into deficits which would fan the fires of inflation.

For those who delight in political inconsistencies, the questioning of Rumsfeld furnished entertainment. Magnuson and Sen. Clifford P. Case [R., N.J.], both responsible leaders in the last decade in creation of an impenetrable bureaucratic maze, belabored the antipoverty director for "duplications" in spending programs.

When Magnuson proposed elimination of duplicating manpower training programs in OEO and the Labor Department, thereby saving $2 million, Rumsfeld quietly noted that Nixon had proposed such a reform to Congress more than a year ago. It has been ignored.

"Our big problem," Rumsfeld told the subcommittee, "was to stop measuring results by the number of dollars put into the pipe line. We are now looking at what comes out at the other end of the line.

"We are consolidating programs so that more dollars reach the poor. We have shifted to competitive bidding on contracts, virtually eliminated cost overruns, and closed 45 community action agencies because they didn't serve the poor."

The magnitude of the task still facing him was apparent. An eight-month delay by Congress in giving him operating funds complicated his reforms last year. There'll be another delay before he gets his appropriation for this fiscal year.

Would he advise others to do as he did—forsake the sure rewards of congressional service in a safe seat to cope with a bureaucracy which has frustrated many idealists?

"It depends upon what you want out of life," he said. "For me, it's been such a stimulating and educational experience that I wouldn't trade it for anything you could offer."

CON SON PRISON

Mr. PEARSON. Mr. President, all reasonable men agree that although we have great influence with the South Vietnamese Government we cannot properly be held responsible for everything that that Government does. However, it would seem to me that too often American officials feel compelled to defend the practices of the South Vietnamese Government, even when a particular practice may be antidemocratic, in conflict with our overall policy, or otherwise generally objectionable. There are at least two likely adverse consequences to this type of behavior.

First, official attempts to obscure or defend an objectionable practice of the South Vietnamese Government almost always generates more heated reaction in American and world press and political circles once that practice is revealed than would otherwise be the case. Thus the embarrassment to the United States is unnecessarily magnified and our credibility further eroded.

Second, American officials may get caught up so with this defensive posture that they expend more energy in shielding a particular practice than in trying to induce the South Vietnamese to modify it. Thus, failing to make a public record of encouraging reform, they find themselves in a situation where they come to believe that it is in their self-interest to shield the objectionable practice from the public scrutiny.

The recent events related to the visit to Con Son prison by American Congressmen is a case in point. American officials have been unnecessarily defensive, even deceptive, in their remarks about the conditions at the Con Son prison. For example, the AID mission's briefing paper on Con Son prepared for the visiting Congressmen is not only inadequate, but, indeed, deliberately misleading. Moreover, it is now quite clear that American officials have known of poor conditions at Con Son for some time.

More significantly, Col. Nguyen Van Ve, Commandant at Con Son prison, according to the Saigon Daily News of January 24, 1969, told a group of the South Vietnamese lower house representatives that an average of five Con Son inmates died every month for lack of proper nutrition and medical care. According to the Saigon Daily News, Colonel Ve went on to say:

> The prisoners have been fed with nearly rotten dried fish and powdered salted shrimps mixed with broken gravel and sand supplied by contractors of Saigon.

Further evidence confirming the lack of proper medical facilities and inadequate food services at Con Son and the awareness of these conditions by responsible South Vietnamese and American officials has been provided me by Dr. W. G. Parker of Garden City, Kans. Dr. Parker was in Vietnam from September 1968, to August 1969, serving in an ex officio capacity as Deputy Assistant Director of Public Health for CORDS, region III.

Dr. Parker reports that he and other AID officials were invited to inspect Con Son prison by South Vietnam prison officials who asked for American assistance in the way of medicines, food, clothing, and other supplies for the prison population. Dr. Parker reports that the medical facilities and services at the time of his visits in October 1968 were totally inadequate. At the time of his first visit there was only one doctor to serve the entire island population, both staff and prisoners. By the time of his second visit 2 weeks later the doctor had been transferred. He reports that there had been no immunization program in recent years. Due to the inadequate diet beriberi was quite common.

Dr. Parker reports that both regional AID officials and regional South Vietnamese officials agreed to a program of American aid to Con Son. However, before such a program could be instituted they were instructed by AID Public Health officials in Saigon to discontinue any further such efforts to provide aid to Con Son.

These reports by Dr. Parker confirm that medical services and food and clothing supplies at Con Son were wholly inadequate at the time of his visits in October 1968. But it is also worth noting that Dr. Parker is of the belief that at that time prisoners were not being deliberately abused by the prison authorities and that, given the meager supplies and facilities made available by the Saigon government, the prison was probably being run as efficiently as possible.

However, there is no questioning the fact that conditions at Con Son were harsh. And most certainly it never was the model prison described in the July 2, 1970, fact sheet by Frank E. Walton, AID's Public Safety Director in Vietnam.

In the absence of a full-scale public investigation, it is not possible to know precisely the conditions at Con Son but we do know that the information provided by Mr. Walton to the visiting congressional delegation was inadequate and misleading. Statements like this confuse the entire issue. Thus, once again our credibility has been questioned. And our intentions in South Vietnam have been tainted.

Thus, Mr. President, it would seem to me that this episode serves to again illustrate the need for greater honesty by responsible American officials in reporting on conditions in South Vietnam and our involvement in those conditions. Had such a policy been pursued in regard to Con Son prison, it is quite likely that reforms now being carried out there would have been initiated much sooner. The United States would have been credited with supporting a worthwhile reform rather than being discredited for trying to hide an objectionable practice.

THE HISTORY OF POLICYMAKING IN THE VIETNAM WAR

Mr. FULBRIGHT. Mr. President, last November I received information that the Department of Defense had prepared a 17-volume history of the decisionmaking process on Vietnam policy, covering the period from 1940 through a part of 1968.

In view of the long efforts of the Committee on Foreign Relations to establish the facts concerning our Nation's involvement in Vietnam, I thought that this series would be of much value in the committee's work, particularly in learning to avoid repeating the errors of the past. I wrote to Secretary Laird on November 11, 1969, and asked that he supply the committee with a copy of the history. On December 20th, the Secretary replied and refused to make the study available, stating that:

It would clearly be contrary to the national interest to disseminate it more widely.

I then asked the Secretary to reconsider his decision. My letter of January 19, 1970, said:

The issue involved here is not merely that of allowing Committee members access to the documents but is far more fundamental, going to the heart of the continuing problem of striking the proper Constitutional balance between the Legislative and Executive branches, particularly on foreign policy matters. If the Senate is to carry out effectively its Constitutional responsibilities in the making of foreign policy, the Committee on Foreign Relations must be allowed greater access to background information which is available only within the Executive Branch than has been the case over the last few years.

The history of the decisionmaking on Vietnam policy would be of great value to the Committee in appraising the policy-making machinery of our government and in studying ways to insure that the mistakes of the past are not repeated. Since this study was not initiated by President Nixon but by former Secretary McNamara and the doctrine of Executive Privilege has not been invoked, I again urge that you provide the Committee with these materials.

The letter was acknowledged on February 18. After several weeks and no reply, I wrote to the Secretary on April 20 and reminded him of the matter. No answer. Finally, on July 10 I wrote to the Secretary again and this, at last, resulted in a substantive reply—"No." I asked unanimous consent to have this exchange of correspondence printed in the RECORD following my remarks.

Mr. President, I regret that the Defense Department has refused to share this historical data with the Committee on Foreign Relations. Both the executive and the legislative branches have much to learn from the history of the U.S. involvement in this disastrous war. But instead of an openminded cooperative approach which would help both branches profit from the mistakes of the past, the executive branch—in what has become a reflex action—has again slammed the door on the Congress. But, as the old saw goes: "Nothing is secret for long in Washington."

I hope that the first enterprising reporter who obtains a copy of this history will share it with the committee.

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

NOVEMBER 11, 1969.

Hon. MELVIN R. LAIRD,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: It is my understanding that the Department of Defense prepared a seventeen-volume history of the decision-making process on Vietnam policy covering the period from 1940 to April 1968. The project, I was informed, began under Secretary McNamara and was completed under Secretary Clifford and was confined to a study of written data. It appears that this study would be of significant value to the Committee in its review of Vietnam policy issues, and I would appreciate your making it, as well as any later studies of a similar nature, available to the Committee.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., November 14, 1969.

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

DEAR MR. CHAIRMAN: Secretary Laird has asked that I acknowledge receipt of your letter of November 11 regarding a study of the decision-making process on Vietnam policy.

We are looking into this matter and will be in further touch with you as soon as possible.

Sincerely,

JACK L. STEMPLER,
Assistant to the Secretary,
(Legislative Affairs).

THE SECRETARY OF DEFENSE,
Washington, D.C., Dec. 20, 1969.

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

DEAR MR. CHAIRMAN: This will acknowledge receipt of your letter with respect to the "history of the decision-making process" in connection with Vietnam.

In 1967, Secretary McNamara initiated a detailed history of the evolution of the present-day situation in Vietnam. It was conceived as a compilation of raw materials to be used at some unspecified, but distant, future date. On the basis of the understanding that access and use would be restricted, the documents were designed to contain an accumulation of data of the most delicate sensitivity, including NSC papers and other Presidential communications which have always been considered privileged. In addition, the papers included a variety of internal advice and comments central to the decision-making process. Many of the contributions to this total document were provided on the basis of an expressed guarantee of confidentiality.

As intended from the start, access to and use of this document has been extremely limited. It would clearly be contrary to the national interest to disseminate it more widely. However, the Department of Defense is naturally prepared to provide the Committee information with respect to Executive Branch activities in Vietnam for any portion of the period covered by this compendium.

I hope you will appreciate the reasons why we are unable to comply literally with your request.

Sincerely,

———.

JANUARY 19, 1970.

Hon. MELVIN R. LAIRD,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I wish to acknowledge your letter of December 20 refusing the Committee's request for a copy of the history of the decision-making process on Vietnam policy.

I regret that the Department has taken this position and I urge that it be reconsidered. I had hoped that the solution to the problem about access to the Thai contingency plan marked the beginning of a more cooperative attitude within the Executive Branch on problems of this nature.

The issue involved here is not merely that of allowing Committee members access to the documents but is far more fundamental, going to the heart of the continuing problem of striking the proper Constitutional balance between the Legislative and Executive branches, particularly on foreign policy matters. If the Senate is to carry out effectively its Constitutional responsibilities in the making of foreign policy, the Committee on Foreign Relations must be allowed greater access to background information which is available only within the Executive Branch than has been the case over the last few years.

The history of the decision making on Vietnam policy would be of great value to the Committee in appraising the policy-making machinery of our government and in studying ways to insure that the mistakes of the past are not repeated. Since this study was not initiated by President Nixon but by former Secretary McNamara and the doctrine of Executive Privilege has not been invoked, I again urge that you provide the Committee with these materials.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

THE SECRETARY OF DEFENSE,
Washington, D.C., February 18, 1970.

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

DEAR MR. CHAIRMAN: I have received your letter of January 19, 1970 asking that I reconsider the position taken in my letter of December 20, 1969 regarding the request of your Committee for a copy of the history of the decision-making process on Vietnam policy.

I will be back in touch with you on this matter as soon as practicable.

Sincerely,

MEL.

APRIL 20, 1970.

Hon. MELVIN R. LAIRD,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: On January 19, I asked that you reconsider the Committee's request for a copy of the Department of Defense prepared history of the decision-making process on United States policy toward Vietnam. Thus far, I have not received a reply and I hope that it will be possible for a decision to be reached on this soon.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

JULY 10, 1970.

Hon. MELVIN LAIRD,
Secretary of Defense,
Washintgon, D.C.

DEAR MR. SECRETARY: I have not received a reply to the Committee's request of January 19 that you review the decision to deny the Committee a copy of the Department of Defense prepared history on United States policy toward Vietnam, or to the follow-up letter of April 20. It seems to me that the Department has had ample time to consider this matter and I would appreciate your advising the Committee as to whether these materials will be made available.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

THE SECRETARY OF DEFENSE,
Washington, D.C., July 21, 1970.

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

DEAR MR. CHAIRMAN: I have received your letter of July 10, 1970, reiterating your request for a decision regarding the request of your committee for a copy of the history of the decision-making process on Vietnam policy. As noted in my 18 February acknowledgment, your request for reconsideration of the Department's earlier position on this matter has also been received.

My letter of December 20, 1969, indicated that access to and use of this document, as intended from the start, has been and remains extremely limited. For the reasons expressed in that letter, I have again concluded that it would be clearly contrary to the national interest to disseminate the compendium more widely.

May I again express the hope that you will appreciate the reasons why we are unable to comply with your request and reiterate that the Department of Defense is prepared to provide the committee information with request to Executive Branch activities in Vietnam for any portion of the period covered by this compendium.

Sincerely,

MELVIN M. LAIRD.

ANOTHER EXAMPLE OF IMPLEMENTING LEGISLATION FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the time is drawing ever nearer for a decision on the Genocide Convention. Yet, in conjunction with this action, another task remains ahead that will be just as important as the ratification of the treaty itself; this is the need to develop and investigate adequate and comprehensive implementing legislation that will make this treaty, so desperately needed to fill a large gap in our commitment to human rights, work for all of us and protect us at the same time. The implementing legislation must have the capacity to guard over our constitutional rights while stating, in no uncertain terms, this Nation's commitment to a basic tenet of human rights for all the world's people. This is a difficult task, Mr. President, insofar as the subject is a delicate one and the overtones of the term "genocide" are not often clear.

Recently I was fortunate to obtain from the British Embassy a copy of the implementing legislation as passed into law by Parliament as support and protection for the Genocide Convention. This piece of legislation should not necessarily be construed to be an example for us to follow, but rather another example of what is conceivable in scope and comprehensiveness.

I ask unanimous consent that this act of Parliament be printed in the RECORD.

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

GENOCIDE ACT 1969

(An Act to give effect to the Convention on the Prevention and Punishment of the Crime of Genocide. [27th March 1969])

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) A person commits an offence of genocide if he commits any act falling within the definition of "genocide" in Article II of the Genocide Convention as set out in the Schedule to this Act.

(2) A person guilty of an offence of genocide shall on conviction on indictment—

(*a*) If the offence consists of the killing of any person, be sentenced to imprisonment for life;

(*b*) in any other case, be liable to imprisonment for a term not exceeding fourteen years.

(3) Proceedings for an offence of genocide shall not be instituted in England or Wales except by or with the consent of the Attorney General and shall not be instituted in Northern Ireland except by or with the consent of the Attorney General for Northern Ireland.

(4) In Schedule 1 to the Criminal Law Act of 1967 the following paragraph shall be added at the end of List B (offences outside the jurisdiction of quarter sessions):—

"20. Offences of genocide and any attempt, conspiracy or incitement to commit such an offense."

(5) At the end of section 40(1) of the County Courts Act (Northern Ireland) 1959 as amended by section 8 of the Criminal Law Act (Northern Ireland) 1967 (original criminal jurisdiction of county courts in Northern Ireland) the following paragraph shall be added:—

"(*h*) any offence of genocide and any attempt, conspiracy or incitement to commit such an offence".

(6) Section 70 of the Army Act 1955 and section 70 of the Air Force Act 1955 (civil offenses) shall each be amended by inserting:—

(*a*) in subsection (3), the following paragraph (before paragraph (*b*)):—

"(*ab*) if the corresponding civil offence is an offence of genocide consisting of the killing of any person, be liable to imprisonment for life;"

(*b*) in subsection (4), after the words "or rape" the words "or an offence of genocide"; and

(*c*) in subsection (5), after the words "or manslaughter" the words "or an offence of genocide consisting of the killing of any person".

(7) In the Naval Discipline Act 1957:—

(*a*) in section 42(1)(*b*) (punishment of murder) after the words "offence of murder" there shall be inserted the words "or of genocide consisting of the killing of any person"; and

(*b*) in section 48(2) (exclusion of jurisdiction of courts-martial) after the words "or rape" there shall be inserted the words "or genocide" and after the words "or manslaughter" there shall be inserted the words "or an offence of genocide consisting of the killing of any person".

2.—(1) There shall be deemed to be included—

(*a*) in the list of extradition crimes contained in Schedule 1 of the Extradition Act 1870; and

(*b*) among the descriptions of offences set out in Schedule 1 to the Fugitive Offenders Act 1967,

any offence of genocide and (so far as not so included by virtue of the foregoing) any attempt or conspiracy to commit such an offence and any direct and public incitement to commit such an offence.

(2) For the purposes of the Acts mentioned in subsection (1) of this section, the Extradition Act 1873 and the Backing of Warrants (Republic of Ireland) Act 1965, no offence which, if committed in the United Kingdom, would be punishable as an offence of genocide or as an attempt, conspiracy or incitement to commit such an offence shall be regarded as an offence of a political character, and no proceedings in respect of such an offence shall be regarded as a criminal matter of a political character.

(3) It shall not be an objection to any proceedings taken against a person by virtue of the preceding provisions of this section that under the law in force at the time when and in the place where he is alleged to have committed the act of which he is accused or of which he was convicted he could not have been punished therefor.

3.—(1) Sections 17 and 22 of the Extradition Act 1870 (which Application also apply to the Extradition Act 1873), section 12 of the Backing of Warrants (Republic of Ireland) Act 1965 and sections 16 and 17 of the Fugitive Offenders Act 1967 (application to Channel Islands, Isle of Man and United Kingdom dependencies) shall extend respectively to the provisions of this Act amending those Acts.

(2) Her Majesty may by Order in Council make provision for extending the other provisions of this Act, with such exceptions, adaptations or modifications as may be specified in the Order, to any of the Channel Islands, the Isle of Man or any colony, other than the United Kingdom is responsible.

(3) An Order in Council under this section may be varied or revoked by a subsequent Order in Council.

4.—(1) This Act may be cited as the Genocide Act 1969.

(2) In this Act "the Genocide Convention" means the Convention on the Prevention and Punishment of the Crime of Genocide approved by the General Assembly of the United Nations on 9th December 1948.

SCHEDULE

Article II of genocide convention

In the present Convention, genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such:

(*a*) Killing members of the group;

(*b*) Causing serious bodily or mental harm to members of the group;

(*c*) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;

(*d*) Imposing measures intended to prevent births within the group;

(*e*) Forcibly transferring children of the group to another group.

RETIREMENT OF HORACE L. FLURRY, MONTGOMERY, ALA.

Mr. ALLEN. Mr. President, I wish to pay tribute to a fellow Alabamian, who has just retired from employment of the U.S. Senate, after a long and very distinguished career as a public servant to his State and his country.

Horace L. Flurry, of Montgomery, Ala., general counsel of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, retired last month after 29 years with the Federal Government, and 8 years as chief of the Alabama Division of Weights and Measures and 4 years as special assistant attorney general of Alabama and legal adviser to the commissioner and State board of agriculture and industries.

Mr. Flurry was born and reared in Camp Hill, Ala., and educated in the public schools of Tallapoosa County, Ala. He received his bachelor of arts degree and his LL.B. degree from the University of Alabama. After being discharged from the military, he entered in private business as vice president and executive officer of a retail hardware and farm supply corporation.

In January 1924, Mr. Flurry was appointed chief of the division of weights and measures of the Alabama Department of Agriculture and Industries, where he served for almost 8 years. He organized the first complete inspection and supervision of weights and measures, and weighing and measuring devices used in trade which were created in the Southern States. This service saved farmers and consumers millions of dollars per year in eliminating short weights and measures of commodities and inaccurate devices, and protected honest merchants against losses from defective weighing and measuring devices.

Mr. Flurry coauthored the Alabama Code of Agricultural and Industrial Laws which was enacted in the 1927 session of the State legislature. He authored all of the revisions and additions to that code which were passed by the legislature prior to 1940.

In 1932, Mr. Flurry became active in the private practice of law and practiced in all of the Montgomery city and county courts, all State courts, and the U.S. district and bankruptcy courts. He is a member of the Alabama and Montgomery County Bars, the bars of the Alabama Supreme Court and the U.S. Supreme Court. He has been admitted specially in more than 30 U.S. district courts and four U.S. courts of appeals.

While engaged in private law practice, Mr. Flurry was a special assistant attorney general of Alabama and was legal adviser to the commissioner and State board of agriculture and industries; a loan attorney for the Federal Home Owners Loan Corporation, passing upon and closing several hundred home loans; organized and set in operation a division of public warehouse supervision under the State code of laws on agriculture and industry; and, in 1939, was appointed as adviser to the Disaster Loan Corporation of the Reconstruction Finance Corporation on State law involved in more than 9,000 disaster loans to farmers to enable them to remain in farming and to escape bankruptcy due to several successive crop failures.

Following his work with the Reconstruction Finance Corporation, he became interested in full-time Federal legal work and was employed in 1941 by the Department of Justice and assigned as a trial attorney in the Antitrust Division. He served as a senior trial attorney and as Special Assistant to the Attorney General for 16 years. He was in charge of the national investigation of fresh fruit marketing which resulted in successful civil and criminal antitrust cases against numerous defendants under the direction of Mr. Justice Tom Clark who was then Chief of the West Coast Antitrust Field Office in San Francisco, Calif. After that, he was appointed Assistant Chief of the Antitrust Field Office in New York City for the nationwide investigation of the five largest national food chains. He soon was made chief of those investigations.

In 1942, he was appointed Chief of the Joint Field Office for the Southwest United States of the Antitrust Division and the Criminal Division of the Department of Justice with headquarters in Dallas, Tex. In that office he was in charge of the enforcement of the antitrust laws—continuing his investigation of the food chains—the War Production Board orders, laws against war frauds, and War Food Administration orders.

The food chain investigations resulted in indictments of the three largest national chains, their subsidiaries and many officers. He was chief of the grand jury investigations and the trials. The case against the largest chain consumed 90 actual court days of evidence in the U.S. District Court for the Southern District of Illinois. There were over 35,000 pages of the transcript of evidence and additional large volumes of accounting records which were in evidence but omitted from the transcript by stipulation approved by the court. This was probably one of the largest records in the history of antitrust cases. The defendants were convicted under both sections 1 and 2 of the Sherman Act. The Associated Press reported in the Washington Star on the date of the conviction of the defendants on September 21, 1946, that the judgment of the court "climaxed one of the longest and most complicated Federal court trials on record." The U.S. Court of Appeals for the Seventh Circuit affirmed the convictions in the District Court for the Southern District of Illinois. The defendants did not appeal to the Supreme Court. The second and third largest food chains filed pleas in their cases cases after the decision in the seventh circuit court.

In 1948, Mr. Flurry organized and was chief of a new field office of the Antitrust Division, the Southwest Field Office, located in Kansas City, Mo., which embraced from the Dakotas to the Gulf of Mexico and from the Mississippi River to the Rocky Mountains. In 1952 he was transferred to the Washington office where he made complete reviews of the Division's past work in the liquor and oil industries and recommended future actions in those industries.

During his 16 years with the Antitrust Division and Criminal Division of the Department of Justice, Mr. Flurry was in charge of numerous grand jury investigations and criminal and civil cases in many industries in many U.S. district courts and several courts of appeals. He served under six Attorney Generals and eight Assistant Attorney Generals. His record and his work in the Department is its own witness to his fairness, ability, and accomplishments. In the 16 years Horace Flurry never lost a case entrusted to his direction. Mr. President, this is a trial-practice record no trial lawyer can excel and, I am sure, few have equaled.

Horace Flurry's standing in the courts is indicated by the welcome of Mr. Judge Albert L. Reeves, U.S. District Court for the Western District of Missouri, upon his first appearance before Judge Reeves. The judge said he had not met Mr. Flurry, but he knew Mr. Flurry's reputation. He added:

> It is a pleasure and an honor to have a lawyer of your reputation appear in this Court.

In 1957, Mr. Flurry resigned from the Department of Justice and in September joined the staff of the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary under the chairmanship of the Honorable Estes Kefauver.

In the subcommittee he has served as assistant staff director and chief counsel, staff director and chief counsel, and general counsel. He has actively participated in many of the most important antitrust investigations and hearings of the subcommittee. Examples are pricing methods and practices in the automobile, steel, baking, milk, drug and electrical equipment industries. He has done much in the development of the antitrust legal implications of the facts in those and other industries.

Perhaps the most important ingredient, other than hard work of Mr. Flurry's successful career has been his belief, as practiced by him, that a person or an industry should not be tarnished with the stain of possible antitrust violations by a grand jury or a congressional committee investigation, unless there are convincing facts showing that a substantial antitrust violation or problem exists. As a prosecutor he holds the protection of the innocent just as important as conviction of the guilty.

He has drawn most of the important bills which have been offered by the chairman of the Antitrust Subcommittee. Included have been the revision of the Food and Drug Act, passed in 1962, the antitrust civil demands bill for obtaining evidence in civil antitrust cases passed in 1962, the consumer department bills, and many others.

Mr. President, Horace Flurry has served his country ably and well. He enters a well-deserved retirement with the best wishes of his many friends and with our sincere hope that he will enjoy many years of good health and happiness.

GROWING POLARIZATION BETWEEN YOUNG PEOPLE AND THEIR ELDERS

Mr. FULBRIGHT. Mr. President, Mr. Louis B. Lundborg, chairman of the board of the Bank of America, spoke recently before the Seattle Rotary Club on the growing polarization between young people and their elders. In speaking of the root cause of the problem, Mr. Lundborg put great emphasis on the impact of the war on young people. He said:

> Having once been aroused by the war, having felt trapped into it by their elders, and impotent and frustrated in all their attempts to make themselves heard, these young people have begun to question everything their elders were doing, and to question everything about the society their elders have created.

Mr. Lundborg saw "cooling it" and "communication" as the keys to mutual understanding between the generations. He said:

> There is a need in this period of tension to use a soft voice—a collective soft voice. We were promised that from certain high places and we were promised a national effort to bring us closer together again. Instead, we have been hearing too many angry words, too much namecalling that can only be inflammatory. There are times when anger

is productive; but just as you don't throw gasoline on a fire, we should not be inflaming our national tensions with verbal gasoline.

His speech is one of the most thoughtful and incisive commentaries on the problems that deeply trouble so many of our young people that I have read. I commend it to the Senate and ask unanimous consent that it be printed in the RECORD.

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

THE LESSONS OF ISLA VISTA

(An address by Louis B. Lundborg)

On February 25, 1970, a rampaging mob of demonstrators—some students, some nonstudents—set fire to the Bank of America branch at Isla Vista, California, and totally destroyed it. The demonstration originally was not aimed at the bank at all, but was an angry attack on "the capitalist establishment". Since the bank was the most conspicuous example of the "establishment"—almost the only one in this small college community—it became a convenient target; and it has remained a symbolic one ever since. The bank reopened in temporary quarters two weeks later, and in spite of recurring attacks of violence, has continued to operate in more or less normal fashion ever since.

The remainder of this story is not about Bank of America; because just as we were only one victim of the violence of Isla Vista, so are we only one element in any disturbances that have followed, or in any of the issues that may be involved from here on.

More important is the question: have we learned anything from our experience at Isla Vista? Can we see through and behind the burning of a bank there and behind all the continuing disturbances that keep flaring up there and elsewhere, to find any lesson in it, any consistent thread of principle to guide us?

Despite the complexities of the issues involved, I think we can.

What are the lessons of Isla Vista, viewed in retrospect after three months?

They are several, they are subtle, they are complex. If they are viewed literally as lessons, they are like many other lessons of life—easier to say in words than to follow in practice. But also like many other lessons of life, they are ignored at our peril. What are they?

1. While destruction may have been committed by a violent few, and may have been led by even fewer, the underlying feelings that gave rise to the violence are much more pervasive.

2. Although unrest over Vietnam is the most obvious cause of the activism, there are many other issues that will not go away even after Vietnam. We are facing a real, honest-to-God disenchantment—not just a passing, momentary flare-up, that will go away if we can just keep it cool for a while.

3. We still have to cool it—and that won't be easy.

4. The violence must be rejected but the dissent and protest must not be.

5. There is a new value system emerging in America, starting with the youth but becoming one of the new facts of life for the rest of us to deal with.

6. Our dealing with it will jar us out of most of the comfortable assumptions that we have grown up with all of our lives.

Let's look at these one at a time, and then see what they add up to for each of us.

Perhaps one of the greatest errors many of us have been guilty of has been the tendency to assume that all the airing of grievances, all the resultant disturbances, can be laid at the door of an extremely small fanatically militant hard core minority of students or even nonstudents. That such an assumption is comfortable in no way influences the fact that it is also grossly inaccurate.

While the actual burning of our Isla Vista branch may have been perpetrated by a violent few, there is no question that there was widespread agreement among the students on the Santa Barbara campus that the causes leading to the protest were both serious and legitimate. Apparently a substantial majority of the campus community deplored the use of violent action. But an almost equally substantial majority sympathized with and shared in the frustrations leading to that violence.

This phenomenon has been observed elsewhere. Following the student takeover of Cornell's Willard Straight Hall in April, 1969, the University retained an opinion research firm to study, underlying campus attitudes about the incident. The findings are both illuminating and disturbing.

In response to a question concerning how widespread campus dissatisfaction was, there was substantial agreement that the incident reflected a "ground swell" of unrest among the majority of students.

The basic attitudes and leanings underlying these incidents were reflected in a recent Gallup Poll, in which students and adults across the country were asked to classify themselves as "liberal" or "conservative". The students overwhelmingly—by a ratio of more than 2–1—labeled themselves as liberal; while the adults were 3–2 conservative.

Any doubt that was left on this score disappeared after the tragedy at Kent State and the entry into Cambodia, when the dissension became virtually unanimous on campus after campus all over America.

Whether any such activism would eventually have developed in America even if there had been no Vietnam, we shall never know. But it is quite clear to me that it was our switch that put it into motion, and that each passing year and each additional degree of entanglement have increased the bitterness and intensity of the feeling. Students who might otherwise have been quite passive about other issues have been inflamed over this one.

Having once been aroused by the war, having felt trapped into it by their elders, and impotent and frustrated in all their attempts to make themselves heard, these young people have begun to question everything about the society their elders have created.

It is a little like the Internal Revenue man who finds one little flaw in your income tax return, and then begins to dig in and question everything about the whole return.

In part, of course, this is the rebellion of youth against parental authority, which has gone on everywhere since the beginning of time, and is a necessary part of the growing-up process. That is part of it, and that at least makes the emotional climate right for what follows: But I am convinced that it goes far, far beyond that. Whatever caused Pandora's Box to be opened—whether the eternal rebellion of youth or the special problem of Vietnam—the things that have come spilling out of Pandora's Box are not going to be stuffed back in.

Some new ingredients have been added that change even the mechanics and logistics of revolt: communication between campuses, for example, would put to shame any grapevine that any of us have known. We all have observed that the unofficial grapevine centered around our watercoolers is more efficient than our official channels; but this one beats even our fastest grapevine.

One young man has boasted to one of my associates that he can get a message to New York faster than we could get it there by air mail—and without using any normal means of communications; simply by using their grapevine.

We hear charges that part of the activism on all the campuses is connected with some kind of command staff of communist radicals financed out of Russia or China. That may be so, and I have no doubt that any foreign agents who may be at work would take full advantage of the situation; but the hometown boys have plenty of steam and are well-enough organized that they don't need much help from the outside.

With so many involved, and feeling so deeply, this activist movement is not something fleeting that will go away if we can just keep it cool for a while.

And yet to keep it cool we must, unless we want bloodshed.

I know there are many people who would say "Maybe we should let some blood flow. We are never going to settle this thing until we have it out and show who's really running things around here." If we ever do, it will be the end of America as we have known it. It will be the end of the American Dream.

I am not afraid the left-wing radicals will win. I am only afraid of how they will be defeated. The natural sequel to left-wing radical rebellion is right-wing reaction and repression. History shows only too plainly that repression doesn't repress only the bad guys; it ends by controlling and repressing everyone—particularly everyone who disagrees with the party in power.

The line of reasoning underlying this point of view might go something as follows, and I quote:

"The streets of our country are in turmoil. The universities are filled with students rebelling and rioting.

"Communists are seeking to destroy our country. Russia is threatening us with her might and the Republic is in danger. Yes, danger from within and without.

"We need law and order."

The words, gentlemen, are attributed to Adolph Hitler in the year 1932. The quote has recently come under a cloud of suspicion as to its authenticity; but to anyone familiar with the Germany of 1932, there is no doubt that this sentiment was part and parcel of the Hitler platform and of the Hitler appeal.

It won't be easy to cool it because we've already begun to choose up sides in ways that typically lead to trouble. We can see the polarizing taking shape with people on both sides tending to lump whole segments of the population together as "we" and "they". It is dangerous enough to pin labels on people at any time, but this is being done in an atmosphere of name-calling that does nothing to cool off the temperature.

It is reminiscent in many ways of the early days of labor conflicts; but confrontation between labor and management was easy compared with this. The issues here are fuzzier, they are more complex and they are more subtle. In a labor dispute you usually know what the other side wants, although even in labor problems as here, the real causes aren't always visible in the stated demands. But in this case even the demands can't be stated in terms as simple as dollars, hours, fringe benefits and the like. We hear words like "human dignity", "slavery", that may sound utterly meaningless to some of us but yet mean a great deal to the people who are using them. We could do as some are prone to do and brush all this off with one of the obscenities currently in vogue but that won't make it go away.

It has to be cooled because the root causes *are* so subtle and complex that they can't be settled except in a climate of thinking and honest evaluation. The causes cannot even be identified, let alone understood or dealt with, in an atmosphere of "slap 'em down" or in any such open-and-shut kind of spirit.

It is a pity that we so often seem to have to get angry before we get enough adrenalin in our systems to get going and do anything about critical problems.

I say "a pity"—because the angry response is so often an over-response. It sets

the stage for the next angry counter-response—and so on through a stormy eternity.

There is need, in this period of tension, to use a soft voice—a collective soft voice. We were promised that from certain high places and we were promised a national effort to bring us closer together again. Instead, we have been hearing too many angry words, too much name-calling that can only be inflammatory. There are times when anger is productive; but just as you don't throw gasoline on a fire, we should not be inflaming our national tensions with verbal gasoline.

The job of cooling it off is not made any easier by the fact that violence must be rejected and completely controlled—yet dissent and protest must not be rejected. Just to complicate things still further, ways have to be found that will protect the right of dissent, the right of free speech, the right of assembly, which are basic to our hard won freedoms in this country—yet not let the right of assembly be abused in ways that interfere with other rights of other people. Further, that the right of assembly not be allowed to operate in ways that are certain to lead to mob action. All of that takes more wisdom, more patience, more sensitivity than most people have. To make the necessary distinctions, to find the right lines—and above all to do it under pressure—calls for almost super-human qualities and in large numbers of people holding down strategic responsibilities. So you see why I say that the job is not easy.

But it must be done, because we all lose by violence, whether we be young, old, liberal, conservative, hippie or square. As a nation, we are wounded by such acts, whenever they occur; and as individuals, we lose one of the foundation stones of all our freedom to live our lives. As we said in one of our published statements:

"Every American has a right to walk the streets in safety. No polemic should be allowed to obscure this right. Your wife or husband, son or daughter ought to be safe in visiting a supermarket, a filling station or a bank—regardless of whether another may choose to reject that institution as an onerous symbol."

Sometimes I could weep for the young who have condoned violence in the name of liberal goals, because I know that they and their causes will be the first casualties if the violent trend were to continue to its ultimate end. I have tried to persuade those I could reach, of something that I think we all should try to remember: that there can be no true civilization without liberty, there can be no liberty without order—and there can be no order without justice.

It's a lot more comfortable to have a ready-made simplistic set of ideas as to just what is right and what is wrong—to know just what each person and each group should do. There is even a satisfaction and a sense of security in joining in a crusade that has simple and plain objectives, to force people to do what is right. But before you do, ask yourself: do we really have the right to tell people any more than this: "You may do anything that does not interfere with my rights, my freedom, my safety"?

We can say, and I have said, that violence can be stopped by simple law and order methods—that orderly process can stop it. That is true as to violence, at least as we have known it up to now. We can keep any one campus, and perhaps all campuses, open and operating by strict traditional law and order methods. But those methods alone will not eliminate the seething that in the long run can cause us more difficulty than we have known up to now.

And along with that, let us ask ourselves, "Are we mistaking form for substance?" We have worked up some near-attacks of apoplexy over the long hair and the beards, for example. But when I sit in my customary seat in the board room of the Los Angeles Clearing House, I see on the wall facing me the portraits of all the presidents of the Clearing House. The early half of them all had beards!

The young people may be upsetting us with their external appearance, but they are concerning themselves with more than the externals. And this is one of the basic reasons that the unrest won't soon go away. There is a new value system emerging in this country, starting with the youth but not limited to them. It is becoming one of the new facts of life for the rest of us to deal with. It challenges basic assumptions that we not only have taken for granted, but have virtually dominated our national life for most of our lives.

When Calvin Coolidge in 1925 said, "The business of America is business", a thoughtful people nodded "Why yes—that's right." Today's young people are saying, "That's not enough." Some are going further and saying, "Business is ruining America. Business is destroying our natural resources—polluting our air and our water—and why? To produce garbage—things we don't need—and must throw away to keep the economy going. It's a garbage economy, and we don't need it."

The people who talk that way are not all hippies and not all young. An increasing number of older people are raising questions like that; and a few of them have been doing it for a long time. Twenty-five years ago, when I ran the Chamber of Commerce, there were thoughtful people who said, "You are ruining San Francisco and the Bay Area, bringing in industry and attracting more people." Now, in a few major cities, that kind of thinking is finding expression in organized movements: one started in Seattle, where the Chamber of Commerce is the Greater Seattle Chamber of Commerce—the new organziation is called "Lesser Seattle"—and it is dedicated to keeping Seattle from growing. The idea has been picked up in Los Angeles, where we now have "Lesser Los Angeles".

Most of that thinking, even if it grew to the proportions of any kind of "movement", is aimed only at protecting *that area* from growth. "Don't bring it here—take it somewhere else" is the theme song.

But there is a rising sentiment against growth per se—the feeling that "bigger is better is bunk." The agitation for Zero Population Growth is one expression of that feeling.

Because we have a human tendency to want to find devils for everything we don't like—to find someone to blame—the young people have come to regard the "system" quote unquote as some kind of conspiracy—that some group of people have deliberately connived to do all these things they now regard as hateful.

Without either defending or apologizing for all its end results, I have tried to put it into perspective for them. I think it is a useful exercise even for ourselves, if we want to understand the terms of the debate we're engaged in. Let's think about it:

For centuries—for thousands of years—men struggled just to produce enough to eat, and to produce shelter and clothing. The struggle for just the bare necessities dominated men's lives through most of history. Then, all of a sudden, just within one lifetime, have come all the technological breakthroughs that change all that. It was not surprising that we should all get swept up in the excitement of producing—and in the excitement of the whole game of producing things. Because there had been such need, here and all over the world, production had become the goal, and those who could produce were heroes. Small wonder that there was little thought of what else was happening—if people needed lumber for houses, you cut down trees; and if you needed tractors to get the lumber out, you built factories to build the tractors; and if you needed fuel, you drilled oil wells and built refineries; and you used whatever land was needed, and did whatever you had to do to that land. You not only weren't deliberately doing anything bad, you not only were doing what had to be done, but you felt quite virtuous about it—you were a great achiever. In fact, through most of history, the concept was that it was a struggle of man against nature; man was trying to conquer nature and the elements, to harness them; so as man acquired mechanical means to do that, he had quite naturally a great sense of triumph. The ones who could do the most of that were the greatest heroes.

Now we wake up to realize that in the process of "conquering" nature, we were in fact destroying it—and destroying part of our own lives with it.

For generations we have been mouthing the cliché, "You can't stand in the way of progress." Now there is a new generation that is saying, "The hell you can't." That generation—and an increasing number of its elders—are saying, "Prove to us that it really is progress." In a sense, that is the essence of everything that is stirring and boiling and seething: thoughtful people in increasing numbers are asking about one thing after another, "Is it really progress—progress for the human condition?"

They are saying, in effect, "I have only one life to live on this earth—will it be a better life for me if the stream where I used to fish is polluted by industrial wastes? Will it be a better life for me if the beach where I used to swim is polluted by sewage? Will it be a better life for me if my ears are shocked and my windows rattled every few minutes by sonic booms? Will it be a better life for me if I have no clean air to breathe?" They will ask, "Is this really progress? If it is, I don't need it."

And we shouldn't have to wait for them to ask the question—because these should be our questions, too. This deterioration of the quality of life isn't something that just happens to other people; when it happens, it happens to us, too.

Someone has said. "There is no way that the private enterprise system or the market system can provide you with your own cubic foot of clean air." If ever we doubted the words of John Donne that "No man is an island," we find proof in the whole concept of the environment.

The youth of America are seeing that; and in the words of the old fable, they are telling us: "The emperor has no clothes on."

And because they think we are blind, or are refusing to see all these things that seem so plain to them, they are increasingly turning their backs on the things that we have said were important. If we say to them, "Come in to our company—keep your head down—work hard—in thirty years you can be president or chairman of the board," they say the 1970 version of "So what?" (It probably takes only four letters to say it.) They don't all know what they want—that's part of why they are so confused and mixed up—but they know they don't want that. They don't relish the prospect of being a faceless person, a cog in a great big machine. What they say they want doesn't sound so different, you know, from what our Founding Fathers said they wanted—the men who wrote our Declaration of Independence, our Mayflower Compact, the Bill of Rights, the other early documents that laid the foundation for the American Dream. They said they wanted the freedom to be their own man, the freedom for self-realization. We have lost sight of that a bit in this century—but the young people are prodding us and saying, "Look, Dad—this is what it's all about."

Some of the young people who are already working for us—the better ones of them—are saying the same thing. And I suspect that unless we are able to offer a chance

within our system for that kind of self-realization, we will neither attract nor hold the kind of people that will hold our system together.

I told you at the outset that these lessons would be easier to express in words than to live by. That is truest of all in the final lesson—what to do about it.

I would not be so presumptuous as to stand here and say that I know all the answers to that—if indeed I know any answers at all, except one or maybe two.

The first one is *communicate;* and that really calls for a second; *open our minds and keep them open.*

Many organizations—YMCA, Boy Scouts—Rotary Club—have Father and Son Day. There are organizations like the Big Brothers in which men informally adopt a fatherless boy. I would suggest that we take a leaf from their book—that each of us find a college-age youth—student or not—and spend some time with him, to find out what's going on in that world that is crowding in on our heels.

And if you do—remember that God gave you two ears and only one tongue—use them in that proportion. You're going to be tempted to tell him all about it—straighten him out on all his goofy ideas. I don't say you shouldn't—I just say "listen to him first." One of the imperatives of communication has always been: "Don't confuse a man's rhetoric with what he is really saying." So listen to what he means, which may be hidden in what he says. Then see if you can straighten him out, in words that *he* will understand and will buy. You may not win—but as one who has tried it, let me say that it will be a sobering and maybe even a humbling experience.

When I say communicate, I don't mean only with the young—I mean also with the old and with those in between. In other words, I mean "get involved."

If we do these two things—communicating and opening our minds—we may be taking the first steps toward wisdom. But let me warn you again—if you really do it—if you consider and think about what you hear, it will shock the pants off you. It will jar and shake most of the assumptions we all have grown up with.

Take Zero Population Growth for example—it is a growing movement and one which we must consider in our plans—is there any part of our economy that isn't dedicated to the Great God Growth? Has anyone calculated what would happen if growth suddenly stopped? We'd better do some calculating, because it just *could* happen. And, in my judgment, it won't necessarily be fatal if it does.

It would compel us to shift from preoccupation with quantity to more concern with quality.

I would hope that we would not approach our involvement in the frame of mind that "We'll do what is expected of us"—and no more. Too many of us—and I'm sure that several of you that I see in this audience will join me in this—have taken on our assignment in the United Crusade or the Red Cross or the Urban Coalition on that kind of basis . . . "It is my turn—so I'll do it and get it over with."

That isn't enough—not even enough for our own mental health and therapy. These aren't things that *other* people need, that *other* people want, that *other* people expect of us. These are for us—we need the clean air, the safety on the streets—for ourselves and our families.

They should be part of our value system.

If we would recognize that, we would have taken a big step toward understanding some of the things that are bugging our young people.

Let me leave no doubt about it—there are some real, hard-core radicals bent on the destruction of what they call "the system." I know, because I have talked to a few of them. At the other end of the spectrum there is another group (and I have no way of knowing how many there are in either group) there is another group that is as committed to the system as any one in this audience. But in between is the great, great majority of students and other young people, troubled, disturbed, questioning—but uncommitted.

What we are talking about is a struggle for their minds. I write off the two groups at the two extremes; from my own experience in trying, I doubt that I could change the ones on the extreme left, and we don't have to worry for the moment about the ones that are committed to our system. But that big mass, that big universe of the uncommitted—they are waiting to be pulled either way. We can win them, if we are willing to work at it—if we are really willing to revolutionize the system from within—in order to make it conform more closely with the value systems and needs of today—rather than the value systems and needs of yesterday. In fact, we will be halfway home if they are convinced that we are really, sincerely willing to work at it. Because part of what lies at the root of their dissatisfaction is the feeling that our generation just doesn't care about theirs.

We have two choices as to which way we can go. We can divide into camps and shoot it out; or we can try to find common grounds so that we can grow together again. One course is easy, but is blind; the other course is hard, and slow, but is the path of wisdom. One course leaves all the thinking to someone else; the other requires deep, painful thought in a never-ending search for answers. One course will bring bloodshed, destruction and ultimate crushing of freedom—the crushing of the human spirit; the other course can bring peace and with it, a hope for the rekindling of the American Dream.

The hour is late; there isn't much time. But the choice is still ours.

SEVENTY-TWO SENATORS SIGN LETTER TO THE PRESIDENT ON THE MIDDLE EAST

Mr. BAYH. Mr. President, 9 weeks ago I joined 75 other Senators in expressing to the Secretary of State our "sense of urgency respecting the deteriorating situation in the Middle East." For the protection of America's own vital interests in the Middle East, therefore, we urged the administration to provide Israel with the aircraft needed for its defense.

On July 30, I was pleased to join with about an equal number of Senators in a followup message to the President of the United States expressing our support for his Middle East statement of July 1. At that time, the President wisely pointed to the need for a strong and secure Israel as the best deterrent to aggression in the Middle East.

We are all pleased, of course, that the American attempt to secure a cease-fire appears to be succeeding. A negotiated political settlement agreed to by the parties directly involved is, to my mind, the only true hope for a lasting peace in the Middle East. I am mindful of the fact, however, that until such an agreement is reached, the United States must take into account Israel's urgent need for aircraft and economic assistance.

I ask unanimous consent that the letter to Secretary Rogers and the President be printed in the RECORD.

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

UNITED STATES SENATE,
Washington, D.C., July 30, 1970.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: As you will recall, eight weeks ago, more than three-fourths of the Senate joined in a letter to Secretary Rogers to express our "sense of urgency respecting the deteriorating situation in the Middle East." We maintained that the United States, for the protection of its own interests, should provide Israel with the aircraft needed for its defense.

That letter has now been overtaken by events, especially by the increasingly overt intervention of the Soviet Union on behalf of the United Arab Republic—in an area you have so aptly described as "the hinge of NATO". These events place the situation in a more grave and even broader context than before. Now strategic interests of the United States and its allies are being challenged.

Under these circumstances, we believe that your television statements on July 1 were important expressions of United States' policy intentions with respect to the Middle East—which we support. You took account of Israel's urgent need for aircraft and other assistance in stating that, "once the balance of power shifts where Israel is weaker than its neighbors, there will be war".

Because of the danger of confrontation between our country and the Soviet Union in the Mideast, to which you referred, peace efforts by the United States should be pursued with all possible vigor, so that the integrity of every country in the area within mutually recognized and secure borders may be realized.

Our attempts to find peaceful solutions, however, should not be misinterpreted by the Soviet Union. A super-power confrontation in the Middle East should be avoided and we believe the Soviet Union could be deterred from bringing about such a confrontation as the result of a clearly expressed policy on the part of the United States to protect and defend its interests in the Middle East and Southern Europe. You may be assured of our support to this end.

SIGNERS OF THE LETTER

James B. Allen, Democrat, of Alabama.
Gordon Allott, Republican, of Colorado.
Howard H. Baker, Jr., Republican, of Tennessee.
Birch Bayh Democrat, of Indiana.
Wallace F. Bennett, Republican, of Utah.
J. Caleb Boggs, Republican, of Delaware.
Edward W. Brooke, Republican, of Massachusetts.
Quentin N. Burdick, Democrat, of North Dakota.
Harry F. Byrd, Jr., Democrat, of Virginia.
Robert C. Byrd, Democrat, of West Virginia.
Howard W. Cannon, Democrat, of Nevada.
Clifford P. Case, Republican, of New Jersey.
Marlow W. Cook, Republican of Kentucky.
Norris Cotton, Republican, of New Hampshire.
Alan Cranston, Democrat, of California.
Thomas J. Dodd, Democrat, of Connecticut.
Robert Dole, Republican, of Kansas.
Peter H. Dominick, Republican, of Colorado.
Thomas F. Eagleton, Democrat, of Missouri.
Paul J. Fannin, Republican, of Arizona.

Hiram L. Fong, Republican, of Hawaii.
Charles E. Goodell, Republican, of New York.
Albert Gore, Democrat of Tennessee.
Mike Gravel, Democrat, of Alaska.
Edward J. Gurney, Republican, of Florida.
Clifford P. Hansen, Republican, of Wyoming.
Fred R. Harris, Democrat, of Oklahoma.
Philip A. Hart, Democrat, of Michigan.
Vance Hartke, Democrat, of Indiana.
Spessard L. Holland, Democrat, of Florida.
Roman L. Hruska, Republican, of Nebraska.
Daniel K. Inouye, Democrat, of Hawaii.
Henry M. Jackson, Democrat of Washington.
Jacob K. Javits, Republican, of New York.
B. Everett Jordan, Democrat, of North Carolina.
Edward M. Kennedy, Democrat, of Massachusetts.
Warren G. Magnuson, Democrat, of Washington.
Charles McC. Mathias, Jr., Republican of Maryland.
Gale W. McGee, Democrat of Wyoming.
George S. McGovern, Democrat of South Dakota.
Thomas J. McIntyre, Democrat of New Hampshire.
Lee Metcalf, Democrat of Montana.
Walter F. Mondale, Democrat of Minnesota.
Joseph M. Montoya, Democrat of New Mexico.
Frank E. Moss, Democrat of Utah.
George Murphy, Republican of California.
Edmund S. Muskie, Democrat of Maine.
Gaylord Nelson, Democrat of Wisconsin.
Robert W. Packwood, Republican of Oregon.
John O. Pastore, Democrat of Rhode Island.
James B. Pearson, Republican of Kansas.
Charles H. Percy, Republican of Illinois.
Winston L. Prouty, Republican of Vermont.
William Proxmire, Democrat of Wisconsin.
Abraham Ribicoff, Democrat of Connecticut.
Jennings Randolph, Democrat of West Virginia.
Richard S. Schweiker, Republican of Pennsylvania.
Hugh Scott, Republican of Pennsylvania.
Ralph T. Smith, Republican of Illinois.
John Sparkman, Democrat of Alabama.
William B. Spong, Democrat of Virginia.
John Stennis, Democrat of Mississippi.
Ted Stevens, Republican of Alaska.
Stuart Symington, Democrat of Missouri.
Herman Talmadge, Democrat of Georgia.
Strom Thurmond, Republican of South Carolina.
John G. Tower, Republican of Texas.
Joseph D. Tydings, Democrat of Maryland.
Harrison A. Williams, Democrat of New Jersey.
Ralph Yarborough, Democrat of Texas.
Stephen M. Young, Democrat of Ohio.

MAY 26, 1970.

DEAR MR. SECRETARY: We feel compelled to express our sense of urgency respecting the deteriorating situation in the Middle East. The decision by the Soviet Union to undertake a direct military role in the Arab-Israel conflict by flying combat planes over Egypt represents, in our judgment, a significant change and a challenge to American strategic interests and a growing threat to world peace. Recent Soviet moves have encouraged Arab belligerence, and are creating a growing military imbalance in favor of the Arab states.

Your decision in March to hold in abeyance the sale of additional jet combat aircraft to Israel under the then prevailing conditions has failed to induce the Soviet Union to exercise reciprocal restraint with respect to the arming of the UAR and the other Arab states. In addition, the Soviet Union has taken the unprecedented step of overtly involving an increasing number of its own military personnel in a state far from its own borders.

We believe, Mr. Secretary, that the United States should now announce its intention to provide Israel with the aircraft so urgently needed for its defense. Such action will serve as a significant element of a credible response to the reckless Soviet escalation of the Mideast conflict. We feel that the strengthening of Israel's military posture at this time is the best guarantee against the outbreak of major hostilities.

We also suggest prompt consultations with our NATO allies because of the dangers posed to their own security and economies by the Soviet build-up in the Middle East. We urge the United States to redouble its efforts to reestablish the cease fire as a preliminary step to eventual peace negotiations.

We would be grateful for an early opportunity to meet with you at your convenience, so that we may have a full exchange of views on all aspects of the issue which we believe is warranted by the critical situation that has now developed.

Sincerely,

SIGNERS OF THE LETTER

James B. Allen (Democrat of Alabama).
Howard H. Baker, Jr. (Republican of Tennessee).
Birch Bayh (Democrat of Indiana).
Wallace F. Bennett (Republican of Utah).
Alan Bible (Democrat of Nevada).
J. Caleb Boggs (Republican of Delaware).
Edward Brooke (Republican of Massachusetts).
Quentin N. Burdick (Democrat of North Dakota).
Harry F. Byrd, Jr. (Democrat of Virginia).
Howard W. Cannon (Democrat of Nevada).
Clifford P. Case (Republican of New Jersey).
Frank Church (Democrat of Idaho).
Marlow W. Cook (Republican of Kentucky).
Norris Cotton (Republican of New Hampshire).
Alan Cranson (Democrat of California).
Carl T. Curtis (Republican of Nebraska).
Thomas J. Dodd (Democrat of Connecticut).
Robert Dole (Republican of Kansas).
Thomas F. Eagleton (Democrat of Missouri).
Sam J. Ervin, Jr. (Democrat of North Carolina).
Paul J. Fannin (Republican of Arizona).
Hiram L. Fong (Republican of Hawaii).
Barry M. Goldwater (Republican of Arizona).
Charles E. Goodell (Republican of New York).
Mike Gravel (Democrat of Alasaka).
Edward J. Gurney (Republican of Florida).
Clifford P. Hansen (Republican of Wyoming).
Fred R. Harris (Democrat of Oklahoma).
Philip A. Hart (Democrat of Michigan).
Vance Hartke (Democrat of Indiana).
Spessard L. Holland (Democrat of Florida).
Ernest F. Hollings (Democrat of South Carolina).
Roman L. Hruska (Republican of Nebraska).
Harold E. Hughes (Democrat of Iowa).
Daniel K. Inouye (Democrat of Hawaii).
Henry M. Jackson (Democrat of Washington).
Jacob K. Javits (Republican of New York).
Everett B. Jordan, Democrat, of North Carolina.
Edward M. Kennedy, Democrat, of Massachusetts.
Warren G. Magnuson, Democrat, of Washington.
Charles McC. Mathias, Republican, of Maryland.
Gale McGee, Democrat, of Wyoming.
George S. McGovern, Democrat, of South Dakota.
Thomas J. McIntyre, Democrat, of New Hampshire.
Lee Metcalf, Democrat, of Montana.
Jack Miller, Republican, of Iowa.
Walter F. Mondale, Democrat, of Minnesota.
Joseph M. Montoya, Democrat, of New Mexico.
Frank E. Moss, Democrat, of Utah.
George Murphy, Republican, of California.
Edmund S. Muskie, Democrat, of Maine.
Gaylord Nelson, Democrat, of Wisconsin.
Robert W. Packwood, Republican, of Oregon.
John O. Pastore, Democrat, of Rhode Island.
Claiborne Pell, Democrat, of Rhode Island.
Charles H. Percy, Republican, of Illinois.
Winston L. Prouty, Republican, of Vermont.
William Proxmire, Democrat, of Wisconsin.
Jennings Randolph, Democrat, of West Virginia.
Abraham Ribicoff, Democrat, of Connecticut.
William B. Saxbe, Republican, of Ohio.
Hugh Scott, Republican, of Pennsylvania.
Richard S. Schweiker, Republican, of Pennsylvania.
Ralph T. Smith, Republican, of Illinois.
John Sparkman, Democrat, of Alabama.
William B. Spong, Democrat, of Virginia.
Ted Stevens, Republican, of Alaska.
John Stennis, Democrat, of Mississippi.
Stuart Symington, Democrat, of Missouri.
Strom Thurmond, Republican, of South Carolina.
John G. Tower, Republican, of Texas.
Joseph D. Tydings, Democrat, of Maryland.
Harrison A. Williams, Jr., Democrat, of New Jersey.
Ralph Yarborough, Democrat, of Texas.
Stephen M. Young, Democrat, of Ohio.

WHAT CAN NIXON PRODUCTIVITY COMMISSION DO TO STEM INFLATION?

Mr. PROXMIRE. Mr. President, the latest data on productivity just released by the Bureau of Labor Statistics shows that output per man-hour in the private economy in the second quarter of this year increased at a rate of 3.1 percent per year, close to the average of 3.2 percent per year since 1947. This looks much more encouraging than the first quarter report of a decline at a rate of 2.5 percent per year. But, the second quarter estimate was only about 0.4 percent above the fourth quarter of 1968. Indeed, output per man-hour in the private economy has declined in three out of the last six quarters.

Mr. President, I ask unanimous consent that the release of August 4, 1970, from the Bureau of Labor Statistics be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, it was doubtless this lackluster performance of the productivity data that led the President to appoint a National Commission

on Productivity. In his television address of June 17, the President described this Commission's task in the following words:

> In order to achieve price stability, healthy growth and a rising standard of living, we must find ways of restoring growth to productivity.
>
> This Commission's task will be to point the way toward this growth in 1970 and in the years ahead. I shall direct the Commission to give first priority to the problems we face now; we must achieve a balance between costs and productivity that will lead to more stable prices.

The importance the President attaches to this Commission is indicated by the distinguished character of the 23 members from business, labor, the public, and Government. Business members include James M. Roche, chairman of General Motors; Walter B. Wriston, chairman of the First National City Bank; R. Heath Larry, vice chairman of United States Steel; George E. Keck, president of the United Air Lines; Edward W. Carter, president of Broadway-Hale Stores; and Harllee Branch, Jr., chairman of Southern Co. Those representing labor are George Meany, president, AFL–CIO; Leonard Woodstock, president, United Auto Workers; Floyd E. Smith, president, International Association of Machinists; John H. Lyons, president, the Iron Workers; I. W. Abel, president, United Steelworkers; and Joseph A. Beirne, president, Communications Workers of America. Members representing the public are Howard W. Johnson of MIT; Edward H. Levi of the University of Chicago; W. Allen Wallis of the University of Rochester; John T. Dunlop, labor economist at Harvard; Arjay Miller, former president of Ford Motor Co., now heading the Stanford Graduate School of Business; and Philadelphia lawyer William T. Coleman, Jr. Government members are CEA Chairman Paul W. McCracken; George P. Shultz, Director of the Office of Management and Budget; Treasury Secretary David M. Kennedy; Commerce Secretary Maurice Stans; and Labor Secretary James Hodgson.

What can these distinguished citizens do about productivity? In asking this I am not questioning their talents. Rather I am asking whether it is likely that any such body can now produce new insights beyond the extensive record already brought before this Congress over the last two decades by the Joint Economic Committee on which I have the honor to serve as vice chairman. The economics and statistics professions have not ignored questions of productivity measurement and analysis. Indeed, the record of research in this field is so voluminous that I could not begin to review it in these brief remarks today. But that record does reveal a few facts and analytic conclusions that can be briefly summarized and these cause me to ask whether the President's new Commission is not the wrong kind of organization for what needs doing and if what needs doing is not quite different from the Commission's assignment.

WHAT DO WE KNOW ABOUT PRODUCTIVITY?

The new Presidential Commission will have a large body of knowledge to draw upon for much is known about productivity after over a half a century of extensive research. In part, the research has been conducted by such private organizations as the famed National Bureau of Economic Research in New York City. In part, has been conducted by the Bureau of Labor Statistics in the Department of Labor. In addition, here in Congress the Joint Economic Committee has held extensive hearings and has produced staff studies as well as compendia of papers by scholars in the field. These have concerned themselves not merely with the measurement of productivity, but also with the analysis of its relationship to changes in output, capacity, prices, and incomes.

It is quite clear from those many studies that while everyone agrees that productivity is important, there are a wide variety of meanings attached to the word itself. This results in some confusion. In general terms productivity is a measure of the efficiency with which productive resources are converted into the commodities and services that we human beings want. The higher the level of productivity the higher the level of economic well-being and national strength which it is possible to attain. Increases in productivity is the source of the annual increments in real income. Furthermore, changes in productivity affect unit costs, prices, profits, output, employment, investment in plant and equipment—in fact, every aspect of economic life.

Commonly when productivity is mentioned, it is likely that reference is being made to the amount of real output of goods and services that can be produced per man-hour of work performed. On this basis of measurement, for the private economy as a whole productivity has risen over the last three-quarters of a century at an average annual rate of about 2½ percent. But the increase in productivity comes not merely from increases in labor efficiency, but also from the contributions of capital, education, and other factors. If we compute a measure of productivity for the private economy that compares output not only with labor input as just mentioned but also with tangible capital, such as plants and equipment, then we find that the rate of advance over the last three quarters of a century is only 1½ to 2 percent per year. These are both quite modest numbers but significantly different from one another.

Suppose we confine our attention to the more commonly used measure of productivity, namely output per man-hour and confine attention to the period since World War II. For the total private economy the annual rate of advance since 1947 has been about 3.2 percent, but for shorter periods the rate varies much more widely. Over the last six quarters, for example, the annual rate of change is varied between a gain of 3.1 percent per year and a decline of about 2.5 percent per year. Indeed, output per man-hour in the private economy is very little different apparently in the second quarter of 1970 from what it had been in the fourth quarter of 1968. Why these variations? Has recent experience been much different from the more remote past?

Actually, experts have found that the rate of increase in output per man-hour, while varying widely from quarter to quarter, does so according to very well defined patterns and for sound reasons. When demand is inadequate, or falling, or is rising less rapidly than capacity is increasing, then productivity performance is poor. For example, in 1953 the rate of use of industrial capacity was 94.2 percent, and indeed in the first half of the year 96.7 percent. Seven years later our growth had been so poor that the rate of use of capacity was down to 80.6 percent in 1960. Over these 7 years, output per man-hour rose only 2.6 percent per hour compared to the postwar average of 3.2 percent.

On the other hand, between 1960 and 1966 output rose more rapidly than capacity was increased so that the rate of capacity utilization rose from 80.6 percent in 1960 to 90.5 percent by 1966. Over these 6 years the advance in output per man-hour for the private economy averaged 3.6 percent per year, well above the long term average. In the subsequent 4 years the rate of use of capacity has fallen and in the first half of this year averaged slightly under 79 percent. In the face of this falling rate of use of capacity, output per man-hour suffered, and as pointed out earlier, was little different in the second quarter of this year from the fourth quarter of 1968.

Commonsense and observation of numerous economic activities suggests that differing amounts of labor and capital will be required to produce a unit of output in one industry than would be required to produce one unit in another. Or to put it another way, differing amounts of labor and capital will be required per dollar of output in different industries. Research confirms this commonsense idea but develops some rather interesting and important further conclusions from it. First, the amount of labor and capital that will be required per unit in a given industry depends on the state of technology, the character of the product or service being produced, and very likely on the ratio of output to capacity over time in the industry. Research also suggests that the difference between the industries in the amount of labor and capital that may be required per unit of output are not small. They are very significant differences.

Hence, if demand changes so that more of the products and services are required from industries which need less labor or capital per unit, then productivity rises from this shift in demand alone—even if productivity did not go up in any individual industry. In fact, the technicians say that over the postwar period since 1947 the change in the mixture of demand has been favorable on the average so that about three-tenths of 1 percent per year has been added to the annual increase in output per man-hour in the United States.

It may be noted that there is nothing that foreordains that such shifts in demand will always be favorable. They have been, but they also can be unfavorable. Indeed the Bureau of Labor Statistics in

a recent publication devoted to making projections of the labor force, economic growth, and employment by industry and occupation for the next 10 years commented as follows on productivity:

However, as the service sector expands in importance, it may become increasingly difficult to maintain the high level of productivity gains for the economy that have prevailed since World War II. The service industries are unlikely to experience large increases in output per worker, because they are less subject to mechanization and many of them depend for their value upon personal or individual attention. Thus, particular attention will be required to find means of applying cost-saving techniques to the service industries if the Nation's productivity is not to fall below the 3-percent level.

Thus, if in the future the mixture of demand favors the service industries, as seems likely, or other industries where productivity is lower or advances more slowly, then the new National Commission will have its work cut out for it. What can it do? Is it prepared to suggest that we should use fewer services and more manufactured products merely to raise productivity, even if people do not want this mix? Are we to limit consumer choice so that they can be allowed to buy only the products of industries which have a high and rapidly increasing productivity? Certainly this would raise productivity for the economy as a whole, but would this be socially desirable? It seems that attempts to raise productivity may have more than the usual amount of difficulty in years immediately ahead.

Another related aspect has been revealed by some studies in the early post-World War II era by the Bureau of Labor Statistics of the Department of Labor. It seems that there are wide variations in the productivity between different plants within the same industry. These were uncovered when the Bureau of Labor Statistics made direct collection of data on output and employment in individual plants so that it could compare the efficiency of different plants producing the same product. All of the plants in a given industry were grouped in classes from the most productive to the least productive. A spread of as great as of 3 or 4 to 1 and higher showed up between the efficiency of the best and poorest plants in an industry. That is, the least efficient group of plants in an industry might require as much as four times as many man-hours per unit of output as the most efficient group. This probably understates the actual differences since the conclusion is reached from grouped data. Some plants in the best group obviously did better or worse than the average for their group and some in the least efficient group obviously did worse than their class average, Therefore, much of the variation in output per man-hour comes from changes in the mix of output between different plants and managements. The skill with which production is managed makes a great deal of difference to productivity.

WHAT CAN WE DO ABOUT PRODUCTIVITY?

What then can the President's new National Commission on Productivity do about productivity? First, it is obvious that the most important task of public policy is to achieve continuous full employment. If we do not attain this objective of the Employment Act then productivity will suffer. The low productivity performance of the last year and a half is due to the fact that demand has been inadequate. If we restore the economy to full employment, productivity performance will improve. Indeed, the mere halting of the decline in output in the second quarter produced a sharp rise in output per man-hour to the long-term average. We do not need a National Commission of 23 distinguished citizens to tell us this. The Employment Act tells us what to do and extensive analysis indicates that this will produce the correct productivity performance. We ought to get on with the job, not study.

Second, we can be concerned about changes in the mix of demand which may raise or lower the average rate of gain in productivity. The probability that anything we can do to influence the mix will have a great effect appears to be quite low. The technicians do not offer much hope. Besides, most of what we could do would involve interfering with the right of consumers to make choices as to the mix of products and services they wish to purchase and consume. A free society can hardly limit consumer choice. Part of the improvement in the quality of life is to improve the range of alternatives open to consumers.

The third thing that could be done is to bring about an improvement in the quality of management in American enterprise by spreading knowledge of the best practices to those in the less efficient establishments by means of an extension or training service. In this connection, I call to your attention an article by a distinguished retired Government economist who is now a consultant who writes a regular column for the publication, Purchasing Week, published by the McGraw-Hill Publishing Co. In the issue of July 13, Dr. Louis J. Paradiso suggested that the way to increase productivity is to provide tax incentives in the form of an efficiency tax credit each year which would depend on the company's performance in improving their productivity. Whether such an efficiency tax credit would be effective or could be designed so as to be administratively feasible is not clear to me at this point. But at least the idea points in the right direction; namely, to encourage management to decrease the range of variation between the most efficient and least efficient operations. I ask unanimous consent that Dr. Paradiso's article entitled "Productivity: Antidote to Inflation" be published in the RECORD at the end of my remarks.

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

(See exhibit 2.)

WHAT ELSE SHOULD BE DONE?

Mr. PROXMIRE. Mr. President, from what I have said it is readily apparent that if the President's new National Commission on Productivity contributes to restoring the growth in productivity as he has asked it to do, then it will first and foremost be engaged in duplicating the work of the Council of Economic Advisers in telling the President how to comply with section 2 of the Employment Act. It will be telling him how to promote public and private policies aimed at achieving simultaneously full employment, economic growth, and stable prices.

This is what the Council should have been telling the President all along if it carries out section 4 of the Employment Act. It is obvious from the regular reports from the various agencies of Government that we are far from attaining these objectives. And it is that which has impaired productivity in the economy as a whole. To restore it we will have to restore compliance with the objectives and standards set forth in the Employment Act and for this we hardly need a National Commission on Productivity. We need to have the machinery of Government comply with the act's long-established principles and recommendations of the Joint Economic Committee.

The committee has recommended that the Council in consultation with labor and business develop and publish promptly specific quantitative standards for price and income changes. We have recommended that these standards should be such that voluntary compliance with them by business and labor will contribute to the restoration of price stability and, of course, full employment. It is notable that there is no mention of such standards in the announcements concerning either the "Inflation Alert" to be prepared by the Council of Economic Advisers or the activities of the new National Commission on Productivity.

We on the Joint Economic Committee have also recommended that there should be established outside of the Executive Office of the President a Federal Office on Productivity, Prices, and Incomes. We believe that this office should have the following responsibilities: First, to collect, analyze, and publish the information on productivity, prices, and incomes needed to evaluate the extent of compliance with the prices and incomes standards set by the Council of Economic Advisors; second, to identify and bring to public attention actual and potential economic inefficiencies in both the public and private sectors of the economy which keep prices and incomes in particular markets at artificially high levels. This function should include, but should not be limited to, reviews of Government procurement policies, regulatory policies, restrictions on international trade, stockpile policy, and both Government and private policies which create artificial barriers to entry into particular occupations; and, third, to identify and bring to public attention potential shortages either of specific materials or of specific labor skills which can be expected to create inflationary pressures.

It would appear that the first of these functions may be partly performed by the combination of the "Inflation Alert" and such publication of them as may be done by the National Commission on Productivity. But this is not entirely

clear. Certainly there is no indication there will be specific price and income standards set up by the Council of Economic Advisers or by the Commission, which would allow the public to judge whether behavior in various industries is in accordance with standards that would lead to stable prices.

It must be noted that a separate organization has been created to carry out, in part at least, the second function we suggested for the Office of Productivity, Prices, and Incomes. This is a Regulations and Purchasing Review Board which will review all Government action to determine whether Federal purchasing and regulations drive up costs and prices. It may be that this division of labor is justified in the case of reviewing Government actions but it is notable that the Joint Economic Committee called for review in both public and private sectors. We still believe this is desirable.

I, therefore, conclude from all this that to the extent that the National Commission on Productivity succeeds in doing what needs to be done, mainly guide the President to policies that would restore this economy to continuous full employment and hence, to a high rate of gain in productivity, it will be duplicating the work that should be done by the Council of Economic Advisers. It may be able to make some other recommendations for increasing productivity in the very long run—these changes are likely to be of modest magnitude in their results and difficult to execute. I further conclude that if the Commission is to have any significant impact on the problems of inflation with which we are currently plagued, it finally will have to get around to complying with oft-repeated recommendations of the Joint Economic Committee to establish specific quantitative standards of price and income behavior for both public and private sectors and to publish regularly reports as to how specific actions comply or fail to comply with these standards. Such voluntary guideline formulation and policing is the only way to supplement fiscal and monetary policy and to provide a more rapid transition to full employment and rapid economic growth without inflation. I personally hope that regardless of the advance publicity, the final actions of this new National Commission on Productivity combined with those of the Council of Economic Advisers and the Regulations and Purchasing Review Board finally will come down to setting these kinds of wage incomes and price standards and policing them. If so, it will be a welcome contribution to public policy and the achievement of the objectives of the Employment Act.

EXHIBIT 1

PRODUCTIVITY, WAGES, AND PRICES: SECOND QUARTER, 1970

Productivity, as measured by output per man-hour in the private economy, improved markedly in the second quarter, after five quarters of little gain or actual declines, the Labor Department's Bureau of Labor Statistics reported today.

The BLS report—Review of Productivity, Wages, and Prices—shows that output per man-hour increased at an annual rate of 3 percent during the second quarter. Productivity rose because man-hours of work continued to drop sharply, while output leveled off after a decline.

The gain in productivity meant a lessening of the pressure of rising wages on costs. The increase in unit labor costs was about 2 percent at an annual rate, or less than one-third of the average rise last year. The uptrend in hourly compensation also slowed somewhat, reflecting such factors as reduced overtime.

The average size of union contract settlements increased markedly in the second quarter in nonmanufacturing industries, but in manufacturing there was little change from recent quarters.

The rate of rise in prices slowed somewhat in the second quarter, chiefly in agricultural items and industrial crude materials.

SUMMARY

Productivity growth improved markedly in the second quarter, thereby tending to lessen the pressure of rising wages on costs; the increase in unit labor costs was substantially less than in recent quarters. Increases in prices slowed somewhat in the second quarter, although the slackening was much more in agricultural items and industrial crude materials than in manufactured products.

The gain in output per man-hour in the private economy was 3.1 percent at an annual rate in the second quarter—about equal to the postwar average—after five quarters of little change or actual declines. It reflected a leveling off in output while cutbacks in man-hours of work continued sharp. The rate of advance in unit labor costs was 2 percent, or less than one-third of the average increase last year.

Average hourly compensation of persons in the private economy gained by 5.1 percent in the second quarter, somewhat less than in any of the previous five quarters. Rising basic pay scales were offset to a degree of such factors as cutbacks in overtime work and disproportionately heavy layoffs of workers in higher-paid industries. Partly as a result, weekly earnings in the private sector declined rather sharply in terms of real purchasing power in the first two quarters of this year.

The size of union contract settlements increased markedly in the second quarter, but these settlements, of course, affect only a fraction of the work force.

Price rises slackened somewhat in the second quarter. The increase in wholesale prices, seasonally-adjusted, was at an annual rate of only 1 percent, for the smallest advance in two years. Slackening was chiefly in livestock and meats and in industrial crude materials. However, industrial commodities as a whole rose more than in the first quarter because of sharper advances in intermediate materials, particularly steel mill products. The consumer price rise was a little slower than in three of the previous four quarters, mostly in food. The increase in the GNP implicit price deflator was also somewhat smaller than for several quarters past.

PRODUCTIVITY AND UNIT LABOR COSTS

Private economy

Output per man-hour in the private economy increased at an annual rate of 3.1 percent in the second quarter—about in line with the postwar average—after five quarters of very small gains or actual declines. (Table 1.) The sharp recovery resulted from a leveling off in output after two quarters of declines, and an unusually large reduction in man-hours of work, at an annual rate of 2.9 percent. This cutback was primarily in employment rather than hours of work.

The rise in unit labor costs slackened in the second quarter to an annual rate of 1.9 percent, compared with increases of 6 to 10 percent for several quarters past. The slowing mostly reflected the marked improvement in productivity; in addition, there was some moderation in the strong uptrend in hourly compensation.

Two additional statistical series related to cost and price movements are presented in this report—the GNP implicit price deflator of the Department of Commerce and unit non-labor payments. (Nonlabor payments include profits, depreciation, interest, and indirect taxes—those elements of the price deflator other than labor costs). In the second quarter, the rate of rise in the price deflator slackened only slightly, while the increase in unit labor costs lessened markedly, so that a sizeable rise occurred in unit nonlabor payments, after two quarters of decline. (Tables 1 and 2.)

Manufacturing

Output per man-hour in manufacturing increased at an annual rate of 5.2 percent in the second quarter—the largest gain in more than a year. (Table 3.) Although output again declined at a 4 percent rate, the cutback in man-hours of work was more than 8 percent. Most of the reduction of man-hours in the private economy took place in manufacturing.

With productivity improving sharply and hourly compensation rising at about the same rate as in recent quarters, the increase in unit labor costs in manufacturing slowed sharply to 1.7 percent in the second quarter. This was the smallest advance in several years.

WAGES, SALARIES, AND BENEFITS

Both average hourly compensation including fringe benefits of persons in the private economy and average hourly earnings of employees in the private nonfarm sector increased somewhat less in the second quarter than they did in any quarter last year. (Table 4.) Two factors were important in this slowing down: The cutbacks in overtime work at premium rates of pay; and the relatively heavier layoffs of workers and cutbacks in working hours in high-paying durable goods lines, thereby reducing the proportion of high-wage hours of work and employment in the total.

Weekly earnings in the private nonfarm economy rose 3.1 percent in the second quarter—about the same as in the first quarter, but less than half the average quarterly rise last year. The slackening reflected both a reduction in hours of work and the slower gain in hourly pay. Weekly earnings in real terms—adjusted for price increases—have declined for the past three quarters.

Major union collective bargaining settlements were markedly higher in the second quarter. For wages and benefits combined, they averaged 10.9 percent annually over the life of the contract and 17.1 percent in the first year. The increase in size of settlements was mostly in the nonmanufacturing sector. In manufacturing, on the other hand, the size of wage settlements did not increase much from recent quarters. (Table 6.) Current wage agreements, of course, cover only a small proportion of all working people.

PRICES

Prices, on a seasonally-adjusted basis, rose a little less on the average in the second quarter this year than in the first, particularly in farm products and foods. The wholesale price rise slowed from an annual rate of 4 percent in the first quarter to 1 percent in the second, the smallest rise in two years.

The consumer price rise slackened to a 5.7 percent annual rate in the second quarter, from 6.3 percent in the preceding two quarters. (In July, wholesale price increases of farm products and foods accelerated, but industrial commodity prices rose at about the same rate as in June.)

The slackening in the wholesale rise came largely in crude industrial materials, in addition to farm products and foods. (Table 9.) Some slowing also occurred in producer finished goods and consumer durables. Industrial commodity prices as a whole, however, rose somewhat more in the second quarter than in the first, because of a sharper advance in intermediate materials.

Farm product and food prices actually declined in the second quarter, after seasonal adjustment, mainly in livestock, meats, and poultry and eggs. The drop reflected an increase of supplies, combined with rather slack demand because of a slow growth of wage income. The trend in meat prices this year contrasts sharply with the second quarter a year ago, when a steep rise occurred.

The slowing in crude materials was largely in metals, where supplies have been growing and demand from industry lessening. Rapidly advancing metal prices were a major factor in the industrial price rise last fall and winter. In June, nonferrous metal prices declined for the first time in two years.

In prices of intermediate materials, the acceleration in the second quarter chiefly reflected a significant rise in steel mill products. Other factors included an upturn in industrial chemicals, leather, and plywood, which had declined through most of last year; and a smaller decrease for lumber than in the four preceding quarters. At the end of the second quarter, the industrial price rise appeared to be slackening again.

In consumer prices, the slowing was chiefly in meats, poultry, and eggs. (Table 8) Services also rose significantly less sharply than in the first quarter, largely in public transportation charges and mortgage interest rates. On the other hand, commodities other than food rose more on the average than in the first quarter, mainly in used cars, gasoline, and cigarettes. Used car prices often rise sharply in a period of economic slack, when many buyers purchase used cars instead of new ones.

TABLE 1.—OUTPUT PER MAN-HOUR, HOURLY COMPENSATION, UNIT COSTS, AND PRICES IN THE PRIVATE ECONOMY, SEASONALLY ADJUSTED

[Indexes 1957–59=100]

Year and quarter	Output	Man-hours	Output per man-hour	Compensation per man-hour [1]	Real compensation per man-hour [2]	Unit labor costs	Unit nonlabor payments [3]	Implicit price deflator [4]
1969:								
1st	159.0	114.2	139.3	170.0	136.3	122.1	122.8	122.4
2d	159.8	115.1	138.9	172.4	136.0	124.2	123.2	123.8
3d	160.9	115.3	139.5	175.9	136.8	126.1	123.6	125.2
4th	160.4	114.8	139.7	179.6	137.8	128.6	123.3	126.6
Annual average	160.0	114.9	139.3	174.5	136.8	125.3	123.2	124.5
1970:								
1st	159.2	114.7	138.9	182.6	138.0	131.5	122.7	128.3
2d	159.3	113.8	139.9	184.9	137.5	132.2	125.2	129.5
	Percent change over previous quarter at annual rate [5]							
1969:								
1st	2.8	3.4	−0.5	6.2	1.2	6.7	1.4	4.7
2d	2.1	3.3	−1.1	5.9	−1.0	7.1	1.5	4.9
3d	2.5	.9	1.6	8.2	2.3	6.5	1.1	4.5
4th	−1.0	−1.8	.8	8.8	3.0	7.9	−.8	4.7
Annual average [6]	2.9	2.2	.7	7.2	1.8	6.5	1.2	4.5
1970:								
1st	−3.0	−.5	−2.5	6.8	.5	9.6	−2.0	5.3
2d	.1	−2.9	3.1	5.1	−1.3	1.9	8.2	4.1
	Percent change over previous year							
1970: 2d quarter [7]	−0.3	−1.1	0.8	7.2	1.1	6.4	1.6	4.6

[1] Wages and salaries of employees plus employers' contributions for social insurance and private benefits plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.
[2] Compensation per man-hour adjusted for changes in the Consumer Price Index.
[3] Nonlabor payments include profits, depreciation, interest, rental income and indirect taxes.
[4] Current dollar gross product divided by constant dollar gross product.
[5] Percent change compounded at annual rate from original data.
[6] Percentage change of annual average.
[7] Current quarter divided by comparable quarter a year ago.

Note: Data have been revised to reflect new benchmarks. Revisions of earlier data are shown on appendix table 10.

Source: Output data from the Office of Business Economics, U.S. Department of Commerce and the Federal Reserve Board. Compensation and man-hours data from the Bureau of Labor Statistics, U.S. Department of Labor and the Office of Business Economics.

TABLE 2.—OUTPUT PER MAN-HOUR, HOURLY COMPENSATION, UNIT COSTS, AND PRICES IN THE PRIVATE NONFARM SECTOR, SEASONALLY ADJUSTED

[Indexes 1957–59=100]

Year and quarter	Output	Man-hours	Output per man-hour	Compensation per man-hour [1]	Real compensation per man-hour [2]	Unit labor costs	Unit nonlabor payments [3]	Implicit price deflator [4]
1969:								
1st	161.1	120.1	134.1	163.1	131.5	122.2	123.0	122.5
2d	162.4	121.2	134.0	166.2	131.1	124.1	123.0	123.7
3d	163.4	121.7	134.2	169.2	131.6	126.1	123.5	125.1
4th	163.1	121.4	134.3	172.4	132.2	128.4	123.2	126.4
Annual average	162.5	121.1	134.2	167.9	131.6	125.2	123.2	124.5
1970:								
1st	161.9	121.4	133.3	175.1	132.3	131.4	122.0	127.9
2d	161.9	120.4	134.4	177.5	132.0	132.1	124.7	129.4
	Percent change over previous quarter at annual rate [5]							
1969:								
1st	2.6	4.2	−1.5	5.5	0.5	7.1	1.1	4.8
2d	3.1	3.6	−.4	5.8	−1.0	6.3	.0	3.9
3d	2.5	1.9	.6	7.3	1.4	6.6	1.5	4.7
4th	−.6	−1.0	.3	7.7	1.9	7.3	−1.0	4.3
Annual average [6]	3.0	2.7	.3	6.7	1.3	6.4	.8	4.3
1970:								
1st	−2.9	−.1	−2.9	6.6	.3	9.8	−3.8	4.8
2d	−.1	−3.3	3.3	5.6	−.9	2.2	9.3	4.6
	Percent change over previous year							
1970: 2d quarter [7]	−0.3	−0.6	0.3	6.8	0.7	6.5	1.4	4.6

[1] Wages and salaries of employees plus employers' contributions for social insurance and private benefits plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.
[2] Compensation per man-hour adjusted for changes in the Consumer Price Index.
[3] Nonlabor payments include profits, depreciation, interest, rental income and indirect taxes.
[4] Current dollar gross product divided by constant dollar gross product.
[5] Percent change compounded at annual rate from original data.
[6] Percentage change of annual average.
[7] Current quarter divided by comparable quarter a year ago.

Note: Data have been revised to reflect new benchmarks. Revisions of earlier data are shown on appendix table 10.

Source: Output data from the Office of Business Economics, U.S. Department of Commerce and the Federal Reserve Board. Compensation and man-hours data from the Bureau of Labor Statistics, U.S. Department of Labor and the Office of Business Economics.

TABLE 3.—OUTPUT PER MAN-HOUR, HOURLY COMPENSATION AND UNIT LABOR COSTS IN THE MANUFACTURING SECTOR, SEASONALLY ADJUSTED

[Indexes 1957–59=100]

Year and quarter	Output [1]	Man-hours [2]	Output per man-hour [2]	Compensation per man-hour [2]	Real compensation per man-hour [2 3]	Unit labor costs
1969:						
1st	170.8	122.2	139.8	157.8	126.5	112.9
2d	172.8	123.4	140.0	159.5	125.8	113.9
3d	173.9	123.4	140.9	162.8	126.6	115.6
4th	170.8	122.5	139.4	165.2	126.7	118.5
Annual average	172.1	122.9	140.0	161.4	126.5	115.2
1970:						
1st	168.9	120.6	140.0	167.9	126.8	119.9
2d	167.2	117.9	141.8	170.7	126.9	120.4
	Percent change over previous quarter at annual rate [4]					
1969:						
1st	1.9	.9	1.4	6.2	1.2	4.7
2d	4.8	3.8	.6	4.6	−2.2	3.6
3d	2.6	.1	2.6	8.5	2.5	6.1
4th	−6.9	−2.8	−4.2	5.8	.1	10.4
Annual average [5]	3.9	1.8	2.1	6.4	.9	4.2
1970:						
1st	−4.4	−6.1	1.7	6.7	.4	4.8
2d	−4.0	−8.7	5.2	7.0	.4	1.7
	Percent change over previous year					
1970: 2d quarter [3]	−3.2	−4.4	1.3	7.0	0.9	5.7

[1] Quarterly measures adjusted to annual estimates of output (gross product originating) from the Office of Business Economics, U.S. Department of Commerce.
[2] Employees only.
[3] Compensation per man-hour adjusted for changes in the Consumer Price Index. Percent change compounded at annual rate from original data.
[4] Current quarter divided by comparable quarter a year ago.

Note: Data have been revised to reflect new benchmarks. Revisions of earlier data are shown on appendix table 10.

Source: Output data from the Office of Business Economics, U.S. Department of Commerce and the Federal Reserve Board. Compensation and man-hours data from the Bureau of Labor Statistics, U.S. Department of Labor and the Office of Business Economics.

TABLE 4.—QUARTERLY TRENDS IN COMPENSATION, 1968–70

[Computed from seasonally adjusted quarterly data]

Measure	1968 June	1968 September	1968 December	1969 March	1969 June	1969 September	1969 December	1970 March	1970 June
	Percent change over previous quarter at annual rate								
Average hourly compensation:									
All persons, total private economy	5.9	8.5	8.5	6.1	5.8	8.4	8.7	6.9	5.1
All employees, private nonfarm economy	5.7	7.0	8.7	5.5	5.8	7.3	7.7	6.6	5.6
Average hourly earnings, private nonfarm economy [1 2]	6.9	6.2	6.7	6.5	7.9	6.8	7.1	3.9	6.1
Mining	4.1	6.2	6.9	11.3	5.4	7.3	7.6	7.3	4.3
Contract construction	5.1	7.2	7.8	6.3	12.8	9.0	10.9	8.0	7.7
Manufacturing	6.5	5.5	7.2	4.9	6.0	7.8	5.1	3.4	6.2
Excluding effects of overtime and interindustry employment shifts	6.0	5.6	6.4	5.4	5.7	6.7	6.0	5.7	[3]
Wholesale and retail trade	7.6	6.9	6.2	5.5	5.6	8.2	7.3	5.3	4.6
Finance, insurance, and real estate	8.8	9.1	6.9	7.7	1.8	5.2	7.0	5.9	[4]
Average hourly earnings, all Federal executive branch employees [3]	.4	2.0	4.5	1.0	2.6	4.7	3.8	1.9	[3]
Average union scales, building construction:									
Wages and selected benefits	10.7	12.0	10.9	7.0	14.8	10.0	5.8	5.7	25.6
Hourly wage rates	7.4	9.8	10.4	7.0	12.4	8.9	5.8	5.7	22.8
Wage rates, hired farm labor	11.8	20.8	2.7	5.3	8.0	10.5	2.5	−2.5	10.2
Average weekly earnings, private nonfarm economy: [1]									
Current dollars	6.1	7.4	4.7	6.4	8.3	6.1	5.4	2.9	3.1
1957–59 dollars	2.2	2.8	−.6	1.0	1.5	.8	−.5	−4.1	−2.6
Real spendable earnings (worker and 3 dependents 1957–59 dollars)	.5	2.0	−1.7	−1.4	−.6	[4]	−1.3	−1.0	−2.7

[1] Production and nonsupervisory workers.
[2] Includes industries not shown separately.
[3] Not available.
[4] Less than 0.05 percent.

[5] Computed from data that are not seasonally adjusted. Actual percent change rather than annual rate of change is shown where change is affected by a general salary adjustment.

Note: Data for most recent quarter are preliminary.

TABLE 5.—ANNUAL TRENDS IN COMPENSATION, 1968–70

[Computed from seasonally adjusted quarterly data]

Measure	1968 June	1968 September	1968 December	1969 March	1969 June	1969 September	1969 December	1970 March	1970 June
	Percent change over 4-quarter period [1] ending in–								
Average hourly compensation:									
All persons, total private economy	6.9	7.7	8.6	7.3	7.2	7.2	7.2	7.4	7.3
All employees, private nonfarm economy	7.0	7.2	8.0	6.7	6.7	6.8	6.6	6.8	6.8
Average hourly earnings, private nonfarm economy [2 3]	6.4	6.4	7.0	6.6	6.8	7.0	7.1	6.4	6.0
Mining	4.6	4.8	6.4	7.1	7.4	7.7	7.9	6.9	6.6
Contract construction	7.3	6.9	7.1	6.6	8.5	9.0	9.7	10.2	8.9
Manufacturing	6.4	6.5	7.1	6.0	5.9	6.5	5.9	5.6	5.6
Excluding effects of overtime and interindustry employment shifts	6.0	6.2	6.5	5.9	5.8	6.1	6.0	6.0	[4]
Wholesale and retail trade	6.9	7.2	7.4	6.5	6.0	6.4	6.6	6.6	6.3
Finance, insurance, and real estate	6.0	6.9	7.2	8.1	6.4	5.4	5.4	5.0	4.5
Average hourly earnings, all Federal executive branch employees [3]	6.3	9.1	6.2	6.9	7.5	10.4	9.6	9.9	[4]
Average union scales building construction:									
Wages and selected benefits	5.9	7.5	9.7	10.1	11.1	10.6	9.3	9.0	11.8
Hourly wage rates	4.8	6.1	7.9	8.7	9.9	9.7	8.5	8.1	10.8
Wage rates, hired farm labor	6.6	9.4	10.9	9.9	9.0	6.6	6.5	4.5	5.1
Average weekly earnings, private nonfarm economy: [2]									
Current dollars	6.1	6.1	6.3	6.2	6.7	6.4	6.6	5.7	4.4
1957–59 dollars	1.8	1.7	1.6	1.3	1.2	.7	.7	−.6	−1.6
Real spendable earnings (worker and 3 dependents 1957–59 dollars)	.9	.7	.4	−.2	−.2	−.7	−.6	−.4	−1.3

[1] Current quarter divided by comparable quarter a year earlier.
[2] Production and nonsupervisory workers.
[3] Includes industries not shown separately.
[4] Not available.

[5] Computed from data that are not seasonally adjusted.

Note: Data for June 1970 are preliminary.

TABLE 6.—WAGE AND BENEFIT DECISIONS INDIVIDUAL QUARTERS, 1968–70 [1]

[Mean adjustments]

Measure	Average percent change at annual rate in decisions during quarter ending in—									
	1968				1969				1970	
	March	June	September	December	March	June	September	December	March	June
Major collective bargaining situations: [2]										
Wage and benefit changes:										
Over life of contract	6.1	6.8	6.5	6.4	6.7	10.3	7.8	9.0	8.0	10.9
1st-year adjustment	9.0	8.5	8.5	9.0	8.9	12.9	11.6	13.3	10.9	17.1
Wage-rate changes in—										
All industries:										
Over life of contract	5.6	6.0	5.8	6.1	6.1	8.7	7.8	7.5	7.7	10.6
1st-year adjustment	7.1	7.4	7.4	7.5	7.6	9.8	9.9	10.3	10.2	15.4
Manufacturing:										
Over life of contract	5.1	5.7	5.0	5.4	5.3	6.2	6.5	6.8	5.5	6.6
1st-year adjustment	6.7	7.6	7.0	6.7	6.4	8.4	8.7	8.2	8.2	8.4
Nonmanufacturing:										
Over life of contract	6.3	6.2	6.9	7.1	7.1	10.6	9.8	8.5	10.7	11.8
1st-year adjustment	7.6	7.3	8.1	8.9	9.2	10.7	11.8	12.8	12.8	17.4
Construction:										
Over life of contract	7.3	8.1	10.2	9.0	6.1	13.4	13.9	11.7	13.1	14.6
1st-year adjustment	8.6	8.2	10.0	9.3	7.6	12.8	14.8	13.2	15.5	18.2
Wage increases in manufacturing: [3]										
All establishments	(4)	(4)	(4)	(4)	6.2	6.9	7.1	7.4	6.6	(4)
Union establishments	(4)	(4)	(4)	(4)	6.7	7.6	7.9	7.5	7.6	(4)
Nonunion establishments	(4)	(4)	(4)	(4)	5.5	5.8	6.2	7.2	5.2	(4)

[1] Data exclude possible adjustments in wages under cost-of-living escalator clauses (except increases guaranteed by the contract).
[2] Limited to private industry settlements affecting 1,000 workers or more (5,000 for wages and benefits combined).
[3] Averages are limited to establishments in which there were decisions to make general wage rate increases. Averages for major collective bargaining situations include, in addition to unit deciding on general wage increases, units agreeing to reduce wages or to leave wages unchanged
[4] Not available.

Note: Data for 1970 are preliminary.

TABLE 7.—WAGE AND BENEFIT DECISIONS, ANNUAL PERIODS, 1968–70 [1]

[Mean adjustments]

Measure	Average percent change at annual rate in decisions during 4 quarters ending in—									
	1968				1969				1970	
	March	June	September	December	March	June	September	December	March	June
Major collective bargaining situations [2]—										
Wage and benefit changes:										
Over life of contract	5.3	6.0	6.2	6.5	6.6	7.2	7.8	8.2	8.8	9.4
1st-year adjustment	8.0	8.7	8.7	8.7	8.6	9.5	10.4	10.9	11.8	14.0
Wage-rate changes in—										
All industries:										
Over life of contract	(3)	(3)	(3)	5.9	6.0	6.6	7.3	7.6	8.1	8.9
1st-year adjustment	(3)	(3)	(3)	7.4	7.5	8.1	8.8	9.2	10.0	12.3
Manufacturing:										
Over life of contract	(3)	(3)	(3)	5.2	5.3	5.4	5.8	6.0	6.2	6.3
1st-year adjustment	(3)	(3)	(3)	7.0	7.0	7.1	7.5	7.9	8.4	8.4
Nonmanufacturing:										
Over life of contract	(3)	(3)	(3)	6.5	6.6	8.2	9.0	9.3	10.2	11.0
1st-year adjustment	(3)	(3)	(3)	7.8	8.0	9.3	10.2	10.8	11.6	15.2
Construction:										
Over life of contract	(3)	(3)	(3)	8.6	8.6	12.1	13.1	13.1	13.4	13.9
1st-year adjustment	(3)	(3)	(3)	8.7	8.7	11.8	12.9	13.1	13.8	16.5
Wage increases in manufacturing: [3]										
All establishments	(3)	(3)	(3)	6.2	(3)	(3)	(3)	6.8	7.0	(3)
Union establishments	(3)	(3)	(3)	6.5	(3)	(3)	(3)	7.4	7.7	(3)
Nonunion establishments	(3)	(3)	(3)	5.8	(3)	(3)	(3)	6.1	6.3	(3)

[1] Data exclude possible adjustments in wages under cost-of-living escalator clauses (except increases guaranteed by the contract).
[2] Limited to private industry settlements affecting 1,000 workers or more (5,000 for wages and benefits combined).
[3] Not available.
[4] Averages are limited to establishments in which there were decisions to make general wage rate increases. Average for major collective bargaining situations include, in addition to unit deciding on general wage increases, units agreeing to reduce wages or to leave wages unchanged

Note: Data for 1970 are preliminary.

TABLE 8.—CONSUMER PRICE INDEXES FOR SELECTED COMMODITIES AND SERVICES QUARTERLY PERCENT CHANGES

Consumer price indexes	Quarter ending—					
	1969			1970		June 1969 to June 1970
	June	September	December	March	June	
Seasonally adjusted:						
All items	1.5	1.3	1.5	1.5	1.4	6.0
All commodities	1.4	1.0	1.5	.9	1.3	8.2
Food	2.0	1.5	2.5	1.3	.3	4.7
Nondurables less food	1.2	.9	1.0	.6	1.2	5.7
Durables	.2	.5	1.2	.7	2.0	8.1
Not seasonally adjusted:						
All items	1.6	1.3	1.5	1.4	1.5	6.0
Services	1.7	1.9	1.6	2.7	1.8	8.2
All commodities	1.5	1.0	1.6	.7	1.4	4.7
Food	2.5	1.6	1.9	1.3	.8	5.7
Food away from home	1.7	2.1	2.2	1.7	1.9	8.1
Food at home	2.8	1.5	1.8	1.3	.5	5.1
Meats	8.7	2.8	−1.4	2.6	−.2	3.9
Beef and veal	10.9	.3	−3.3	2.3	1.3	.5
Pork	8.3	6.0	−.3	3.5	−2.5	6.6
Chicken, frying	3.8	4.6	−5.7	−1.2	−.8	−3.3
All dairy products	.8	1.2	1.7	1.4	.6	5.0
Milk, grocery	.5	1.2	1.8	1.4	−.4	4.1
Cheese	2.9	1.6	2.4	2.6	.6	7.4
Fruits and vegetables	2.5	−3.1	4.2	.8	4.7	6.6
Fresh fruits and vegetables	3.8	−5.3	6.8	1.1	7.0	9.5
Processed fruits and vegetables	.4	.5	.2	.2	1.1	2.0
Cereals and bakery products	.7	.8	1.5	1.7	.9	5.1
Bread, white	−.2	1.3	1.8	1.8	0	4.9
Eggs	−14.7	23.0	23.6	−12.8	−25.0	−.6
Nonalcoholic beverages	.9	.3	3.6	4.6	3.6	12.7
Durable commodities	.5	−.1	1.8	.4	2.3	4.5
New cars	−.6	−2.3	5.4	−.5	−.6	2.0
Household durables	1.3	.4	.3	.8	.7	2.3
Nondurables less food	1.3	1.1	1.0	.3	1.3	3.8
Apparel less footwear	1.7	1.3	1.8	−.6	1.3	3.7
Women's and girls'	1.7	1.5	2.1	−1.5	1.2	3.3
Men's and boys'	1.7	1.2	1.5	.2	1.4	4.4
Footwear	1.8	1.6	1.5	1.3	1.0	5.4
Fuel oil and coal	.3	.5	.9	1.3	.3	3.1
Services	1.7	1.9	1.6	2.7	1.8	8.2
Rent	.9	1.0	1.1	1.1	.9	4.1
Insurance and finance	2.6	2.9	3.0	5.1	2.4	13.9
Utilities and public transportation	.7	.6	1.3	2.7	.8	5.5
Housekeeping and home maintenance	2.3	2.7	2.0	1.7	1.7	8.4
Medical care	2.0	1.8	.3	2.4	2.0	6.8

TABLE 9.—WHOLESALE PRICE INDEXES FOR SELECTED INDUSTRIAL COMMODITIES QUARTERLY PERCENT CHANGES

Wholesale price indexes	Quarter ending— 1969 June	Sep-tem-ber	De-cem-ber	1970 March	June	June 1969 to June 1970
Seasonally adjusted:						
WPI, All commodities	1.2	0.6	1.5	1.0	0.2	3.4
Farm products	3.0	−.3	3.2	1.2	−4.0	.1
Processed food and feeds	2.7	.2	2.1	2.1	−1.6	2.8
Industrial commodities	.5	1.0	1.0	.8	1.1	4.0
Crude materials except food	3.6	3.6	3.2	2.8	1.5	8.4
Intermediate materials except food	.2	.9	1.1	.5	1.6	4.2
Finished goods:						
Consumer nondurables except food	.6	1.1	.9	.5	.7	3.1
Consumer durables	.5	.3	.8	.8	.6	2.4
Producers' goods	.8	1.3	1.4	1.1	.8	4.7
Not seasonally adjusted:						
WPI, all commodities	1.3	.4	1.3	1.3	.3	3.4
Industrial commodities	.2	.9	1.2	1.0	.8	4.0
Textile products and apparel	.1	1.7	.2	.3	−.2	2.0
Cotton products	−.3	1.3	.2	−.3	.1	1.3
Wool products	.8	0	−.6	.1	−1.5	−2.1
Manmade fiber products	.7	.7	.1	−.8	−1.5	−4.0
Apparel	.4	2.6	.6	.9	.4	4.5
Hides, skins, leather, and products	1.9	2.0	−1.4	.2	.4	1.3
Hides and skins	7.6	9.6	−15.4	−8.7	−5.5	−20.1
Leather	4.4	.2	−1.7	−1.3	1.3	−1.4
Footwear	.6	2.0	.1	1.4	.7	4.2
Fuels, related products, and power	.8	−.3	1.4	.2	2.2	3.4
Crude petroleum	.8	0	0	0	0	0
Refined petroleum	1.6	−1.5	.4	−1.4	1.4	−1.1
Chemicals and allied products	.2	.6	−.1	1.2	.5	2.2
Industrial chemicals	−.9	1.2	−.4	−.5	.7	1.0
Agricultural chemicals and products	−.3	−5.1	−.8	6.1	−.2	−.3
Rubber and rubber products	.3	1.5	1.7	−.1	−.3	2.9
Crude rubber	.9	1.0	−2.8	−.6	−.9	−3.2
Tires and tubes	0	3.0	2.5	0	0	5.6
Lumber and wood products	−13.2	−5.1	−.6	−2.4	.6	−7.4
Lumber	−13.5	−9.0	−1.0	−3.8	−.3	−13.6
Millwork	5.6	−1.2	−2.0	−.8	.3	−3.6
Plywood	−35.9	.2	2.6	−2.5	4.2	4.6
Pulp, paper, and products	.8	.5	.6	2.4	.1	3.7
Paper	.8	−.4	.8	3.6	.1	4.0
Converted paper and paperboard	1.0	1.0	.8	2.0	.6	4.5
Metal and metal products	1.8	3.2	1.7	2.6	1.7	9.5
Iron and steel	1.4	2.6	.7	3.3	2.1	9.0
Nonferrous metals	4.3	5.9	4.6	2.2	1.0	14.4
Machinery and equipment	.7	1.1	1.7	1.0	.8	4.6
Nonelectrical machinery	.9	1.2	2.2	1.1	.8	5.3
Electrical machinery	.5	.7	.8	.9	.9	3.4
Furniture and household durables	.2	.5	.8	.8	.5	2.5
Household furnitute	.8	.6	.5	1.4	.6	3.1
Floor covering	−1.8	−.6	−.1	.3	−.9	−1.4
Household appliances	.1	.1	.6	1.2	.2	2.1
Nonmetallic mineral products	.8	.6	.9	2.4	.5	4.5
Concrete ingredients	.3	.5	.2	3.5	1.2	5.5
Concrete products	.4	1.4	.9	2.5	1.0	5.8
Transportation equipment	.3	−.3	2.7	.5	.1	3.0
Passenger cars, new	0	−1.0	3.2	0	.5	2.1
Railroad equipment	1.5	2.3	1.1	2.6	.5	6.7
Miscellaneous products	2.3	1.1	.5	.7	2.8	5.1
Tobacco products	5.6	.5	.2	.1	6.6	7.4

APPENDIX TABLE 10.—REVISED INDEXES OF OUTPUT PER MAN-HOUR, HOURLY COMPENSATION AND UNIT LABOR COSTS, 1969 (INDEXES 1957–59=100) (SEASONALLY ADJUSTED)

Year and quarter	Output	Man-hours	Output per man-hour	Compensation per man-hour [1]	Real compensation per man-hour [2]	Unit labor costs
TOTAL PRIVATE						
1968:						
1st	152.4	111.3	136.9	158.5	133.3	115.8
2d	155.1	112.3	138.1	160.8	133.7	116.5
3d	156.7	112.9	138.8	164.1	134.7	118.2
4th	157.9	113.2	139.5	167.5	135.9	120.1
Annual average	155.5	112.4	138.3	162.8	134.4	117.7
1969:						
1st	159.0	114.2	139.3	170.0	136.3	122.1
2d	159.8	115.1	138.9	172.4	136.0	124.2
3d	160.9	115.3	139.5	175.9	136.8	126.1
4th	160.4	114.8	139.7	179.6	137.8	128.6
Annual average	160.0	114.9	139.3	174.5	136.8	125.3
PRIVATE NONFARM						
1968:						
1st	154.3	116.5	132.4	153.6	129.2	116.0
2d	157.4	117.7	133.7	155.7	129.5	116.5
3d	159.0	118.5	134.2	158.4	130.1	118.1
4th	160.1	118.9	134.6	161.7	131.3	120.2
Annual average	157.7	117.9	133.7	157.4	130.0	117.7
1969:						
1st	161.1	120.1	134.1	163.9	131.5	122.2
2d	162.4	121.2	134.0	166.2	131.1	124.1
3d	163.4	121.7	134.2	169.2	131.6	126.1
4th	163.1	121.4	134.3	172.4	132.2	128.4
Annual average	162.5	121.1	134.2	167.9	131.6	125.2
MANUFACTURING [3 4]						
1968:						
1st	161.2	119.4	135.0	148.3	124.8	109.9
2d	164.5	120.4	136.6	150.3	125.0	110.0
3d	166.6	121.2	137.5	152.7	125.4	111.1
4th	170.0	122.0	139.3	155.4	126.2	111.6
Annual average	165.6	120.7	137.1	151.7	125.3	110.6
1969:						
1st	170.8	122.2	139.8	157.8	126.5	112.9
2d	172.8	123.4	140.0	159.5	125.8	113.9
3d	173.9	123.4	140.9	162.8	126.6	115.6
4th	170.8	122.5	139.4	165.2	126.7	118.5
Annual average	172.1	122.9	140.0	161.4	126.5	115.2

[1] Wages and salaries of employees plus employers' contributions for social insurance and private benefits plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

[2] Compensation per man-hour adjusted for changes in the Consumer Price Index.

[3] Quarterly measures adjusted to annual estimates of output (gross product originating) from the Office of Business Economics, U.S. Department of Commerce.

[4] Employees only.

EXHIBIT 2

PRODUCTIVITY: ANTIDOTE TO INFLATION

ANALYSIS BY THE VETERAN ECONOMIST AND CONSULTANT TO GOVERNMENT AND INDUSTRY

(By Louis J. Paradiso)

You don't have to be much more knowledgeable than the average man in the street to realize that:

We aren't cooling inflation by putting a lid on economic growth. To the contrary, prices are soaring and unemployment is beginning to.

A continuation of present policies likely will continue to produce the same adverse results.

What's becoming perfectly obvious, of course, is that inflationary pressures aren't going to be cooled at all until costs are put on ice. But unemployment isn't the answer, because that cuts demand and actually may raise unit costs.

So you have to look for a solution to inflation which has these parameters: (1) It must brake costs, (2) but it cannot brake the rate of economic growth, because that (3) would create unemployment and a restless, stagnant market.

The place to begin your search for the grail is in the area of productivity. And right away you can see that you're on the right track.

The productivity performance of American industry since the escalation of the war in Vietnam, especially in 1969, has been most disappointing.

In the 10 years prior to 1965, factory output per manhour grew at an annual rate of 3½%. In the next four years the increase has averaged less than 2½% per year. For nonmanufacturing industries the comparison is nearly 3% in the earlier period, as against 1½% from 1965 to 1969.

The slowdown occurred even though from 1961 to 1966 the physical volume of capital goods purchases increased sharply—at an average rate of 10%/year—and a further expansion has occurred since then. A number of factors have accounted for this untoward development—at times industry has hoarded labor, hired a disproportionate number of inexperienced workers, or faced a slowdown in sales and therefore output.

Plainly, poor productivity magnifies costs and contributes materially to upward price pressures.

PRODUCTIVITY IS THE ANSWER

Conversely, note how high productivity would satisfy the parameters of our inflation solution. Take this example:

If private output were to increase 5%, and the productivity gain were 3%, the implied increase in employment would be 2%—enough to absorb the normal growth in the labor force and guarantee a thriving market.

Meanwhile a 3% productivity gain (we had only 1% in 1969) would help ease price pressures. And as productivity continues to improve, inflation gradually would cool off—in short, price stability eventually would be achieved.

So far, so good. But there's a problem inherent in productivity: Like most good intentions it's hard to sustain. Increased efficiency can be a short-lived objective when a surge of new business puts corporations into a relaxed mood.

So a permanent device to promote increased productivity is needed sorely.

Actually we have a striking precedent for it: In 1962, the government provided an incentive to investment by allowing firms a tax credit on purchases of new equipment. This contributed greatly to the upsurge in investment outlays after that year.

Why not do the same for productivity?

EFFICIENCY INCENTIVES NEEDED

Secifically companies would receive an efficiency tax credit each year, depending on their actual productivity performances. Any number of formulas can be devised to implement such a program. One formula would be to allow a firm to deduct 1% from its tax liability for each ½% gain in productivity over and above the annual average of the preceding 10 years. If, for the private economy, this incentive were to result in a productivity increase of 2% more than the average gain of the past 10 years—from roughly 3% to 5%—it would cost the Treasury Dept. $2-billion, or about the same amount involved in the investment tax credit. Obviously the formula can be modified, depending on the degree of business stimulation needed.

An efficiency tax credit would have many advantages. It would affect all firms—in contrast to the investment tax credit which applied only to firms buying equipment. It would be completely voluntary. It would have a double-barreled effect—prevent demand-pull inflation and progressively reduce cost-push pressure on prices ultimately to bring about price stability. It basically is the answer to how we may be able to sustain strong economic growth and a low rate of unemployment under conditions of relative price stability. Increased productivity could result from actions taken on many fronts—through managerial efforts, cooperation by workers, more R&D, and replacement of older machines by more efficient ones.

Questions may be raised as to problems of measuring productivity in certain areas, particularly in an economy that is white-collar/service-oriented.

The measurement problem should pose no serious obstacle, as many consulting firms specializing in enhancing efficiency and its measurement will attest.

Also there may be a measurement problem where productivity increases are reflected in a better-quality product at the same or lower price. Here again the measurement of output is not insurmountable, because many firms have been successful in quantifying the enhanced quality performance of their products.

In all, quantifying productivity gains should not be much more difficult than the present calculations of depreciation allowances.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. MONDAY, AUGUST 10, 1970

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10:30 on Monday morning next.

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

Mr. BYRD of West Virginia. Mr. President, this request is without prejudice to the rights of the able Senator from Missouri (Mr. EAGLETON), who was to have been, and is to be, recognized shortly after 11 o'clock Monday morning next.

The purpose of coming in a half hour earlier on Monday morning is that we might proceed to the consideration at that time—and before the Senator from Missouri (Mr. EAGLETON) speaks—of Calendar No. 1077, S. 3835, which has been introduced by the able Senator from Iowa (Mr. HUGHES) and other Senators.

There will be a discussion of that measure plus any other measures which the majority leader might wish to lay before the Senate at that time.

ORDER FOR PLACING ADDITIONAL INSERTIONS IN THE RECORD

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the CONGRESSIONAL RECORD be kept open until 3 p.m. today for additional insertions by Senators.

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

ADJOURNMENT UNTIL 10:30 A.M. MONDAY, AUGUST 10, 1970

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10:30 Monday morning next.

The motion was agreed to; and (at 12 o'clock and 16 minutes p.m.) the Senate adjourned until Monday, August 10, 1970, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 7, 1970:

DIPLOMATIC AND FOREIGN SERVICE

L. Dean Brown, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

DEPARTMENT OF TRANSPORTATION

Willard J. Smith, of Michigan, to be an Assistant Secretary of Transportation, vice Walter L. Mazan, resigned.

ENVIRONMENTAL SCIENCE SERVICES ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Environmental Science Services Administration:

To be lieutenants

Edward M. Gelb	Richard D. Olson
Gregory Holloway	Richard S. Moody, Jr.
James C. Bishop, Jr.	Gerald J. Cinpinski
Robert C. Husted, Jr.	Lloyd K. Thomas
Kenneth E. Lilly, Jr.	Richard L. Baker
Charles R. Condon	

To be ensigns

Gary M. Adair	Frederick J. Jones
Keith G. Baldwin	David B. MacFarland, Jr.
Max M. Ethridge	Jan W. McCabe
Michael R. Johnson	David B. McLean
Robert H. Qualset	Carl V. Ullman
Denis A. Redwine	Alan P. Vonderohe
Gary L. Sundin	Stephen L. Wood

IN THE MARINE CORPS

The following-named Army Reserve Officer Training Corps graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to qualification therefor as provided by law:

King, James H., Jr.

IN THE NAVY

Joel H. Ross (Naval Reserve Officers Training Corps candidate) to be permanent ensign in the Line or Staff Corps of the Navy, subject to the qualification therefor as provided by law.

The following-named enlisted personnel to be permanent ensigns in the Medical Service Corps of the Navy, subject to the qualification therefor as provided by law:

Mike VanRollins	Kermit J. Fendler
Charles M. Grill	Robert W. Kapp

The following-named chief warrant officers to be ensigns in the Navy, limited duty for temporary service in the classification indicated as a permanent warrant and/or permanent and temporary warrant subject to the qualification therefor as provided by law:

Engineering

Maurice C. Hollon

Electronics

Frederick W. Borgmann
James F. Parsons

Electrician

Darrell E. Johnston
Donald E. Tuttle

The following-named (Naval Reserve officers) to be permanent lieutenant (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualification therefor as provided by law:

Bruce L. Bosworth	James T. Mellonig
Richard L. Delong	Robert F. Provencher
Dennis R. Hardin	Richard A. Riemann
Richard H. Harper	Russell C. Tontz, Jr.

The following-named (Naval Reserve officers) to be permanent lieutenant and temporary lieutenant commanders in the Medical Corps of the Navy, subject to the qualification therefor as provided by law:

Mark O. Abbott	John W. Branch
Hasan A. Benler	John A. Dryfuss, Jr.
James W. Bethel	Loys E. Williams

The following-named (Naval Reserve officers) to be permanent lieutenant (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualification therefor as provided by law:

Keenan F. Barber	Jan M. Kadyk
George H. Barbier	William R. Kendrick
James W. Bethel	Lawrence W. Mahalak, Jr.
Marvin A. Blanton III	Michael R. Malinovsky
DuWayne H. Bobert	Lawrence R. Morris
Robert H. Broomall	Joseph P. Murray
Jay H. J. Brown	David G. Nielsen
James L. Chandler	Gerald J. Nowak
William A. Combs	David J. O'Patry
Robert P. Cronin	John A. Pinkston
Richard G. Daly	Carol G. Reinert
Arthur B. Davis	Cyrus M. Robinson
Douglas D. DiBona	James A. Sebastian
Igor Z. Drobocky	Roscoe F. Suitor
Robert M. Ellsworth	Frank W. Walker
Henry J. Fisk	Thomas E. Walsh, Jr.
Richard L. Fraioli	Thomas M. Williams III
Arnold E. Gellman	Harold P. Wittcoff
Jon W. Harms	Lewis E. Wright
Albert D. Jacobson	
John R. Janovich	
Joseph A. Kaufman	

Joseph P. Virostko, U.S. Navy, retired, to be reappointed from the temporary disability retired list as a permanent chief

warrant officer W–4, in the Navy, subject to the qualification therefor as provided by law.

Donald E. LeDuc, U.S. Navy, retired, to be reappointed from the temporary disability retired list as a permanent chief warrant officer W–2, in the Navy, subject to the qualification therefor as provided by law.

Bruce E. Nolin (naval enlisted scientific education program candidate) to be a permanent ensign in the Line or Staff Corps of the Navy, subject to the qualification therefor as provided by law.

Robert M. Valko (civilian college graduate) to be a permanent lieutenant and a temporary lieutenant commander in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenant (junior grade) and temporary lieutenant in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Roderick W. Butlin — Michael S. Lucas
Van D. Henson — Jerry E. Young
William Shao-Ru Hwang

The following-named (Naval Reserve Officers) to be permanent lieutenants and temporary lieutenant commanders in the Dental Corps of the Navy, subject to the qualification therefor as provided by law:

"M" Dan Morris
Robert C. Wisser

WITHDRAWAL

Executive nomination withdrawn from the Senate August 7, 1970:

DIPLOMATIC AND FOREIGN SERVICE

Richard H. Zorn II, of Illinois, to be a Foreign Service officer of class 7, a consular officer, and a secretary in the Diplomatic Service of the United States of America, which was sent to the Senate on July 27, 1970.

EXTENSIONS OF REMARKS

ASSESSMENT OF UNITED STATES-RUSSIAN POWER BALANCE

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, August 7, 1970

Mr. BYRD of Virginia. Mr. President, on Sunday, August 2, the Richmond Times-Dispatch published a comprehensive article entitled "Naval Strength." It provides an assessment of United States-Russian power balance by Rear Adm. G. E. Miller.

I know Admiral Miller personally and hold him in high regard. He is Assistant Deputy Chief of Naval Operations for Air.

I ask unanimous consent that the article be printed in the Extensions of Remarks.

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

NAVAL STRENGTH: ADMIRAL PROVIDES AN ASSESSMENT OF U.S.-RUSSIA POWER BALANCE

(By Rear Adm. G. E. Miller)

(NOTE.—What is the naval preparedness of the United States? To help answer this question, now being debated in Congress, staff specialists of Media General newspapers questioned Rear Adm. Gerald E. Miller, assistant deputy chief, naval operations for air. Participating in the taped interview at the Pentagon were James P. Berry, special projects writer and editor for The Times-Dispatch, Bill Connelly of the Washington bureau of the Winston-Salem (N.C.) Journal and Sentinel, John Steen of the Washington bureau of the Tampa Tribune and Warren H. Kennet, military affairs writer for the Evening News of Newark, N.J.)

QUESTION. It has been said that the Russians are more willing to innovate than the United States and consequently are ahead of us in various types of surface craft and compulsion systems. What is our Navy doing to close this gap?

MILLER. I would not admit they are more willing to innovate, but the evidence shows they have exercised their will more than we have any way. I think that is a pretty significant statement.

Let me show you why I think so and see if you arrive at the same conclusion. Let us start off with some of the smaller ships that they have. Let us talk about the surface-to-surface missile-launching patrol craft, small ships.

The Komar boat with two surface-to-surface missiles on it, the OAS with four surface-to-surface missiles, a missile that will go theoretically 22 nautical miles and never get more than a thousand feet in the air. We know it works because this is the one that sank the Israeli destroyer from about 12 miles away. We do not have any ships like that in our Navy, but they have got quite a few of them and they have given a lot of them to their friends. They have not stopped with that. They have developed a follow-on to that called a Nunuchka, 800 patrol craft and launchers surface-to-surface missile launchers. They put a new type. We find six of a new type.

QUESTION. Triple pot?

MILLER. Yes, one on each side of the bow. So they are moving on in that area and we have not seen many of these yet, but this shows that they are developing in that area, in an area where we do not have any weapons system of that nature at all.

Let us move to a larger type ship—the patrol craft, the MERKA class patrol craft, gas turbine and diesel power combination. There are a lot of those. They have the Petka class, Petka-1 and Petka-2, and they have tried various combinations of power plants on those, but again it is a combination gas turbine and diesel-powered ship.

We do have some diesel and gas turbine-powered patrol craft of varying capabilities, not in the numbers that they have.

But let us go to the next larger size. Let us get up to the destroyer, Cashin class, DLG. This has a surface-to-surface launcher, torpedo tubes in the stern, sonar in it, good air search radar. The most significant is four stacks and completely gas-turbined power. It has been operational. They started with them about 1963 but it has really been operational since '67. And they are active today . . . and we see them around all the time. High speed, maneuverable, a good all-weather ship, about 4,600 tons. We do not have a gas turbine capital ship of that size in this country, not in our Navy.

The new contract that was just let to Litton for 30, what we call the DD–963 class, will be our first all-gas turbine powered ship of capital ship size and it will not be operational for four or five years.

So in that regard they are considerably ahead of us. However, if that 963 works out well, and we have every reason to believe it will, that will be a significant step forward for us because that class ship is about a 7,000 tonner, whereas this is only 24,600 tonner. But right today this is what they are operating.

QUESTION. What about the continuing demands from Mr. Rivers [Rep. L. Mendel Rivers, chairman of the House Armed Services Committee] to build the nuclear frigate, fighting at times people in the administration and people over here? Is there any chance that this dispute is going to be settled and we are going to get nuclear-powered frigates?

MILLER. We are hoping we would get the nuclear-powered frigate and we are working in that direction; but at this stage with the budget cut and the emphasis, we would like to be optimistic but we really are very concerned about getting approval of that ship. We certainly thank Mr. Rivers for his support, I will tell you that.

QUESTION. Do you consider the gas turbine route the compromise rather than going to full nuclear-powered for your capitol ships?

MILLER. I would say the answer to that is yes.

QUESTION. A cheaper compromise, and still maintain some superiority?

MILLER. There would be a point in size of ship where you would want to hesitate about putting in a nuclear power plant. The big advantage being range applying more to a ship of large size. So if you were down to a 4,600-ton ship. I do not know whether you would want to go to a nuclear-powered plant or not. But each type of power plant has its place in the size. The significant thing about the Russians is that they are the world leaders in the production of gas turbine-powered ships. They have built more than all of the rest of the countries put together.

QUESTION. How many do they have altogether.

MILLER. About 150.

QUESTION. How many do we have?

MILLER. I do not know the exact number, but it is considerably less. They are doing a lot in this area.

Cruisers, staying or with the surface ships. They have moved and are moving away from their bird loft class, we call it, the conventional gunships, although they have kept up with guns and done very well in the gun business. They have moved into surface missile launching cruisers that are also multipurpose. They have surface-to-air missiles with them and here is the Kresta class, which has a surface-to-air launcher and surface-to-air missiles are down in this area and the surface-to-air launcher down here.

Then we went to Kresta-2, which is a modification of the other, and the launchers are up here, two on each side of the bridge. So this is a pretty nice ship. This is about a 7,000-ton crusier with good speed, good range, steam-powered, two twin SAMS and two QUAD surface-to-surface missiles. These are quadruple launchers. There are eight surface-to-surface missiles on this ship. A very fine cruiser. Remember, we could not have a surface-to-surface missile in any of our cruisers. We still have surface-to-surface missiles in some of ours and guns.

QUESTION. Where does this leave us?

MILLER. Let us take a look at another cruiser.

This is the Kynda class, a little smaller, a 5,600 tonner, and here we have two QUAD surface-to-surface missile launchers . . . Again a multipurpose ship. A couple of guns here and torpedo tubes. Pretty nice.