

EXTENSIONS OF REMARKS

DELAWARE'S ANSWER TO THE
CHALLENGE OF SOLID WASTE

HON. J. CALEB BOGGS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES
Monday, August 24, 1970

Mr. BOGGS. Mr. President, earlier this month, I was honored to participate in a briefing that was held to discuss the State of Delaware's plan to construct the Nation's most modern and effective solid waste recycling plant.

This plant, when it is operating 2 years from now, will each day take 500 tons of municipal refuse and 70 tons of sewage sludge and produce reusable minerals, compost, and other products. This is a process that will save the land, and it will provide industry with a new source of raw materials.

The plan that led to the approval of the plant is in large measure due to the foresight of State Representative Robert J. Berndt. Representative Berndt headed a Governor's committee to examine Delaware's solid wastes problems. The committee, after a careful and exhaustive examination of the problem, concluded that such a recycling plant was not only feasible but necessary.

Representative Berndt made some opening remarks at the briefing, remarks in which he discussed the broad problems of solid waste management and the factors leading to approval of the Delaware plan.

To allow Senators and the Nation an opportunity to understand more fully the progressive effort to meet the solid waste challenge in Delaware, I ask unanimous consent that Representative Berndt's remarks be printed in the Extensions of Remarks.

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

THE SOLID WASTE PROBLEM IN DELAWARE

In March of 1969, the Delaware Senate adopted a resolution entitled "Relating to the study of Solid Waste Disposal in Delaware and the appointment of a committee with respect thereto." There followed a few whereas clauses and then it called for the Governor to appoint a committee of seven persons, a senator from each party, a representative from each party and three at-large citizens.

I was a freshman representative and held no committee chairmanship. In fact, it could be said that I was not contributing much of anything to the general good of the General Assembly. For these and probably a few other reasons, I was asked to chair the committee to study the solid waste problem.

Since my reading list includes "Chemical and Engineering News" and the "Journal of Environmental Science and Technology," I had some idea of the magnitude of the solid waste problem. Also, my home produces garbage and other solid waste so like every other citizen, I was already an expert. A truck called a compactor comes to my house twice every week (almost), picks up my refuse, drives down the street, turns the corner and the problem is solved. Well, anyway, I grudgingly accepted the honor of the chairmanship.

During May and June we met with the directors of the Division of Environmental Health who have responsibility for solid waste in our state and reviewed their findings on the subject. They had prepared an inventory of all the states' dumps and landfills. They knew how much of what was generated and where it went. Also, they had a feel for the immediate future. John Bryson of the Water and Air Resources Commission sat in with us and offered advice and sympathy. Some of us visited landfills and sewage plants and we discussed the problem with many who had a concern with solid waste.

Dr. Dalber, director of the U of D Marine Biology Laboratory, told me that he would not look with favor on any ideas to use the river front, the marshes or wetlands for dumping grounds.

The Division of Physical Health, under Dr. Floyd Hudson and Donald Harneson, had contracted with John Bivens Associates, a Delaware planning and consulting firm, to make a state-wide solid waste plan with some funds available through a Federal grant from the Bureau of Solid Waste in H.E.W.

This study revealed the foreboding evil that lies ahead for Delaware if we do not plan carefully and act wisely.

By the year 2000 we will require a thousand acres per year just to dispose of our solid wastes. That does not mean very much to the large states, but to little Delaware, 1000 acres is a good chunk of our whole state.

Much of our lower county has a water table only 4 to 8 feet below the land surface. This means a sanitary landfill would only be a couple of feet deep if it were to be provided with proper cover. If we bury it deeper we are right in the water table which would pollute wells and streams. In much of the state, the soil is poor for drainage. The clay in the northern part of the state would isolate little pockets of putrefying garbage. It would just sit there and ferment. The same soil could not be used for effective cover since it would bake out and crack to leave openings for rodents and vermin. Also, oxygen could get in and cause nasty dump fires. The State is dotted with lakes and ponds, and streams crisscross everywhere. These, along with our marshes and wetlands, should not be used for landfill operations. Forests cover much of our state, but they help clean up our air by converting CO₂ back to oxygen; also, forests provide recreational areas and we would be indeed short-sighted if we were to cut down a forest just to provide a landfill area. Urban areas sprawl the full length of our State and these too obviously must be eliminated as landfills. Delaware has no canyons and precious few quarries. There is not one mine of any size in which we could hide garbage. Bivens Assoc. plotted all these parameters on a series of transparent overlays. When one looked at the resulting plots it became evident that before many years passed, prime land would have to be dug up for landfills unless a miracle appeared.

The recently concluded General Assembly passed legislation which directed the counties to provide for the State by next April a comprehensive plan for the collection, transfer and disposal of solid waste. It provides a carrot to inspire action—"money". The State will put up a three-quarter matching fund if the county puts up one quarter. If the county just sits there and does nothing, the bill provides that the State plan for the county. We hope the counties attempt to master their own destiny. It would be better for all concerned if good plans were laid and crisis did not motivate occupants of public office.

Somehow it does not seem glamorous to public office holders to spend public funds on garbage and other solid wastes.

Down through the centuries there have been many efforts to dispose of solid waste. The simplest way was just throw it out the front door or out a window. When the immediate environs became unbearable the occupant of the igloo, tent, hut, pueblo, cabin or what have you, just picked up and moved on to virgin territory. The cities and townspeople carted the rubble and refuse to the edge of town and dropped it. Of course, in times past the amount per person did not amount to very much, just some worn out sandals or old tattered and torn garments, perhaps bones of animals, shells of nuts and eggs, pits from fruits, human and animal waste, and perhaps some unrepairable seats and couches. Then there was burial at sea, which was seldom final since tides frequently brought it back to shore. More recently we have turned to incineration; that is a procedure whereby we take what we have down here and throw it up in the air and hope it comes down some other place. Incineration still leaves a residue and contributes to air pollution and, worse still, it destroys valuable resources. We have been encouraged to go the incineration route. At great expense we could install antipollution devices and perhaps some heat could be used to generate steam and in turn electricity. Much of our solid waste is wet, especially sludge from our sewage disposal plant and fresh garbage from residual areas. Fossil fuels would have to be consumed to support combustion of much of our solid wastes. Our power and light company is looking forward to atomic power plants and the breeder reactor is not too far in the future. When that day comes, electric power will be essentially free and the major cost will be in the distribution of power. 1970, it would seem, is not a good time to invest in expensive incinerators, even if some heat could be turned to our advantage for a short time. Efforts to compress solid waste into building blocks did not meet with success in Japan the first time around when the blocks emitted methane gas as the organic putrescible waste decomposed. I am sure this effort is not dead and sometime in the near future a good brick or block will become available for some uses.

All of these efforts only nibble at the fringes of the problem. Senator Muskie of Maine and Senator Boggs of Delaware have taken the position that solution to the total problem will and must come from reclamation of all solid wastes. Society cannot continue dissipating the world's natural resources. There is an end to our oil and other natural fuels. We cannot continue despoilment of our forests just to make paper pulp. The ores in our mines are of lower and lower grade. We send men, at ever greater expense and peril into the bowels of the earth to bring out ever poorer grades of ore. We scourge the face of our country with ever wider, deeper and more ugly strip mines for other minerals. These never to be found again resources are carried into the market place where men bid for their utility. We all enjoy the use of the fine finished products but does it make sense to bury at sea or on land when we have tired of the pleasure these material things give? They include the automobile and watches, the cans on the shelf, the rake in the garage, the paint on the house and locks on the doors, the coins in our pockets and the pipes in our furnace. Think on it for a moment and you will realize we are talking of every manmade thing around us. Everything in every home is potential solid waste, the rug on the floor and

floor under the rug, the windows, the walls the doors and the roof. Almost every building in every city will be torn down and removed to somewhere and a new and more modern city will rise in its place. Some time in the future every building in Wilmington, Atlanta, Denver and Dallas will come tumbling down to make way for the new. What will we do with the old? Where will it go?

We build elaborate facilities to bring into our cities all the needs, wants and luxuries of mankind. Airline terminals, railroad terminals, truck terminals, shipping terminals and so on. We go to great pains and expense to build exciting outlets for all these human needs and wants such as supermarkets, warehouses, department stores, and shopping malls. Then when we have tired of or consumed all these items such as the banana, the fifth of Scotch or Bourbon, the child's balloon, the broken toaster and the worn out watch or mattress somehow we forget or don't see the need to provide adequate arrangements for the final and useful disposal of the items.

All over the world we have been sending a Peace Corps to tell them "Wake up, Wake up, come with us into the 20th century. Get a plow and tractor, buy a refrigerator for your food, build hospitals and schools with modern facilities like plumbing, electric lights and air conditioning."

Well, that is all fine. But what happens when these teeming millions or billions of people bid with us in the marketplace on paper pulp for books, on copper for electrical items, on steel for street cars and rails and ships. Just on the surface it would appear that there isn't going to be enough to go around, especially if we dump these items into the sea when we have tired of them or bury them in an old mine shaft or quarry or canyon or consume them in an incinerator. We could make all these resources go farther if we learned to recycle or reclaim as much as is possible.

Some of us were despairing of the distressing dimensions of the depressing problem. We were considering the solution of the problem in terms of sanitary landfills, shredding, baling, transfer stations, barge and sea disposal, incineration.

Then one day there came a knock, knock, knocking at our door. It was like the Man from Glad. Hercules, Inc. came forth and made an interesting proposal. Sometime back, a thorough search had been conducted by Hercules of all the literature on the subject of solid waste. Reports from the Government-sponsored research, from industrial and university research coupled with Hercules' research on their own problems revealed that almost every facet of the problem had come under attack. There were reports of successful efforts in many areas. The Bureau of Mines was doing pretty well with old tires. Fairfield had demonstrated a good composting operation. Some good grinders and shredders had been developed. Magnetic belts for pulling out ferrous wastes were a reality. The mining industry had developed and put into use equipment such as rod and cage mills, stoners, vibrating screens, pneumatic classifiers, palletizers, dryers and conveyor belts.

It remained for Hercules, Inc. to put it into one package; that is, line it all up and make a plant out of the available information. They found some weak links and put their research efforts into the weak places. They felt they were ready to go.

An operation of this sort will generate many products; so much work went into a market survey. It was believed by Hercules and still is that markets exist for nearly all the products. A very important aspect of market creation for these off-beat products will be the preparation of each item in a form desired by the potential buyer.

A common error is to make a product and

say to a buyer, "come and get it". This error can be overcome by asking the potential buyer, "how do you want the product?" Then produce it to fill his need.

The proposal was submitted to the Governors' Committee on Science and Technology. A Subcommittee considered the feasibility of the project and reported that it looked acceptable at first light. They added that it should be compared with other processes.

The proposal was submitted to Governor Peterson. He was enthusiastic and said let's ask for a comparison and see how the Hercules process stands up with competition. An advertisement went into the *Wall Street Journal's* national edition which solicited sources having technical and management capabilities to design, construct and operate a materials recovery and recycling plant for processing 500 tons of solid waste per day. Respondents were asked to submit their capabilities and qualifications covering the following categories. (A) Brief description of technical approach. (B) Skill and qualifications of professional staff. (C) Previous experience. We were interested in clients for whom similar work had been performed and also a description of similar projects.

Nine proposals were submitted to us. Four of these proposals held promise of doing a near-total reclamation or recovery. The four were invited to make full proposals on a broadened definition of solid waste which included the standard H.E.W. analysis of a typical domestic solid refuse and to this we added rubber tires and 70 tons of sewage sludge containing about 70% water.

Two companies decided to pass up the invitation on the second "go round", and a third made a valiant effort to cope with the problem.

The Committee felt the Hercules proposal was the more complete one and to comment on the differences might be taken as a criticism of the other company so no comment will be made other than to say the second best in the country probably has a bright future in solid waste. Perhaps we can still use some of their talent in Delaware.

In the closing days of the General Assembly an appropriation was authorized to provide one million dollars for the design and planning of a solid waste reclamation plant in Delaware. At the bill signing in Governor Peterson's office, we announced that the prime contractor would be Hercules, Inc. Negotiations have begun between the interested parties which include New Castle County, the City of Wilmington, the State of Delaware and Hercules Inc. Once these negotiations have been completed we contemplate making an application to H.E.W. for a federal grant to assist in the construction phase.

The engineering drawings or the architect's design for our plant should be finished about the end of the first quarter in 1971. Construction will be completed about 15 to 18 months later and operations will start at about the third quarter of 1972.

The plant will be expandable to 1000 tons per day, which is our goal by 1975. It sounds like real optimism, but we are looking forward to the day when we have built and are operating a second plant in the middle county and a third plant in the southern county.

We are going to make some mistakes; we are going to curse the night we made our decision to proceed. There will be times that we will feel like jumping off a bridge or some tall building, but if we inspire other states to accept the challenge and they can capitalize on our errors and build a better plant, the whole thing will be worth every minute and every cent and every drop of sweat that has been given to the effort.

It is strange indeed that a little Delaware Senate resolution started a chain of events that brought all of us together tonight.

None of us know what lies in the future for this project, but surely, if we can work together cooperatively (each giving something of himself), we are going to solve one of the nation's toughest challenges—the solid waste problem.

ECONOMICS AND DEFENSE SPENDING

HON. JOHN C. CULVER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 14, 1970

Mr. CULVER. Mr. Speaker, President Nixon in his budget for fiscal year 1971 proposed to spend almost \$70 billion on military activities. This is almost as much as he proposed for all the other Government programs combined.

While it is obvious that national defense is one of the most important of our national concerns, evidence has been growing that a significant part of that \$70 billion would be saved through increased efficiency and tighter planning. Especially in these times of inflation, economic uncertainty, and growing domestic needs it is imperative that every Federal dollar be spent wisely.

Congress has an important role to play in assuring that the military budget is adequate for national security, but it is often hampered by insufficient information about the complex defense systems and the details of Pentagon strategic planning. The Congress will be greatly aided in its analysis of military programs by the recent report on military spending issued by the Members of Congress for Peace Through Law.

The MCPL, of which I am a member, is composed of Members of both the House and the Senate and of both political parties. The report, which represents many man-hours of work by its military spending committee, presents an analysis of the major military expenditures and their impact on the American military posture. It also presents possible alternatives through which the same goals can be attained more cheaply.

Those individuals who donated so much of their time to this project are to be particularly thanked for their contribution to informed legislative action and Government efficiency.

In addition to detailed analyses of the various specific weapons systems, the report contains a short summary and two general recommendations, which I insert in the RECORD at this time:

ECONOMICS AND DEFENSE SPENDING SUMMARY

Both the real and monetary costs of defense are unknown because of Pentagon secrecy, underreporting, and underestimating. The "true cost" is still greater even than the unknown monetary costs because of the sacrifice of private and social spending, which would ultimately create greater economic growth and more jobs. Further incalculable costs include the disruption of the social fabric and the imbalances in our foreign policy between military and civilian goals. But we can calculate that 70 per cent of the world's arms expenditures are made by the U.S. and the U.S.S.R., with the U.S.

leading both in the total real cost in purchasing power equivalent and in real cost per capita.

Excessive defense spending causes severe economic distortions, most notably a persistent and intractable inflation. This phenomenon (1) impairs efficiency in the economy by changing the measuring rod of costs, (2) impairs work incentives and alters the savings/consumption patterns, (3) creates a demand for harsh counter-measures (e.g., direct controls), (4) lessens confidence of the citizenry in government and the economic system, and (5) distorts crucial sectors and creates imbalances.

Of major significance too is the fact that military spending is not only the major cause of inflation but is itself a major victim in terms of increasing the costs of its own operations. The Indochina war and our continued role in it is a major contributor to the inflationary problem in particular sectors of our economy.

There has been a good bit written about how the Federal government might spend any "peace dividend" resulting from either a winding down of the Vietnam War or a major breakthrough the arms limitation. Other possibilities for the dividend, of course, are tax or debt reduction. Some mix of all of these elements—federal expenditures, tax cuts, and debt management—might well be best as the tools of fiscal policy are brought to bear in the aftermath of a cutback in defense spending.

The size of the cutback—and of any peace dividend—is fraught with uncertainties. The Defense Department categorizes Vietnam costs under the broader budget item of "cost of Southeast Asia conflict." The two methods of cost-accounting are: (1) "incremental cost" method and (2) "full" or "prorated cost" method. Depending on the method used, costs for Vietnam war spending in FY 1969 range from \$17 billion to \$32 billion.

A \$3 billion "peace dividend" is reflected in the new FY 1971 Defense budget. The \$3 billion is what is left from a \$5.2 billion saving in this year's budget over last year's after subtracting for the Administration's planned military spending increases.

Congress has a significant role to play in forging a larger "peace dividend". But Congress has been hampered in carrying out this responsibility by deceptive practices in presenting the Defense budget.

The cost of the war spending in Vietnam has been underestimated by successive Administrations. This practice has postponed the existence of a "peace dividend" and rendered virtually impossible attempts by Congress at realistic decision-making for a healthy economy. The problem has been further complicated by conflicting Congressional testimony from various witnesses within successive Administrations.

In any case, increases in military spending have undermined budgetary savings. A look at the new FY 1971 Defense budget shows a whittling down of the "peace dividend" to \$3 billion and even this sum is threatened by such trends as:

1. Continued U.S. fighting in Southeast Asia;
2. Increases in military aid to Southeast Asian countries;
3. Delays in troop withdrawals (the Administration has already announced that no withdrawals are planned before July, indicating that the average monthly withdrawal rate will be disrupted);
4. Cost overruns in on-going and newly acquired weapons systems.

The conclusion is clear that increased expenditures on "arms and security" have long since reached the point of diminishing returns by even the most conservative measure of costs incurred against benefits received.

RECOMMENDATIONS

Congress can be better equipped to discipline defense spending when the following steps are taken:

1. *A Presidential Report on Military Expenditures and the Economy*—to be delivered annually on July 1, the beginning of the new Fiscal Year, to a Joint Session of Congress and the American people. Such a message would include past and up-dated war costs, based on one method of cost-accounting. It should provide a uniform basis for cost citation; clarification of differing war cost figures over the years; description of the impact of military spending on the economy with relevant indicators; and prescriptions.

Such a Report would lead to a common understanding of war costs and eliminate the confusion that has resulted from the past war-cost options approach. The latter has created an expectation-achievement gap regarding the "peace dividend." For example, when Secretary Laird announced that Vietnam war spending would be \$17 billion by the end of FY 1970, many expected a "peace dividend" of \$15 billion based on a reduction from the "full cost" figure of \$32 billion (FY 1969). Laird, in effect, was estimating only a possible \$6 billion "peace dividend" based on a reduction from the "incremental cost" figure of \$23 billion (FY 1969) or \$11 billion (ext. FY 1971).

The Report would also help steer a realistic course between the extremes of pessimism and of optimism over the "peace dividend." Already within the Administration we have heard conflicting outlooks. For Daniel Moynihan, "the peace dividend turned out to be evanescent, like the morning clouds around San Clemente." (Press Conference, August 25, 1969). For Arthur Burns, formerly the President's economic advisor, if the war ended immediately, as much as \$8 billion would be available for "civilian" programs. (Speech, National Governors' Conference, September 1, 1969).

Congress as a whole simply must be presented with a uniform basis of war cost and with basic data on the impact of military spending on the economy—if it is to have a meaningful decision-making role in economic policy, including economic conversion from a war-time to a peace-time economy; and if it is to change spending priorities.

2. A "Pentagon Dividend" can be gained by cutting out wasteful weapons spending. The Defense Department itself has a responsibility to weed out excess and waste in military spending. When the Pentagon fails to weed out unnecessary programs, Congress must take on this responsibility itself or saving from reduced war spending will be devoured by wasteful weapons spending. Preventing the peace dollar-drain-to-defense is the best way to release funds for new priorities.

A COAT OF MANY COLORS

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, August 24, 1970

Mr. GRIFFIN. Mr. President, recently Michigan's Elly Peterson, assistant chairman of the Republican National Committee, addressed the National Association of Colored Women's Clubs in Atlantic City. Her speech is one of the finest I have ever read; it is one that every American ought to read.

I ask unanimous consent that the text be printed in the RECORD.

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

A COAT OF MANY COLORS

(By Elly Peterson)

I'm looking right now at a group that for 75 years has given the Black woman a better world. Your motto describes the National Association of Colored Women's Clubs better than I ever could: "Lifting as we climb." For three quarters of a century, you have worked peacefully and effectively to improve the environment of the Black woman. Your seven-point program is one of education, legislation, and cooperation. Each program offers another opportunity. The girl's program touches those troubled years from 12 to 17 and helps the girl to become a woman. The young adult training helps that woman to be a full, productive member of society. You also reach out to the woman who is at home, in industry, to the woman who is seeking her heritage. And, yet there is still a concern for national and international problems. You are truly Black power!

Yet, there is still more to be done: by Republicans, by Democrats, by Blacks, and by Whites. Our job won't be over until there is no need for a White to reassure a Black that he cares . . . until there is no longer a need for speeches like this. Our job is over when people judge each other by accomplishments and not by color or religion or occupation.

And, I'll tell you I'm not totally satisfied with what this Administration is doing to help Blacks achieve these goals. Before the reporters run out of the room and label me another critic of the Nixon Administration, let me also say, I was even less satisfied with the previous administration's attempts at civil rights. I won't be satisfied until universal equality belongs to all our citizens. I want every American to have the opportunity for a decent job, an education, and a healthy place to live. Those are equal rights. The opportunity for them should never be denied any human being. Whether or not he takes advantage of that opportunity is not my concern—that's human or divine will and out of my hands.

But giving him that opportunity is within my jurisdiction and is also my responsibility and that of the Republican Party. It is more our responsibility than other political groups because it was my party, through its sponsoring of the 15th Amendment, that first gave the Negro his right to vote. And, it was Black Republican lawyers who put together the *Brown v. Topeka* case that resulted in the Supreme Court ordering the desegregation of all schools. Today, one of those same lawyers, John Scott, is a part of the Nixon team. We must fulfill those initial commitments by working towards full equality.

And, I resent those people who say we are not—those critics who accuse this Administration of being anti-Black and those who cry "Southern Strategy" at our every policy decision.

WORKING TOWARDS FULL EQUALITY

It is the Nixon Administration which has named more Blacks—65% more—to policymaking positions than any other Administration.

It is this Administration which inaugurated the Philadelphia Plan which is opening up the high-paid construction field to minority and Black workers on a large scale. And, it doesn't stop with the Philadelphia Plan. Now, there's a Washington Plan that goes even further. It affects 11 unions instead of five and requires a goal of 35 percent Blacks instead of 20. The contracts of all Federal contractors, even those on non-Federal jobs, must follow this plan.

We have worked with 44 branches of the NAACP in 19 states by giving Federal assistance, through the Department of Housing

and Urban Development, for the sponsorship of 8,900 housing developments valued at 1.5 billion dollars.

We have been accused of being soft on segregation. Yet, the number of Black public school students in the desegregated school systems in the 11 Southern states will have increased from 164,000 at the end of the 1968-1969 school year to well over one million at the start of this year's school term. The President has proposed 1.5 billion dollars to aid the process of desegregation.

It was the Nixon Administration which pulled together all the different and conflicting minority business programs and created the Office of Minority Business Enterprise in the Department of Commerce. The results of that move read like this: during the nine-month period ending March of this year, the Small Business Administration has approved 910 more minority loans with a total of 31.3 more million dollars than it did during the same period last year.

There have been other proposals which help Blacks, like the Family Assistance Plan, but the ones I've just mentioned were designed especially for Blacks by an Administration some would have you believe doesn't care. But, that doesn't mean we can stop now.

EQUALITY BUT NOT SUPERIORITY

Our goal is equality, but not superiority. I look for a day when we can dislike someone of a different color and not feel guilty about it. Sometimes, we are overprotective and cocktail party humanitarians will gush that all Blacks are their friends. That's ridiculous. I shouldn't expect to like all Blacks as I don't like all Whites. But civil rights is such a sensitive area that too many of us are afraid to be honest about our feelings. I know that Blacks deeply resent being hated because they are Black. I should think you would also dislike being liked because of your color and not your personality. I look for a day when Black and White neighborhood women can share coffee klatches and gossip indiscriminately about friends in either race without the cry of racist being hurled.

We can't just wait for that day. We must work for it and convince others to work with us. We can achieve a better world for Black Americans by a number of means—through legislation, through education, through cooperation, and, some say, through violence. Frankly, no matter how worthwhile the end—and nothing to me is as important as equal rights—using violence as a means is never justified. That leaves me the alternatives of legislation, education and cooperation. Legislation alone will not do it—we have seen too often how people can interpret the law to read their way. But, I am confident that legislation if backed by cooperation and education can give us this better world.

And, one of your own members was just as confident. Your first president, Dr. Mary Church Terrell, devoted her life to helping Black women in these three ways. At the age of 87, she led a campaign that ended with the Supreme Court outlawing segregation in all Washington eating places. And, at 90 won another victory resulting in the end of discrimination in most Washington movie theatres. Her life is an example of getting a job done through legislation, cooperation, and education.

In my own state of Michigan, Blacks and Whites are cooperating together to benefit the residents of the inner city. We have established an Action Center in the heart of Detroit's ghetto and together we are working to better life there. We serve as a complaint center and investigate the need of the community—looking into everything from abandoned cars and broken street lights to discrimination of an insurance company. This idea has spread to Connecticut and Kansas, and there too the two races are working together and getting results that benefit everyone.

A SENSE OF IDENTITY

It's these unpublicized efforts that lead to harmony, not the screaming and bloody riots that foul our television screens and spill out abusive language and violence into our living rooms. Extremism and militancy, whether in the form of the clenched fist salute of a Black Panther or a hooded Klansman, lead only to anarchy. Violence leads only to destruction. Yet, the Panther and the Klansman are far more glamorous and appealing to youth than our sedate gestures. I can understand that to the ghetto child the Black Panther is a hero—he is an authority figure and he gets action. I can also understand that to the poor White dirt farmer the Ku Klux Klan is just as exciting—it gives him a sense of identity and importance. Both organizations are a dramatic way of expressing an opinion. Their fault is that membership in each is selective and discriminatory, their goal is superiority, and their means are destructive.

I ask all Americans to not look at the men dressed entirely in Black or totally in White but to follow instead the example of a man who wore a coat of many colors, Dr. Martin Luther King. Let us walk in his footsteps—they tread many miles to make ours a better world. Using his thoughts and guidance, let's head for that better time which he described, when he said: "This will be the day when all God's children will be able to sing with new meaning: 'My Country 'tis of thee, sweet land of Liberty, of thee I sing. Land where my Fathers died, land of the Pilgrim's pride. Let Freedom ring!'"

CONGRESSMAN RHODES' QUESTIONNAIRE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 14, 1970

Mr. RHODES. Mr. Speaker, I am sending out a questionnaire to my 212,000 constituents in the First District of Arizona. I am most anxious to have the opinions of my constituents on these questions which cover some of the most important issues facing our Nation.

I shall report to the Congress the results of this poll as soon as they are available.

The questionnaire follows:

QUESTIONNAIRE

1. Do you favor cutting of federal loans and grants to students convicted of campus disorders?
2. When students stage a strike on a college campus, do you think the non-striking students have a right to continue attending classes?
3. Do you agree with recent proposals to have a volunteer Army with more career incentives, and abolition of the draft except in time of war?
4. In general, do you favor the way President Nixon has conducted his Administration?
5. Should balancing the Federal budget to reduce the cost of living be given priority over greater spending on Government programs?
6. Do you think strikes should be outlawed, and a labor court established to be the final voice in labor-management disputes?
7. Do you think the United States should try to maintain the balance of power in the Middle East by providing military equipment to Israel when necessary?
8. Do you favor:
 - (a) Legislation that would allow police officers with a warrant to enter private

premises without knocking if they think evidence would otherwise be destroyed or their lives endangered?

(b) Legislation that would permit a criminal defendant to be kept in "preventive detention" if his record indicates that he may commit another crime if he were set free on bond?

9. What do you feel is the most important problem facing the United States today?

- (a) Air and water pollution.
- (b) Crime and violence.
- (c) The Vietnam War.
- (d) Inflation (rise in the cost of living).
- (e) Middle East crisis.
- (f) Others.

A CONCERNED CITIZEN SPEAKS OUT ON SOUTHEAST ASIA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 14, 1970

Mr. CRANE. Mr. Speaker, during the days that followed the President's decision to invade certain privileged sanctuaries in Cambodia, there was a great deal of attention, much of it hysterical, focused on various elements of the American citizenry which opposed the President's decision.

Unfortunately, not much attention was paid to those individuals who supported him, and who asked that sanity and reason prevail. One of those who did dare to speak up, on the campus, was a prominent Chicago area citizen, Mr. Gerald Gidwitz. Mr. Gidwitz not only states his case very persuasively on the major international issues of the day, but he also was willing to face the faculty of an Ivy university virtually singlehanded in defending the President's policy. So that all of the readers of the RECORD can have the benefit of Mr. Gidwitz's thoughts, I am inserting his open letter at this time:

CHICAGO, ILL.,

May 26, 1970.

DEAR FELLOW-CITIZEN: Prior to World War II the Western democracies, with no move to defend themselves, watched one aggressive military government in Asia take over Manchuria; a second in Europe expand into North Africa with the conquest of Ethiopia; a third absorb Latvia, Lithuania and Estonia; and a fourth move into the Ruhr, Rhineland, Austria and Czechoslovakia. Indeed, Czechoslovakia died for "peace in our time." When Poland was divided between two of the aggressive militants, England realized that if it made no move its treaties would be valueless and its word would be believed nowhere. Content to watch from the sidelines the warm-up in Spain and the conquest of millions in Europe, we, also, made no move either to insure freedom for others or to protect ourselves.

Hitler, in *Mein Kampf*, outlined his intended conquests and in public utterances, repeatedly, acclaimed the "final solution" for the Jews and the "1000 Year Reich." Mussolini announced his plans and Japan proceeded with its "co-prosperity sphere." None of the dictators dared attack until they were sure that their victims could not defend themselves. Pearl Harbor triggered a two-year buildup that was required before we could become effective.

Today our new generation, who apparently do not study history, politics, or even current events, want to follow the disastrous policies of the 1930's.

Today the Communist countries tell us

that Communism will conquer Democracy. We listen, but we do not believe. Latvia, Estonia, Lithuania are still in Russia's hands. All the Balkans except Greece are under Communist domination. The uprising in Poland and East Germany were put down with Soviet troops; bloody Hungary is but a memory; even the recent conquest of Czechoslovakia has apparently made no impression.

Today Russia has a stranglehold on Europe's oil, with literally hundreds of bases available all over North Africa. Cuba sits athwart the entrance to the Caribbean and the Panama Canal, pumping its poison into Latin America.

The forces of evil are again on the move in Asia. Some of our citizens seem to want us to abandon our Allies and to ignore the march of the dictators just as was done by the democracies in the 1930's.

We forget that we are still negotiating in Korea and in Paris. We ignore the Communist demands for surrender in Asia as a bargaining ploy. We don't want to believe that demand for our piecemeal surrender all over the world is a non-negotiable unwavering goal.

We know that many well-meaning doctors, clergymen and others, who are not students of history or power politics, are deluded into believing that a one-sided desire for peace will produce it—even though our experience teaches us otherwise.

We hear foolish cries for unilateral disarmament because our good-hearted people substitute hope for observation and study, and ignore the evil they see.

We know that SDS on the campuses is an outgrowth of Communist front organizations. We know that the SDS claimed 250 to 300 chapters on college campuses last Fall. We know that turmoil exists on over 250 campuses today. We know the Communists are past masters at the use of "fronts" and "committees" to hide the identities. We know they are past masters of propaganda and at involving the innocent and the gullible to create impressions of mass support. We watched last year's warm-up at dozens of colleges and read in our papers that we were promised much more this year in spite of all that—we are surprised at the turmoil in the campuses.

What kind of people are we that permit the radical inspired riots on the campus to determine our foreign policy?

What kind of people are we that denounce a Democrat President when he finds, when he is in office, that military preparedness at home and defense or our Allies abroad is the only safe course for us?

What kind of people are we that denounce a Republican President (who follows him) when he finds the same military and political conditions and finds he too—for our safety—must follow the same course?

What kind of people are we that act as if our President is a militarist, an imperialist—or just plain daft?

What kind of people are we that listen to the Communist propaganda—either direct from Moscow or Peking, or second-hand from our own radicals—and select all the denunciation to believe and ignore all the threats against us?

What kind of people are we that send our sons abroad to fight for peace in Asia so we won't have to fight for it in America—then tie their hands with ground rules on bombing the enemy in Haiphong, Hanoi, North Vietnam, and across the border in Cambodia?

Perhaps if we learned that we are engaged in a combined propaganda war, political war, economic war and military war—an orchestrated assault on us and our institutions—we could begin to understand and begin to defend ourselves.

Perhaps we would not fall for the other side's propaganda and properly address our-

selves to the "third world." Perhaps we would take political action. Perhaps, instead of helping our enemies with trade and the construction of automobile and truck manufacturing plants—and other plants that have been built by the dozen to help our enemies—we would insist on peace and order first.

Perhaps if we can win the propaganda war, the political war and the economic war, we won't have to fight a military war.

We should rally behind our President. He has the responsibility, the desire and the knowledge to do what is best for this country. Let us support him in Asia and perhaps we won't have to fight in Latin America.

Those who ignore history may have to re-live it—and some of it has been pretty horrendous.

Write your Senator and Representatives—and President Nixon now!

Sincerely yours,

GERALD GIDWITZ.

CONGRESSMAN FULTON OF PENNSYLVANIA SPEAKS

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 14, 1970

Mr. FULTON of Pennsylvania. Mr. Speaker, it is a pleasure to place in the CONGRESSIONAL RECORD the letter which I have sent to the outstanding residents and officials of my congressional district advising them of current projects, as well as the schedule for the rest of the second session of this 91st Congress. In addition, I have asked for recommendations and suggestions for final legislative action to assist me in making the necessary judgments when the House of Representatives reconvenes after Labor Day.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

To My Good Friends:

We are now well along in the Second Session of the current 91st Congress. We will be reconvening after Labor Day recess on Wednesday, 9 September 1970, to finish the Session. There is still major legislation to be completed by the House after action by the United States Senate.

I am therefore writing to you to let you know that I will be glad to have your recommendations and suggestions for final legislative action, before the Second Session of this 91st Congress adjourns prior to General Election on Tuesday, 3 November 1970, which this year is both a State and National election.

I am now on the job in Washington and back in good health for some time. To the present date, I find that I have the best attendance record for the current year 1970 of any of the four United States Congressmen in Allegheny County. I believe you will be interested in the attendance figures for 1970 as follows:

Jim Fulton (161 Record Votes—17 missed), 89.4%.

Bob Corbett (161 Record Votes—23 missed), 85.7%.

Joseph Gaydos (161 Record Votes—44 missed), 72.6%.

William Moorhead (161 Record Votes—45 missed), 72%.

During the Congressional official recess, I have been working in my Pittsburgh office

this year, instead of taking vacation. I am helping our local communities on their mountainous garbage, trash, and solid waste disposal problems in order to obtain competitive bidding to keep down prices, which for many families have doubled in a year.

I am working on the important water supply and sewage projects for our Boros and Townships, & Chartiers Valley Flood Control, and Saw Mill Run Flood Control & Clean Up project. Also, we are checking the 1970 US Census figures for our Congressional District. If you have anyone in your family or know anybody who has not been counted, let me hear immediately at my Pittsburgh office, in order to notify US Census Bureau before 1 September deadline.

I will be glad to help on obtaining absentee ballots and military ballots. Please write me or telephone our Pittsburgh office (644-2876) with the names and addresses of any voters in your district who plan to be out of town on Election Day. Give us name, & home address of anyone in the US Military Service. We will be glad to see that forms for absentee or military ballots are sent to these people.

Count on my full cooperation and assistance.

Cordially,

JIM FULTON.

P.S.—So you personally will be among the first to know of my current work, I am sending you this letter which I am later sending to our Congressional District.

JIM.

Sent as an added service to our District (not printed at Government expense.)

JIM.

DON FALK—"A MAN OF ACTION AND COMMUNITY INVOLVEMENT"

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 14, 1970

Mr. DON H. CLAUSEN. Mr. Speaker, I have just been advised of the untimely passing of one of my closest friends, Mr. Don Falk of Eureka, Calif. This outstanding attorney, at 51 years of age, the son of Harry Falk, Sr., was a member of one of Humboldt County's most respected families.

While he distinguished himself in the family of legal scholars, Don Falk also will be remembered by his countless friends and business associates as a man who worked day and night for his community and his beloved Humboldt County.

There were literally hundreds of community activities that Don Falk became involved in. He always knew where the action was and what was required to "keep things moving." In the words of Don O'Kane and more recently Mike Johnston of the Humboldt Times-Standard newspaper:

If Don Falk doesn't know about it, it just isn't happening.

I have never known a man, with the capacity for knowing what was going on as did Don Falk. He knew the forest products industry and its impact on our economy like a book. And, speaking of books, his brother, Harry, Jr., wrote a masterpiece, a book on timber law. Talent is in abundance in this illustrious family.

Don was a trusted counselor and adviser on many matters that affected our redwood region. His insight, judgment, and depth of knowledge will be missed tremendously by those of us who counted on him so much in the past.

For many years, Don served as chairman of the transportation committee for the combined Eureka Chamber of Commerce and the Humboldt Board of Trade. Many of my colleagues in the House of Representatives, will remember the decision, by the FAA, to close some 42 flight service stations a few years ago. Among them, was the Arcata Flight Service Station in my congressional district.

In order to properly illustrate my description of Don Falk as "a man of action," I need only recall his efforts during this one instance and, I might add, this is only one of many.

It was obvious, at the outset, that we, a small segment of our Nation's population, were going to have to unite and consolidate our efforts to "take on Uncle Sam" in opposition to a decision made by one of its agencies. Along with Dave Zebo, aviation director, Don Falk and I developed the strategy and format for a local meeting to support our cause to "Save the Arcata Flight Service Station" from closure.

The successful results of this effort are now history, but the magnitude of their importance will long be remembered by local people because it was during and after the "big flood of 1964" that our position in defense of retaining the flight service station, really came into prominence. With the harbor closed by debris, all roads north, east, and south unusable due to extensive bridge damage, it was air transportation access and, in particular the landing aids, the approach, navigation and communications systems of the Arcata Flight Service Station, that proved to be the necessary equipment required to maintain contact with the outside world at this critical time in our history.

In attempting to eulogize a close friend, it is difficult to single out the most significant or most representative example of an outstanding man's many contributions to his community for the benefit of his fellow man.

This confrontation with Uncle Sam, however, will always come to mind when I think of and remember Don Falk. He was a fighter for his clients, his community, and those causes he believed in. Our success and rewards for fighting for what was right will stand as a monument to his tenacity, thoroughness, and objectivity.

Transportation—Land, sea and air access to Humboldt County holds the key to our future development.

These were and are the words that shall ring forever in my ears because they came from the lips of my close and trusted friend, Don Falk.

As an aviator, and as a member of the Roads, Rivers, and Harbors Subcommittees in the House of Representatives, I shall do everything within my power to carry on in fulfilling Don Falk's dreams and objectives. It is my hope that the decade of the 1970's will see full real-

izations of the ultimate in benefits for the friends and neighbors of Don Falk, the man who literally gave his life to his country.

To his family and friends, let me say, "Don lived his life, performed his duties and did his deeds as he wanted to do them." What more can we expect of any man? He gave his full measure of devotion to all that was constructive and beneficial to those he served—his contributions were many.

CONGRESS MUST HELP MIGRANT WORKERS

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 14, 1970

Mr. PHILBIN. Mr. Speaker, the status and condition of migrant workers is giving increasing numbers of Americans deepest concern that some of us in the Congress have felt for some time.

Recent disclosures before a committee of the other body indicated the dire plight of the lowly people and their families, who earn their barest living by moving from place to place and are engaged in work that appears to have little relevance so far as wages, hours and conditions of work go to the high standards that obtain generally in American industries for similar-type labor.

The Congress has had considerable discussion about the problems of the migrants in the past, and it is unfortunate that there has been such a long delay in developing some feasible, adequate program for this poverty-stricken group that would give them the same rights that prevail among most American workers. But I think our continued efforts are beginning to show results.

Congress has known for some time of the pathetic conditions of lower pay and miserable status that prevails among some of these workers, and it is high time that some suitable, affirmative program is developed here in the Congress that will bring relief and do justice to migrant workers and their families throughout the country, who so urgently need our assistance, according to the testimony, among others, of the distinguished president of the Coca-Cola Co., who has special reason to know, since his great company employs many of them, and is willing to help improve the conditions of the migrants.

Let Congress tarry no longer in correcting the pitiable conditions affecting many of the migrant workers.

It is not only a question of pay, though that is important. It is the conditions of their work which are reported to be in many instances unsanitary, dirty, filthy, disease-ridden, disgraceful, and that is really a serious reflection on the public conscience of the Nation.

Congress must act at once. There can be no delay. The welfare and health of these workers and their families are being worsened until depravity, utter

poverty, and hopelessness prevails in many instances reported. Let us act now to rescue these poor people from the hell they live in. Now, now—I urge. Surely we will not delay. I plead for action with all my heart.

OUTLOOK FOR THE DEVELOPING COUNTRIES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 14, 1970

Mr. BINGHAM. Mr. Speaker, Mr. James P. Grant, president of the Overseas Development Council, presented a paper in June at the meeting of international members of the Stanford Research Institute in which he makes some most interesting predictions about the future of the developing areas of the world. Mr. Grant is one of only a few men with the requisite experience and understanding to engage in such bold "crystal ball gazing." He served with the U.N. Relief and Rehabilitation Administration—1946 to 1947—and the Sino-American Joint Commission on Rural Reconstruction—1948 to 1950. He has served with distinction in a number of posts with U.S. aid programs, including a stint as Assistant Administrator of the Agency for International Development. He was Deputy Assistant Secretary of State for Near East and South Asian Affairs from 1962 to 1964.

I want particularly to draw Mr. Grant's assessment of the importance of ample export markets for the developing world to the attention of my fellow Members of Congress. The wave of indiscriminate protectionism we are currently experiencing, as reflected in the legislation recently reported by the House Ways and Means Committee, is certain to close off major markets for exports to the United States. Mr. Grant's paper should serve as a sharp reminder of the serious consequences for the developing nations of such protectionism.

I am certain, also, that Mr. Grant's predictions that unemployment will surpass the food crisis as the most important problem facing the developing nations, and that Latin America is likely to be the most explosive region in the developing world in the 1970's, will be of intense interest to many readers of the RECORD. I commend Mr. Grant and the Overseas Development Council for this excellent article, which follows:

ECONOMIC AND BUSINESS OUTLOOK FOR THE DEVELOPING COUNTRIES IN THE 1970's: TRENDS AND ISSUES

(By James P. Grant, president, Overseas Development Council, Stanford Research Institute, international members meeting, June 21 to 24, 1970)

I. BASIC TRENDS

The recent British elections were a lesson in humility for pollsters and pundits alike. They show that making predictions is always a chancy business, even in highly-stable, highly-developed countries. How much more chancy, therefore, is the business of predicting events a decade hence in countries of the

developing world stretching from East Asia to Africa to Latin America.

Despite these cautionary words, however, it is still possible to see some major trends and issues that will be important in the developing world during the 1970's; and it is possible to discuss their general implications.

Rate of economic growth

There are a number of factors that are of major importance. First among these is the rate of economic growth, with its major implications for world trade, markets and development. During the 1960's the national product of the developing countries grew at an unprecedented rate, averaging five percent annually. In the 1970's a still higher average growth rate—six percent or better—is likely, and the national product of all the non-Communist developing countries taken together should increase from slightly over \$300 billion in 1970 to some \$600 billion in 1980. (This will be roughly comparable to America's GNP ten years ago and Western Europe's today.) Yet will even this unprecedented rate of growth be adequate to meet developing country needs in the 1970's?

Even more important, will today's optimistic projections of developing world growth rates be realized at all? A favorable answer to this question depends to a great extent on the developed countries. They must maintain the forward momentum of their trade and assistance, which are essential for progress in the developing world. Our role and responsibility are clear.

Of course, these richer countries have much to gain from high growth rates in the developing countries. Indeed, the poorer two-thirds of the world should become a major market in the 1970's—even though it will still be greatly overshadowed by the major developed areas of Europe, North America and Japan, with their present GNP of over \$1,800 billion.

Population explosion and unemployment

Second, there is the population explosion, and the employment crisis that is following hard on its heels. During the 1970's, the non-Communist developing world will add some 500 million new consumers, although most of them will have low incomes. This growth will be equal to the combined population of Africa and Latin America in 1960. But even more important, there will be about 170 million additional entrants to the working age population—50 percent more than in the 1960's, when there was a worldwide growth in unemployment despite a five percent growth in output.

This prospect is changing the nature of our basic concern. During the 1960's, the major development crisis centered on the problem of feeding the rapidly expanding populations of the developing countries. Then, we began to push back the spectre of world famine through the agricultural breakthrough known as the Green Revolution. There is still much to be done before we can rightly say that famine is conquered; but in the 1970's we must also act to remedy the crippling social effects of the unemployment explosion in the developing world.

The baby boom of the 1950's is now beginning to have a startling impact on the number of new entrants to the Latin American work force, and will begin doing the same in most of Asia later in the 1970's. These new entrants will soon increase the labor force in their respective continents by some three percent annually; and they will bring pressure to bear on these developing societies that will be far more intense than any ever faced by today's developed countries, whose labor forces have rarely increased by as much as one percent annually. How can these new workers earn the money to buy the food that is now increasingly available? How can the jobs be found that will entitle them—in the

absence of sophisticated welfare schemes—to share in the benefits of general economic growth? How can they become active members of society instead of a potential threat to it?

Unfortunately, the problem will get worse before it gets better. There is still no end in sight to the population explosion, and, for about 20 years after it does end, the labor force will grow accordingly. But there is room for hope: the present rate of population increase may begin to decline slowly on a worldwide basis by the end of the decade. Yet a rapid, large-scale decline will depend both on new technological breakthroughs and the motivation to limit family size that comes with modernization and economic growth. It is important—and chilling—to note that so far in history no major area or country has achieved a large-scale breakthrough in reducing its birth rate without rapid economic growth.

Rural development

Third, there will be new emphasis during the 1970's on problems of agriculture and rural development. Until the mid-1960's, development efforts focused on processes of industrialization and the needs of urban areas in the developing countries. In most of them, the larger part of the population that remained in peasant agriculture contributed very little to the increase in national output and constituted a drag on the growth rate. In the 1970's, however, the wholesale introduction of modern practices into agriculture, combined with the political need to keep much of the work force in agriculture to cope with the unemployment explosion, will cause developing countries to pay increased attention to the goal of increasing production and employment in rural areas.

Entirely new dynamics will appear in the farm economy of most of the developing world. Agricultural production may rise to an unprecedented rate of four percent annually during the 1970's—a rate never achieved over a comparable period by any major part of the developed world prior to World War II. And there will be profound effects on the demand for agricultural inputs, the marketing of greatly increased production, and patterns of international trade.

Regional trends

Fourth, there are a number of trends that will affect individual regions of the developing world during the 1970's. East Asia, for example, is likely to have the most rapid percentage growth in GNP and trade ever experienced by such a large continental-sized population mass—350 million people. This might prove true even if Japan were excluded from the region for statistical purposes: in 1969, after all, collective exports of Korea, Taiwan, Hong Kong, Singapore, and Malaysia totaled nearly \$7 billion, and they could be in the \$15 to \$20 billion range by 1980. At the same time, Japanese involvement in these East Asian countries in terms of trade, investment and aid is likely to increase many-fold. How can this vastly increased, and potentially health, involvement of Japan take place without a major political backlash in the region? How can it take place without producing commercial hostility in other developed countries?

For its part, Latin America could be the most explosive region in the 1970's; therefore, its development prospects will be least predictable. Just as South Asia was the center of the food crisis in the 1970's, Latin America will be the center of the employment crisis in the 1970's. Unfortunately, of all the major areas of continental and sub-continental size, it is the least prepared to cope with this problem. Half the population already lives in unstable urban environments, and in the rural areas, where half the land is held by only one percent of the families, conditions are not conducive to

producing either high rural employment or social stability.

Trade

Fifth, there will be real trade problems during the 1970's. In recent years, the trade of the less developed countries has grown faster than ever before—by some five percent per year in volume. But this is still not enough. It must now grow by an average of six percent annually if GNP is to grow by a like amount. The developing countries will also make much heavier demands for a root-and-branch rationalization of world trade and production in order to help meet soaring employment needs. Very likely, this will produce a confrontation between the have and have-not nations on the issue of the increasingly protectionist policies that many of the former are adopting towards the products of both agriculture and industry.

If the rich countries are wise, they will help avoid this confrontation. How? One important measure would be for them to adjust their domestic economies to accommodate to—and even take advantage of—a revolutionary change: namely, the rapid and recent trend towards internationalization of production, in which many countries contribute directly to the manufacture of a single industrial product. This development has been most notable so far in the electronics industry, with major components for products of American companies being manufactured in such diverse areas as Mexico, Korea, Taiwan, Hong Kong, Singapore and Indonesia. It could become a major "engine" for accelerating both the industrializing process and the increase of exports by many developing countries.

Foreign aid

Sixth, the pattern of international development aid has changed considerably. This is particularly so of the role played by the United States, which for many years was the mainstay of development efforts. Today, we in America are faltering badly in our development assistance efforts just as most other developed countries are preparing to increase theirs substantially.

For the first time since the start of the cooperative global development effort in 1961, U.S. net official assistance to the developing countries will drop below \$3 billion in 1971—a figure well below all objective assessments of the United States' fair share. Meanwhile, governmental assistance from other developed countries, only \$2 billion annually in 1961, should pass the \$4 billion mark in 1971 and, at the same time, be made available on terms that on average are equal to or better than those applying to U.S. assistance.

The gross flow of aid and private investment to the developing world must increase substantially during the 1970's, just to maintain the present net flow. This is particularly true because of the service payments made by developing countries on private and public debt owed to the developed countries are likely to increase from the present annual rate of \$5 billion to an annual rate of \$10 billion by 1975.

Because of the other trends that are increasing the need for a major development effort, it is indispensable for the United States to revitalize her approach to the developing countries within the next three or four years. Only in this way can the unique cooperative global assistance effort of the 1960's be saved from atrophy or collapse. And if it does collapse, we can then expect a confrontation between the poor and the rich nations that will become increasingly embittered. At the same time, the United States, in contrast to Western Europe and Japan, with their more progressive approach to aid, will find herself increasingly frozen out of developing world trade and, to a lesser extent, frozen out of investment opportunities in much of Asia and Africa.

Internal unrest

Finally, the 1970's hold out the danger of a confrontation between the rich and the poor that goes beyond the familiar gap between developed and developing nations. This is the growing gap between rich and poor within many developing countries, made clear by Latin American experience. The 1960's demonstrated that rapid economic growth is possible in most parts of the developing world; although this did not necessarily mean improvement in the standard of living for many of their peoples. Furthermore, the population explosion means that even a continuation of that decade's five percent growth rate will not be adequate to prevent a large and growing group of unemployed and dispossessed people in most developing countries.

The developed countries cannot afford to ignore these internal problems; indeed businessmen engaged in countries facing the threat of mass unemployment will find that their activities are jeopardized increasingly by civil unrest and the resentment that is natural in situations of mass poverty and discontent.

In viewing the program of the developing world during the 1970's, businessmen, in particular, should look at several key barometers including:

1. The ability of individual developing countries to cope with internal pressures for progress and social justice. Failure to cope with these problems will lead to strong moves for reform, at the least, or to more toppling of governments. The latter events will frequently be followed by a move to the right, leading in turn to internal turmoil fomented by the left—as has been symbolized recently by the kidnappings in Guatemala and Brazil. Alternatively, there could be a move to the nationalistic left, as has happened in Peru, with subsequent harassment of outside investors;

2. The extent to which the rich nations and poor nations are able to conduct their relations at the governmental level on the basis of cooperation instead of confrontation. If there is a cooperative world effort on trade and aid, the political atmosphere in the developing world will be far more likely to aid settlement of the inevitable problems that will arise between foreign investors and governments. But if confrontation is the pattern of relations, then in many developing countries the prospects of foreign investment will be bleak, indeed; and

3. The degree to which foreign corporations are willing to play a role that contributes to the progress of developing countries. During the 1970's, these countries will place a particularly high premium on foreign investments which promise to provide significant added employment. If the developed countries encourage—or at least permit—the current trend toward the internationalizing of production that is by nature labor-intensive, the image of foreign investment should be enhanced. But the image can be expected to deteriorate if the developed countries halt or reverse this trend. This would leave the field of foreign investment almost exclusively to firms that are either engaged in resource extraction or interested in developing-country manufacturing primarily for purposes of retaining or penetrating markets in the developing country in which the plant is located. Firms owning overseas mineral resources are particularly likely to suffer when there are confrontations that pit rich against poor, whether they take place within or between countries. The growing world demand for mineral resources and competition for them among developed countries will make it easier for the developing countries to play off developed countries' firms against each other and to dispose of production from expropriated properties.

II. DISCUSSION

Growth of output in the developing countries

Several major factors make it likely that the developing countries as a whole will have a growth rate in the 1970s that is even higher than their unprecedented annual average of five percent during the 1960s. There are two that are most important: first, the breakthroughs in modern agriculture made in the late 1960's by many peasant farmers from one end of Asia to the other; second, the prospect that the proportion of such farmers will increase substantially in the 1970s. As noted earlier, agricultural production could rise to the unprecedented rate of four percent annually during this decade.

New high-yielding varieties of cereals, notably wheat and rice, have spread across many countries of Asia at a rate exceeding even the record-breaking spread of hybrid corn across the United States in the 1950s. The expansion in Asia has progressed as follows:

(Total acres in production)	
1964-65	200
1965-66	37,000
1966-67	4,800,000
1967-68	20,000,000
1968-69	34,000,000
1969-70	+40,000,000

If replacement of local varieties with high-yielding seeds has raised output by half a ton per acre—a conservative assumption—then the more than 40 million acres planted in 1969-70 will have expanded the Asian food supply by 20 million tons, which is more than \$2 billion worth of grain.

This agricultural revolution also has important implications for international as well as domestic business and manufacturing. Not only do the new varieties require greatly increased use of agricultural inputs, such as fertilizers and pesticides; but they also have been profitable enough to provide significant income in the rural areas for increased investment and purchase of consumer goods.

This rapid modernization of peasant agriculture, particularly in Asia and North Africa, can be expected to continue unabated in the first half of this decade. It will provide both a rapidly growing rural market for industrial goods and lower-cost production of agricultural commodities for mass consumption.

Will this momentum continue into the late 1970's? The answer to this question will depend largely on the ability of the Asian countries to shift land that is no longer required to produce rice and wheat for domestic consumption into one of two alternative uses: either production of foodstuffs for export, or production of alternative crops, such as feed-grains, to meet a rising domestic demand for protein. In the Philippines, for example, 30 to 40 percent of the land now in rice production will probably no longer be needed to meet domestic rice needs by the mid-1970s. Therefore, the use of this acreage and its farmers in effective ways will be vital to the economic and political progress of the Philippines during the late 1970's.

Prospects such as this one point up a significant fact: that the aid, trade, and investment policies of the industrialized countries toward the developing world will play a vital part in the rate of expansion and future course of the Green Revolution. For one thing, many countries depend on aid financing and on the expansion of indigenous production by multinational corporations in order to obtain the fertilizer that they must have to grow the new high-yielding crop varieties.

For another thing, the increasing number of developing countries in Asia that have a rice surplus available for export find themselves to be dependent on the rice policies of the developed countries, notably Japan and the United States. The United States, the largest rice exporter (by virtue of subsidies

because its production costs are well above the world price), is beginning to hold a sizable portion of its rice acreage out of production; it will probably hold back more in the future because of reduced Asian demands for rice imports. Japan, however, is the only country in a position to avert a major collapse of the world rice market in the 1970's, since it is the only large high-income country that consumes rice as her staple food. With an internal support price of \$420 per ton—nearly triple the world market price—Japan may be the most flagrant violator of the law of comparative advantage of any cereal producing country. Not only is Japan no longer an importer of rice but it, like the United States, is also now subsidizing its export, thereby seriously depressing prices in the world market and reducing the market for those exports upon which many developing countries depend for their living.

Finally, achieving a high rate of economic growth will require a continuation of the rapid expansion of world trade that marked the past two decades. At the same time, there will have to be a satisfactory resolution of major trade issues, including the need for the developing countries to gain increased access to developed country markets; a decision by the industrial nations to end their discriminatory treatment of the LDC's; and the development of regional markets among the developing countries. Unfortunately for them, however, their growth and prosperity is still not essential to that of the developed countries. Yet, by the same token, a slowing down of growth in the developed countries would have a deleterious effect on the LDC's. A worldwide recession would not only reduce greatly the market for developing-country goods, but it would also affect seriously the willingness of the industrialized countries to extend large amounts of aid. Fortunately, a continued rapid growth in world trade during the 1970's seems likely.

The employment crisis

The growth rate of the developing world is also likely to increase because of the rapid expansion of its labor force. This prospect could have some beneficial effects, leading to a growth in the number of productive individuals in the labor force and, in turn, to an increase in output. Unfortunately, however, unemployment probably will still be on the upswing, as the number of working-age individuals continues to outpace the availability of jobs.

Until recently, there has been a tendency to regard unemployment in the poor countries merely as symptomatic of underdevelopment. But during the last decade, unemployment rose in the developing world as a whole, even though growth itself expanded rapidly in many LDC's. In most of them at the present time, between ten and twenty percent of the entire male labor force is either openly unemployed or so underused or poorly used that there is little difference. This problem is most acute in urban areas, and is particularly serious in Latin America, where the urban population has grown twice as fast as the number of urban jobs. Indeed, since 1950, the unemployment rate on that continent has about doubled.

There have been a number of recent assessments, notably by David Morse, Director General of the International Labor Organization; by Robert McNamara of the World Bank; and by Raul Prebisch of the Inter-American Development Bank. They all conclude that unemployment will probably become far worse as the children produced by the population explosion which started in the 1950's swells the labor force of the 1970's. New entrants to the labor force in this decade will be some 50 percent greater than in the past. In some areas, particularly in Latin America where the population explosion started earlier, the increase will be even

higher. There the population of working age will increase from 153 million in 1970 to over 200 million by 1980, an increase of nearly three percent annually.

Meanwhile, in India the work force may increase from 210 million in 1970 to 273 million by the end of the decade. In the first week of the decade alone, over 100 thousand more new workers appeared for jobs than older workers stepped aside to make room for them; and each week for the next ten years the number will be higher, until in the decade's last week, the net addition of workers to the Indian economy will be about 140 thousand.

In comparison with previous experience, these projections seem even more pessimistic. In particular, the developing countries face a far more serious employment problem than did the presently developed countries during their comparable period of industrialization. The work forces of the latter grew by less than one percent—usually by only 0.5 percent or so, compared to the current annual increase of 2.5 percent to 3 percent in the LDC's. In addition, the technology of 50 and 75 years ago was far more labor-intensive than that being introduced into developing nations today, and therefore was better able to absorb new workers.

There are also grave social implications of this massive unemployment. The unemployment problem can further distort the already wide gap between the rich and the poor within developing countries themselves. The earth's food supply may be sufficient to feed everyone, but there will be many people who do not have the income needed to pay for a share of it.

Many countries in the 1970's will have unemployment on a scale comparable to, or exceeding, the levels in the Western nations during the worst years of the Depression. But unlike our experience in the 1930's, there will be a sizeable group in the developing countries whose standard of living will be rising rapidly while unemployment is increasing, thereby sharpening the contrast between those for whom the system is working and those for whom it is not.

The cities will become politically explosive, as we have seen recently in Ceylon, with idle hands reaching out to tear down the economic systems which leave them without opportunity to make their own lives liveable. And with even stronger reason, growing unemployment will lead to much greater stresses between the developing world and both the industrialized countries and their great corporations.

For these and other reasons, it is now evident that the employment problem threatens to become unmanageable in the 1970's unless leaders of developed and developing countries alike pay high-level political attention to them, even more than was required to begin coping with the world food crisis in the 1960's.

What to do about unemployment?

Some economists have begun to address this problem seriously; and a number of major economic research centers have made unemployment in the developing countries a principal subject of their research in the past two years. Out of their work there is already beginning to emerge some tentative approaches to solving the problem.

To begin with, there is a conventional approach that ties employment in with economic growth. Accordingly, there should be a greatly stepped-up growth rate, particularly in the industrial sector. This emphasis on industrial growth derives from the fact that at a point in the modernization of the agricultural sector, employment in that sector will begin to fall rapidly. This is a traditional sequence; thus, agricultural employment in the U.S. is now less than the eight million people currently attending

American universities! Of course, we were able to adjust to this shift through our increase in industrial jobs.

How does this need for industrial growth work out in actual figures? Here are some statistics from a new economic model designed to estimate the rate that gross domestic product (GDP) must increase in a country in order for all the increase in the size of its labor force to be absorbed in non-agricultural jobs. In this model the growth in GDP does not take account of a decrease in employment on the land, nor would it help eliminate the existing backlog of under-employment and unemployment:

	Per capita income	Rate of annual population growth (percent)	Required annual rate of GDP growth (percent)
Typical Asian country.	\$100	2.5	10.2
Typical Latin American country...	300	3.1	9.3
Typical African country.....	100	2.7	11.0

These are striking estimates of GDP growth required in the developing countries; and they become even more so when compared with the experience of developed countries. The United Kingdom, for example, reached the point at which all the increase of the labor force could be absorbed in nonagricultural jobs with a GDP growth rate that was only just over two percent annually; and the U.S. reached the same point while achieving a growth rate of only three percent per year.

It is this type of analysis which led Raul Prebisch to call in his recent report for a growth rate in Latin America of at least eight percent annually. But would attaining even this target—a very ambitious one—be enough? Some economists are skeptical that the employment problem can be solved merely by expanding the growth rate to exceptionally high—some would say astronomically high—levels. It is, of course, true that at some point growth rates will have to rise as, in turn, will levels of imports and exports.

Yet there undoubtedly will also need to be major new innovations before the employment issue will be well in hand, just as the high-yielding "miracle seeds" had to be developed before we could begin to make progress in meeting the food problem during the late 1960's. Nor can we expect that a single new innovation will be able to do for unemployment what the seeds are doing to end hunger. There is no "miracle" social or economic policy to cope with unemployment.

Innovations

There are three areas of innovation which stand out, in addition to the basic long term need to stem the rapid increase in population. First, there must be more labor-intensive production. Since the ratio of labor supply to capital supply is greater in developing countries than in the developed world, it is clear that the former should use more labor intensive techniques, at least in the short run. Unfortunately, few countries or corporations in any part of the world have yet approached this problem seriously. In fact, the vast research facilities of the industrialized countries and the multi-national corporations are devoted largely to finding more capital-intensive ways of displacing high-cost labor. Nowhere is there the research capability to address the problem. Again, the breakthroughs in agriculture did not occur until the major U.S. foundations spent millions of dollars to tackle that problem in a specific and concentrated way.

Second, the LDC's must continue trying to take advantage of the low cost of their labor force as part of a new process of international production; and the developed countries

must permit them to capitalize on this comparative advantage. Historically, most developing countries have increased their exports either by selling primary products in which they had a comparative advantage, or by selling industrial goods which they produced initially for their domestic markets. But in recent years, low cost labor in certain countries has come to be increasingly treated as a valuable resource in its own right, and multinational corporations have worked effectively with these countries to utilize this resource. The U.S. electronics industry, as noted earlier, has reacted to tough foreign competition by moving much of the labor-intensive part of its production overseas to countries like Taiwan, Hong Kong, South Korea, and Mexico. The fruits of these labors are then re-imported for assembly in the United States.

This is the beginning of a new movement towards production that is truly rationalized, but not just between different companies in separate countries; production is also being rationalized within individual companies which make separate components of their own products in different countries in order to take advantage themselves of the law of comparative advantage. Not surprisingly, this nascent innovation is being met with loud outcries from some in the American labor movement who see U.S. jobs going abroad. There will of course be adjustment problems in the U.S., as we use our comparative advantage to remain competitive in world markets. Properly managed, rather than decreasing the number of jobs in the U.S., this will ensure that our technological advances continue to create additional employment at home in sophisticated industries. Indeed, if we are to react to competitive pressures by adopting protectionist policies, the number of jobs at home and our general standard of living would both be affected adversely. Parenthetically, it should be noted that many developing countries, with their emphasis on import substitution without regard to cost and on over-valued exchange rates, have seriously reduced their capacity to take advantage in international trade of the low cost of their labor force.

Third—and possibly the most promising way to ease the unemployment problem—it is possible to increase the use of labor through broad constitutional and organizational changes in agriculture. The problem can be stated simply: How can rural areas be made more attractive, thereby helping to slow the overflow of migrants to the cities? We are just beginning to realize that adopting an integrated approach to the development of rural areas can make it possible for countries to have a substantial beneficial impact on both growth and employment.

Obviously, this increase in rural production would generate broader-based purchasing power. But even better, the character of rural demand itself can contribute to development. In these areas it tends to be different from urban middle-class and upper-class demand of the type prevalent in Latin America, by focusing on goods with a lower foreign exchange component which are both more labor intensive and more easily produced in smaller towns. An increase in the production of basic foodstuffs also permits major programs for expanding the work force in both urban and rural areas without the heavy inflationary or foreign exchange pressures which were inevitable with a more stagnant agriculture. This is because most of the increased income of workers at the bottom of the wage scale goes for increased consumption of food.

However, special measures will be required if this focus on rural production is to make a significant contribution to providing employment. In Taiwan, for example, where there is a seven acre limit on farms, the agricultural breakthrough has been far more labor-intensive than that in the In-

dian Punjab, where the size of farms is unrestricted and the larger ones make use of large scale mechanization.

In Taiwan, these land limitations have induced the successful farmer to be increasingly innovative with his small acreage; whereas in the Punjab, a farmer who has been successful with one innovation has tended instead to take advantage of it by buying more backward and labor-intensive farms. This means that Punjabi farms of over 100 acres have more than doubled in size on average in recent years; and, as a result, the successful farm in Taiwan is not only far more labor-intensive, but is also much more productive in terms of yields per acre. This is a strong argument for those policies collectively known as land reform.

In addition, labor-intensive public works projects tend to be far more productive and profitable in rural areas where there are rapidly increasing crop yields. These increasing yields add greatly to the returns from investment in farm-to-market roads and small scale irrigation projects. Indeed, the combination of increased yields and labor-intensive social systems has been a feature of the broadly-based economic breakthroughs achieved by Japan, Taiwan, and South Korea.

The private sector

These three innovations may help ease the problems of employment in the developing world. But the coming crisis also has many implications for international private investment and for the multinational corporation. In the first place, the developing countries will place an increasingly high premium on foreign investments which promise to be labor-intensive or which in other ways provide significant employment. Furthermore, there should be major new sales opportunities for corporations making both consumer and producer goods for which there is high demand in rapidly-growing rural areas.

But at the same time, the prospect of increasing unemployment bodes ill for the political stability of these countries. This is particularly true in Latin America, because the economies and societies of those nations generally are not structurally prepared to deal readily with the problem.

Needless to say, such a climate of uncertainty and potential civil strife is not the best one for business and trade. Indeed, this problem clearly establishes a link between Western concern for the unemployment problem in the developing countries and the future of our commercial relations with them. In addition, the unemployment crisis will lead the developing countries to increase their pressure on the industrialized nations to open markets. This question is now upon us, as we are discussing with the OECD the best means for extending preferences to the products of the LDC's. We will either meet this problem successfully now; or we will see it—and all of our business relations with the developing world—get much worse later.

Special regional trends

Massive studies could be—and are being—written on the problems facing each of the world's regions during the 1970's. For example, Raul Prebisch has just completed an outstanding analysis of Latin America for the Inter-American Development Bank. And early this fall the Asian Development Bank will conclude its study of Asian development. But for this discussion, it is necessary to limit our concern to a few regional factors that warrant special emphasis.

East Asia

East Asia is not going through an extremely dynamic period of economic change. Its economic growth currently exceeds that of any other group of developing countries and is likely to continue to do so during the 1970's, unless there is a catastrophic military and

political collapse in Indo-China, with repercussions throughout Southeast Asia.

This region of more than 350 million people is today heavily dominated by the dynamics of Japan's extraordinary growth. But the Japanese "economic miracle" is not alone in explaining the region's great strides forward: many other East Asian countries—including Taiwan, Korea, Hong Kong, Singapore, and Malaysia—have also followed economic policies designed to maximize their growth opportunities.

Unfortunately, this pattern has not been repeated everywhere. Indonesia and, to a lesser extent, the Philippines are the slow developers in East Asia. However, the impetus behind the region's growth are so great that these countries should achieve progress at or above the world average during the 1970's, even if management of their resources is only moderately good.

Still, by the end of the decade Japan's role in the region will be even more pronounced than it is today—possibly by a factor of ten. Will this explosion of Japanese activity in East and Southeast Asia involve some form of partnership with the developing and developed countries? Or will it be largely a unilateral intervention, with the United States lessening its interest in the economy of the area at the same time it disengages militarily, thereby leading to a form of Japanese-dominated "co-prosperity sphere"? If the latter proves to be the case, we can expect active resentment of Japan by developing countries that is similar to, but even greater than, Latin American resentment of U.S. dominance. And in that case we can expect the United States and other developed nations to play a lesser role in the region's economy.

These stronger Japanese ties to the East Asian countries will develop in many forms. To begin with, Japanese official aid will probably double to more than \$1 billion annually within the next several years, and more than double again before the end of the decade. At present, Japan's policy is to focus aid overwhelmingly in the East Asian countries; to resist large-scale expansion of aid in South Asia, Africa, and Latin America; and to relate aid to commercial interests wherever feasible.

Second, during the 1970's, there will be a large-scale expansion of Japanese trade within the region. This will derive in part from the expected increase in Japanese GNP from its present \$200 billion to \$500-800 billion by 1980. As a result, Japan's trade should increase by more than the same percentage as she becomes increasingly dependent for economic growth on outside raw materials, and elects to focus an increasing proportion of her new investment on labor-intensive production overseas for her own industries.

Third, the decade should also see a radical change in Japanese overseas investment policy. Until recently, Japan—like Germany—was slow to invest abroad. Thus, her overseas assets are still less than \$2 billion—an insignificant amount compared to Britain's \$20 billion and the United States' \$70 billion. But this policy can be expected to change rapidly in the 1970's, leading to a vast increase in investments, particularly in East Asia.

Over the next few years, the American economic relationship with East Asia will be very much at issue. In the first place, all indications are that American military involvement in Asia, with its consequent economic implications, will be reduced significantly throughout the area from Korea to Thailand. As part of the same American caution in the area, we may also see growing opinion in the U.S. that the greatly increased availability of Japanese aid justifies a drastic reduction—perhaps even virtual elimination—of American aid to Indonesia, the

Philippines, Vietnam, and the other Southeast Asian countries. At the same time as such a withdrawal of military and economic assistance, it is likely that there will be increased U.S. protectionism against East Asian manufactured goods; and, if so, then Japan will have an overwhelming domination of East Asia by sheer force of circumstance. In turn, this development would have major political implications for the relationship between East Asian countries and Japan; and it would mean that, relatively speaking, the American economic role would be reduced in what may be the world's most dynamic region during this decade. It is clear that the United States, Japan, and other Asian states would suffer alike.

Conversely, if the United States, Canada, and Australia adopt an active and cooperative approach to East Asian development needs—in cooperation with Japan—political tensions in the area will be greatly reduced, and the participation of these non-Asian countries in the rapid growth of East Asia will be significantly increased. To this end, active U.S. support of the Asian Development Bank will strengthen its ability to lead multinational consortia for Southeast Asian countries; and it will increase the likelihood that Japan will channel large amounts of her aid through the Asian Development Bank, instead of relying primarily on bilateral means.

Finally, it is important to note that the East Asian developing countries are in the best position of all to capitalize now on preferences extended to manufactured goods. They will, therefore, have most to gain if the industrialized countries introduce some form of general tariff preferences on behalf of the developing world.

Latin America

In Latin America, there are reasonably good prospects that at least a moderate expansion of output will be continued during the 1970's. Overall Latin American production has increased from \$53 billion in 1950 to \$86.5 billion in 1960 and to some \$130 billion today, and should exceed \$200 billion by 1980. Output today represents an average per capita product of \$510; this compares favorably with Africa (\$118 per capita), Asia (\$110 per capita), and even with Southern Europe (\$473 per capita)—the last three at 1967 figures.

However, these figures do not reflect the serious structural imbalance in Latin American development. To a greater extent than in other major regions of the world, there is a growing gap between the modernized, successful part of developing society in Latin America, and the sizeable part that does not benefit from progress. For example, a higher proportion of Latin America's population is either unemployed or severely under-employed, and a larger proportion of its population is in the more politically-volatile urban areas; about 50 percent, as compared with 21 percent on average for the LDC's as a whole. Latin America also has more serious rural social problems, and fewer people own a higher proportion of the land than in any other developing areas.

What will this mean for Latin America? Will it be able to cope with its historic failure to incorporate the broad mass of its people into the pattern of economic and social progress? This is the key challenge facing that continent during the 1970's. If the Latin American nations fail to meet this challenge, there will be an enormous build-up of internal political pressures, and governments can be expected to use xenophobic nationalism and hostility to the outside world as a way of maintaining internal control. The wave of additional entrants into the labor market will make it even more difficult than before to meet this challenge; but they will also make vastly more urgent the need for major structural reform.

In his recent report, Raul Prebisch correctly noted the need for extraordinary measures: according to his analysis, there must be an 8 percent growth rate by the end of the decade and a comparable rate of growth in exports. Furthermore, an important phase of Latin America's economic growth, during which internal production has been substituted increasingly for imports, frequently despite higher cost, has now reached its limit; and with existing trade patterns the maximum feasible growth in Latin American exports will be less than four percent—or only half of the 8 percent required. To achieve the needed expansion of exports will require a major increase in the access that Latin American countries have to developed country markets—notably those in the United States. And it will also require a truly major expansion in trade among the Latin American countries themselves—an expansion that can be accomplished only through some major form of regional economic integration.

Trade

A number of trends will make this issue of trade far more important to the developing countries in the coming decade than it was in the last. Perhaps most important, they must increase their exports significantly, in order to help finance the higher growth rates that, in turn, are needed to meet the demand for vast increases in employment.

Second, the practice of substituting new indigenous production for an increasing range of imports has already been overdone in many developing countries; the emphasis must shift to exports. As Raul Prebisch correctly pointed out in his report, import substitution will have a much smaller role to play during the 1970's in accelerating the process of industrialization and in reducing LDC needs for foreign exchange. These countries must place their emphasis on selling more, rather than on importing less.

Third, many countries will come of age during the 1970's as exporters of both agricultural and manufactured products. In agriculture, the technological revolution that is now sweeping many developing countries will create surplus production capacity; and this capacity must be directed to new markets either within the developing countries themselves or abroad. Otherwise, these countries will have no hope of avoiding locally distressed areas—Appalachias of the LDC's.

The developing countries are also beginning to enter the field of manufactures. For one thing, despite inefficiencies that frequently occur in attempts to substitute domestic production for imports, this practice has enabled several developing countries to create labor-intensive industrial facilities which are competitive internationally. A handful of East Asian countries—such as Taiwan, Hong Kong, Korea, and Singapore—will no longer be able to make production of manufactured goods by LDC's their almost exclusive preserve. For one thing, the growing tendency of multinational corporations to internationalize their production will make available more outside capability to help developing countries increase their manufactured exports. Indeed, these opportunities will come searching for outlets in the developing countries.

Protectionism and Preferences

These forces stimulating greatly increased exports by the developing countries will, of course, come into sharp conflict with trends toward agricultural and industrial protectionism in the developed countries. This is particularly true of many agricultural products, in which the LDC's enjoy a comparative advantage. There are strong political pressures in the rich countries to prolong protection of their own inefficient agriculture and industry which no longer have a comparative advantage. And there is a special threat posed by the Common Agricultural

Policy of the Common Market—a threat that will become far worse if the United Kingdom joins the EEC without there being a major revision in this policy.

In recent years, we have also seen rising agricultural protectionism in Japan; and now we are seeing American labor leadership shift toward protectionism in response, in considerable part, to the efforts of multinational corporations to internationalize their production.

It is ironic that the Kennedy Round of trade negotiations has reduced the barriers to the import of goods that are of types manufactured by the industrial nations, but not to goods of the types generally produced by the developing countries. In effect, this amounts to discrimination against LDC manufacturers which are seeking access to developed country markets.

As pointed out recently by Arthur Lewis, the tariff structure in force today in the developed countries leads them in effect to charge twice as much duty on the goods they import from the developing world than on the goods they import from one another. In addition, imports from the developing countries are much more heavily restricted by quotas. This strikes many observers as particularly discriminatory, since, according to 1965 figures, exports of light manufactured goods by the LDC's to the developed countries were only ten percent of the same category of exports of the developed countries to one another. Not surprisingly, Arthur Lewis was reminded of the Biblical saying, that from him who hath not shall be taken away even that which he hath.

Discussions on preferences for developing countries are now taking place in Europe between the Common Market and the United States. Their fate is still in doubt, owing to concern in Europe about the trade bill currently pending before the Congress. And if an agreement does emerge, it must secure parliamentary ratification, which is by no means certain in the United States. Furthermore, the developed world must reach more far reaching accommodation with the LDC's if the trading needs of the latter are to be met.

And such an effort will not begin in serious form until the developed nations—particularly the United States—reassess the importance of relations between the poor, but growing, two-thirds of the world, and the increasingly rich, but shrinking, one-third; nor will this effort take place until the developed countries have thought through their trade policies on a worldwide basis, as part of a total approach to restructuring long-term relations between the developed and developing nations. Unfortunately, these assessments will probably not take place until perhaps the middle of the decade, and almost certainly not until after the Vietnam War is concluded.

Finally, during the 1970's we should see the development of major regional trading arrangements between the developing countries, as Prebisch and Pearson have both advocated. Such regional arrangements will be important both in contributing to increased trade between developing countries, and in symbolizing for all that developing countries themselves take serious this crisis problem of the 1970's.

Development cooperation

The foregoing discussion points up a central fact: that there must be more common effort to solve these problems of the developing world. Fortunately, today, most of the developing countries and the industrial nations are prepared to work together for a major expansion of the cooperative approach to international development which the United States began 20 years ago. Partly as a result, the push and shove of unilateral U.S. leadership is no longer required, nor is it even acceptable. But for the effort to succeed, the United States must not abandon

its role now; indeed, it must provide its fair share of cooperative participation and leadership. And at present, the future character of this participation and leadership is at issue, both within the Government and in public attitudes.

American attitudes towards developing countries, as well as our relations with them, reflect the end of an era in which our entire foreign policy was largely dominated by Cold War preoccupations. Today, we are at the beginning of a new era—one whose outlines are still only faintly defined. There are many conflicting trends. On the one hand, in our daily concerns we Americans are far more intimately involved with the developing countries than we were ten years ago. East Asia, for example, has become America's fastest growing trading partner. Indeed, despite the extraordinary increases in cereal production made possible by the Green Revolution, Asia has become the United States' largest market for agricultural products. International tourism has also increased manifold, leading many North Americans to visit their Latin American neighbors, and hundreds of thousands to visit Asia each year.

On the other hand, during the last several years, the United States has reduced its foreign policy interest in the progress of these countries. Today, for example, any community meeting or university seminar that directed its attention to the problems of some particular nation—such as India or Colombia—would tend to attract fewer participants and much less general interest than would have been true a decade ago. Throughout the United States, centers dedicated to the study of developing countries are having difficulty in gaining support from private funds, foundation grants, or other private sources.

U.S. development assistance has also been dwindling, both in absolute terms and relative to the success of our economy. Seven years ago, the U.S. provided in net amount roughly \$3.6 billion in foreign economic aid—roughly six-tenths of one percent of our GNP. But in 1970 the U.S. aid contribution will be only about \$3 billion—only three-tenths of one percent of an economy that is much richer. And in the next two years, the actual flow of U.S. aid will probably decline even further on the basis of decisions that the Government has already taken.

This decrease in America's concern with transferring resources to the developing world has come at a particularly critical time. It is certainly apparent to all that the gap between the rich nations and the poor nations, measured in terms of per capita income, is growing wider rather than narrower. Of course, it may be that personal income is a misleading measure of personal fulfillment; but it is certainly a factor of some importance. Today, the incomes of the poorest third of the world are still less than \$100 per capita, and may not reach \$250 before the year 2000. At the same time, the United States has increased its GNP per capita from \$2,000 to more than \$4,000 in the past 20 years, and will approach \$10,000 by the end of this century. As a result, the progressive reduction of U.S. aid to the developing world at this time seems to many thoughtful people to be an unfortunate and inappropriate trend that must be reversed.

Fortunately, there is at least one more trend in attitudes prevailing in industrialized states that gives firm ground for hope. Almost everywhere, there is an extraordinary increase in public concern about the global problems of over-population, hunger, and pollution of the environment. These issues do attract intensely interested and active people to meetings throughout the nation. And in the corporate world, especially, there is a striking increase in pragmatic interest about the world community, demonstrated by many developments, including the new emphasis placed on the internationalizing of production.

There is great potential here for U.S. action and a major contribution that we could make. Even more, we could broaden our concern with domestic problems of poverty and urbanization to embrace the similar needs of developing countries; and thereby help to overcome the stumbling block of the decreasing popularity of assistance to those outside our geographical borders.

The new concern for common problems that is evident in the developed world indicates a growing awareness that the world is becoming increasingly interdependent—in ways and to an extent that is still not fully understood. But one thing does seem clear: that mankind must address its pressing problems together, or not at all; and it must search for common answers. Most important, we must stabilize overall global population growth if we are to preserve our life-sustaining ecosystems into the next century. And we must address ourselves to other problems on a common basis, including the need to take those steps—in trade, aid, and technology—that will help to stem the rising tide of unemployment in the developing countries.

In short, technology is reshaping the world in which we live, much more rapidly than the policies of the developed countries yet reflect. And it is increasing the need for common action on a host of fronts. Indeed unless the industrialized countries, and particularly the United States, make themselves more responsive to changed circumstances—and do so together—they will surely suffer in ways that are still only dimly seen.

Recommendations of Peterson Task Force

In this regard, the Report of President Nixon's Task Force on Foreign Aid, chaired by Rudolph Peterson, takes on particular importance. If implemented, its principal recommendations would carry in a long way toward meeting the problems described above.

As the Report recognizes, the long-term interests of developed and developing nations alike will require us to separate the management of development assistance from that of security assistance; as we have learned to our cost, the latter has too often in the past been allowed to dominate the former.

Furthermore, the successes of the past 20 years have created an opportunity, as well as a pressing need, for us to create a framework of cooperative development that is truly international. In order to lessen the danger that there will be bilateral intervention in the affairs of developing countries, there must be stronger multilateral financing institutions; and also greater international decision-making on bilateral programs. The Report proposes the creation of a development bank for capital loans; a development institution for research and certain types of technical assistance; and a corporation to support private investment activities. If long-term funding is provided for these new institutions, we should be able to use funds more efficiently, and gain broader participa-

tion in the process of international development.

Finally, the Report recommends the creation of an International Development Council in the White House, similar to the National Security Council and the Domestic Affairs Council. In so doing, the Report recognizes the need for coordinating the U.S. development tools of trade, aid, and investment with respect both to the international community and to the developing countries themselves.

The President has yet to act on the Peterson Task Force Report, although he has given many indications that he is impressed with its scope and depth. In any event, Congressional action will not take place until 1971.

Early renewal of U.S. development effort

Today, we in the United States have three unique opportunities which we may miss and never recover unless we return soon to the development effort with a better and expanded program of trade, aid, and investment—a program that is adapted to the new needs of a global community faced with increasing interdependence.

First, we have the example of other developed nations. At present, many of them are willing to play a much larger role in a cooperative development effort than we are. Their net official aid contributions have risen from \$2.3 billion in the early 1960's to an estimated \$3.7 billion this year—\$700 million more than the declining U.S. effort. And this gap will widen further over the next several years as these other countries continue to increase their contributions rapidly toward the \$5 billion level. But we cannot really expect this upward trend of aid contributions from other countries to continue for more than a few years if the United States, as the world's richest country, does not do its share.

Second, the poor countries are now willing to cooperate actively, with each other and with the industrial nations, in a global development effort. But their willingness will fade if we permit the emergence of a basic confrontation between rich and poor nations while reducing our development effort. With our help, such confrontations may not prove serious; without it—as is happening in our cities—we will find that a failure to help only increase hostility in the developing world. In this sense, it is better not to embark on a program of help than to abandon it half-way through. In addition, it would undoubtedly be far more difficult to reestablish a cooperative development effort at a later time.

Third, the developing countries have built up considerable momentum toward solving their many and difficult problems. But if this momentum is lost, we will all find it much more difficult to meet the pressing challenges facing these countries—challenges of unemployment, population control, and food production.

Finally, we in the United States need to take a new and critical look at the world in which we are living. We are no longer the

only major power in the world, whose influence—if not dominance—is assured wherever we choose to act. But at the same time, we are no longer insulated from the problems that beset regions of the world that were once remote from our concerns.

Meanwhile, the methods of power and influence are also changing. The effectiveness of military power is declining; there are strong challenges within our society to the morality of a foreign policy of widespread intervention in the affairs of other states; and economic and social factors in relations among states and peoples have increased to unprecedented levels of importance.

Today, we have an urgent need to develop new concepts of foreign policy that account for these and other new trends in relations among men; we must broaden our understanding of the "national interest"; and we must begin the difficult task of re-educating opinion, among leaders and peoples alike, to the dynamics of the world's changing circumstances.

We also have new responsibilities towards the developing world in securing our own long-term self-interest, by preventing further use of unwise and unproductive methods of dealing with other nations. And we have a responsibility to promote the good of all mankind upon which the prosperity and happiness of each of us increasingly depends.

If we are to achieve these goals, we must broaden our concept of development to encompass all means that together can form an integrated approach to the developing regions of the world. These include aid, trade, investment, education, the role of the multinational corporation, social progress, political development, the use of multilateral agencies, arms control, and the automatic transfer of resources. We must also plan for years in advance; we must relate our development effort in one part of the world to that in all other parts; and we must, above all, approach the problems and opportunities of the future with a new understanding and commitment—as suggested by the words "partnership in development."

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 14, 1970

Mr. SCHERLE. Mr. Speaker, a child asks: "Where is daddy?" A mother asks: "How is my son?" A wife asks: "Is my husband alive or dead?"

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,500 American prisoners of war and their families.

How long?

SENATE—Tuesday, August 25, 1970

The Senate met at 8:30 a.m., and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

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

Eternal Father, whose Son was the way, the truth, and the life, we pause this morning hour to open our hearts to Thy presence. Let every victory this day be the victory of truth over falsehood,

and righteousness over unrighteousness. May we be quick to commend, slow to condemn, swift to affirm, slow to deny. Spare us from rancor and bitterness but indwell us with grace and charity.

In the long hours before us be Thou our strength. In weariness refresh us; in tense moments relax us; in success keep us humble, in failure make us magnanimous. In all things help us to persevere in righteousness. When evening comes, give us a good conscience and a blessed rest.

Hear us in these our prayers, and in all those deeper prayers that never take the form of words.

Through Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will read a communication from the President pro tempore of the Senate (Mr. RUSSELL).