

## HOUSE OF REPRESENTATIVES—Monday, April 6, 1970

The House met at 12 o'clock noon. The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*Choose you this day whom ye will serve: as for me and my house we will serve the Lord.*—Joshua 24: 15.

O Lord, our God, who art the light of the world and the life of men, let Thy light shine upon us and Thy presence come to new life within as we pray in spirit and in truth. Strengthen our hearts that we may now and always be reverent in thought, word, and deed.

Bless our country with Thy gracious favor and make our people one in spirit, one in purpose, and one in steadfast good will. Whatever our differences, may we realize that we are one in Thee and may this bond of unity be increasingly strengthened until we learn to live together as good Americans in our great America.

In the spirit of the Master we pray. Amen.

### THE JOURNAL

The Journal of the proceedings of Thursday, April 2, 1970, was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 16612. An act to amend the District of Columbia Ball Agency Act to provide additional funds for the District of Columbia Ball Agency for fiscal year 1970.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 12941. An act to authorize the release of 4,180,000 pounds of cadmium from the national stockpile and the supplemental stockpile;

H.R. 15021. An act to authorize the release of 40,200,000 pounds of cobalt from the national stockpile and the supplemental stockpile;

H.R. 15831. An act to authorize the disposal of bismuth from the national stockpile and the supplemental stockpile;

H.R. 15832. An act to authorize the disposal of castor oil from the national stockpile;

H.R. 15833. An act to authorize the disposal of acid grade fluorspar from the national stockpile and the supplemental stockpile;

H.R. 15835. An act to authorize the disposal of magnesium from the national stockpile;

H.R. 15836. An act to authorize the disposal of type A, chemical grade manganese ore from the national stockpile and the supplemental stockpile;

H.R. 15837. An act to authorize the disposal of type B, chemical grade manganese ore from the national stockpile and the supplemental stockpile;

H.R. 15838. An act to authorize the disposal of shellac from the national stockpile;

H.R. 15839. An act to authorize the disposal of tungsten from the national stockpile and the supplemental stockpile;

H.R. 15998. An act to authorize the disposal of Surinam-type metallurgical grade bauxite

from the national stockpile and the supplemental stockpile;

H.R. 16289. An act to authorize the disposal of natural Ceylon amorphous lump graphite from the national stockpile and the supplemental stockpile;

H.R. 16290. An act to authorize the disposal of refractory grade chromite from the national stockpile and the supplemental stockpile;

H.R. 16291. An act to authorize the disposal of chrysotile asbestos from the national stockpile and the supplemental stockpile;

H.R. 16292. An act to authorize the disposal of corundum from the national stockpile;

H.R. 16295. An act to authorize the disposal of natural battery grade manganese ore from the national stockpile and the supplemental stockpile; and

H.R. 16297. An act to authorize the disposal of molybdenum from the national stockpile.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3387. An act to amend the Rural Electrification Act of 1936, as amended, to provide an additional source of financing for the rural telephone program, and for other purposes.

### THE LATE HONORABLE STEPHEN PACE

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

Mr. BRINKLEY. Mr. Speaker, it is my sad duty to announce the death of the former Third District Congressman, Stephen Pace, Sr., at 2 o'clock, a.m., on yesterday.

Mr. Speaker, to those who knew him and served with him during his terms of service in this House from 1937 to 1951, his loss brings to memory his able and distinguished work in this body.

My wife Lois and I join with you in this hour of grief and extend our sincerest sympathy to the dear wife of Mr. Pace and to their children.

Mr. Speaker, on Wednesday, after all legislative business has been dispensed with and other special orders, I ask unanimous consent to address the House for 1 hour under a special order to eulogize the illustrious career and dedicated service of our departed colleague.

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

There was no objection.

Mr. BRINKLEY. And, in conclusion, Mr. Speaker, this morning we have sent a letter to each Member of this body inviting their participation during that hour of eulogy to our late departed colleague.

### THE GROWING PROBLEM OF CRIME

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

Mr. ALEXANDER. Mr. Speaker, the American people are becoming more frustrated by the day with the growing problem of crime in this country. They

are also becoming more impatient and upset with the Congress for its unwillingness to deal with this issue. I share their feeling.

The Organized Crime Control Act, S. 30, was passed by the Senate on January 23. It has been reported to the House Judiciary Committee where, I was informed again just this morning, hearings have not even been scheduled.

This bill was produced by the Senate Judiciary Committee's Subcommittee on Criminal Laws and Procedures, chaired by my distinguished colleague, Senator JOHN McCLELLAN, after almost a year of study. It incorporates the best recommendations of numerous organizations and specialists in law enforcement.

This bill would attack directly the growing problems of organized crime. There is no doubt, I feel, that the overall problems of crime in this country cannot be brought under control until we have brought organized crime under control. Senate Minority Leader HUGH SCOTT said that S. 30 strikes "the appropriate balance" between the considerations for "individual liberties as well as the common good of society," and that S. 30 would "help clear America of organized crime."

Mr. Speaker, the problem of crime in our society has reached crisis proportions. The American people are waiting for the Congress to assume the leadership in the fight against this problem. The Senate has discharged its responsibilities, and it is time for the House to act.

I do not feel that there is another issue before the House Judiciary Committee which should take precedence over this important bill. I urge the members of the committee, and the Members of this House, to place this problem of crime in proper perspective and assign to it its rightful priority. Our people expect us to take action on this legislation, and it is time we listened to them.

### DEPARTMENT OF JUSTICE BRINGS ANTI-TRUST ACTION AGAINST CLEVELAND TRUST CO.—NEW METHOD FOR CONCENTRATING ECONOMIC POWER RECOGNIZED IN LEGAL ACTION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, on March 26, 1970, in an unusual and imaginative—but in my opinion, proper—new departure in the application of the Federal antitrust laws, the Justice Department filed suit against the Cleveland Trust Co., the largest bank in the State of Ohio and the 20th largest in the United States. The suit charged that this bank, through its stockholdings in its trust department of four competing machine tool companies and interlocking directorships between the companies and the bank, had violated sections 7 and 8 of the Clayton Act.

On July 9, 1963, I wrote the then At-

torney General of the United States, Ramsey Clark, asking for an investigation of this and several other cases in connection with a staff report being published on that date by the Domestic Finance Subcommittee of the House Banking and Currency Committee. This study revealed literally hundreds of similar relationships between banks and competing corporations all over the country. Thus, the significance of this litigation is clear. If the Government is successful in its contention, the repercussions of applying sections 7 and 8 of the Clayton Act to a bank's trust and director relationships with competing corporations will indeed be widespread. This can only result in greater competition and a significant reduction in the trend toward concentration of economic power that has occurred in the last several years.

I include in the RECORD at this point the Justice Department's complaint against the Cleveland Trust Co., its press release of March 26, 1970, my letter to the Attorney General of July 9, 1968, and three newspaper stories discussing the suit:

[U.S. District Court for the Northern District of Ohio, Eastern Division]

UNITED STATES OF AMERICA, PLAINTIFF, v. THE CLEVELAND TRUST COMPANY, DEFENDANT  
COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above named defendant, and complains and alleges as follows:

#### I. JURISDICTION AND VENUE

1. This complaint is filed under Section 15 of the Act of Congress of October 15, 1914, c. 323, 38 Stat. 736, as amended (15 U.S.C. § 25), commonly known as the Clayton Act, in order to prevent and restrain violations by the defendant of Sections 7 and 8 of the Clayton Act.

2. The Cleveland Trust Company maintains its principal offices, transacts business, and is found within the Eastern Division of the Northern District of Ohio.

#### II. DEFENDANT

3. The Cleveland Trust Company, hereinafter referred to as "Cleveland Trust," is made the defendant herein. Cleveland Trust is a corporation organized and existing under the laws of the State of Ohio, with its principal offices in Cleveland, Ohio.

#### III. TRADE AND COMMERCE

4. Cleveland Trust, with over \$3 billion in trust assets, is the 16th largest bank in the United States in terms of total trust assets. In the Cleveland Standard Metropolitan Statistical Area (hereinafter referred to as "SMSA") Cleveland Trust accounts for about 60 per cent of total trust assets held by commercial banks, and three banks account for about 96 per cent of such assets.

5. George F. Karch (hereinafter referred to as "Karch") is Chairman of the Board and President of Cleveland Trust. Allan K. Shaw (hereinafter referred to as "Shaw") is Senior Vice President of Cleveland Trust.

6. Automatic screw machines are complex machine tools which perform a variety of integrated processes, such as cutting, polishing, boring, and reaming of ferrous and non-ferrous bars, tubes, castings, and forgings. Total annual sales of automatic screw machines in the United States are about \$166 million. Within this market there are two submarkets: (a) single spindle automatic screw machines, which can tool only one metal piece at a time; and (b) multiple spindle automatic screw machines, which have the capability of tooling more than

one piece of metal at a time. Annual sales of single spindle machines in the United States are about \$94 million; those of multiple spindle machines are about \$71 million. Although the two types of machine differ generally as to size and complexity, the technology required to build either type of machine can be, and frequently is, applied to building the other. Therefore, although manufacturers tend to specialize in either one or the other, most of the large producers manufacture some of both. Automatic screw machines are sold and shipped throughout the United States.

7. National Acme Company, with total automatic screw machine sales of \$20,568,000 in 1967, accounted for approximately 12.4 per cent, or the third largest share, of such sales in the United States. In 1967, National Acme Company's sales of multiple spindle automatic screw machines were \$20,470,000, accounting for approximately 28.5 per cent, or the largest share of such sales in the United States. In September 1968, National Acme Company and Cleveland Twist Drill Company merged to form Acme-Cleveland Corporation (hereinafter referred to as "Acme"). Acme continues the business previously conducted by National Acme Company, including the manufacture and sale of automatic screw machinery. As of December 31, 1968, Acme had assets of about \$109 million.

8. Proxy statements and letters to stockholders issued in connection with the merger of National Acme and Cleveland Twist Drill announced that Karch, an agent of Cleveland Trust, would become a Director of Acme.

9. Pneumo-Dynamics Corporation (hereinafter referred to as "Pneumo"), with multiple spindle automatic screw machine sales of about \$17,093,000 in 1967, accounted for about 10.3 per cent, or the fourth largest share, of total automatic screw machine sales in the United States, and for about 23.7 per cent, or the second largest share, of multiple spindle screw machine sales in the United States. As of December 31, 1968, Pneumo had assets of about \$108 million.

10. Shaw, an agent of Cleveland Trust, is a Director of Pneumo.

11. Warner & Swasey Company (hereinafter referred to as "W&S"), with automatic screw machine sales in 1967 of \$36,977,000, accounted for about 22.3 per cent, or the largest share, of such sales in the United States. In 1967, W&S sales of multiple spindle automatic screw machines were \$3,157,000 or about 4.4 per cent of such sales in the United States, and its sales of single spindle automatic screw machines were \$33,820,000, or about 35.9 per cent of such sales in the United States. As of December 31, 1968, W&S had assets of about \$131 million.

12. Karch, an agent of Cleveland Trust, is a Director of W&S.

13. White Consolidated Industries, Inc. (hereinafter referred to as "White"), with automatic screw machine sales in 1967 of \$9,250,000, accounted for about 5.6 per cent, or the seventh largest share, of such sales. In 1967, White's sales of multiple spindle automatic screw machines were \$6,216,000, or about 8.7 per cent of such sales, and its sales of single spindle automatic screw machines were \$3,034,000, or about 3.2 per cent, of such sales in the United States. As of December 31, 1968, White had total assets of about \$620 million.

14. Shaw, an agent of Cleveland Trust, is a Director of White.

#### OFFENSES CHARGED

##### First Offense

15. Cleveland Trust, through its trust department, has acquired, in a fiduciary capacity, substantial parts of the stock of Acme, Pneumo, W&S, and White. Cleveland Trust acquired 27 per cent of the stock of Acme at the time of Acme's formation in September 1968. As of September 1968, Cleve-

land Trust had full power to vote at least 20 per cent of the outstanding common stock of Acme and had qualified power to vote about 5 per cent of such stock. As of November 27, 1968, Cleveland Trust had about 14 per cent of the outstanding common stock of Pneumo. As of that date, Cleveland Trust had full power to vote all these shares. As of May 15, 1968, Cleveland Trust had acquired about 11 per cent of outstanding stock in W&S. As of that date, Cleveland Trust had full power to vote about 2 per cent of the outstanding common stock of W&S, and had qualified power to vote about 3 per cent of such stock. Cleveland Trust holds less than 5 per cent of the common stock of White.

16. Cleveland Trust does not hold the aforesaid stock solely for investment. Cleveland Trust consistently exercises the voting rights to these shares of stock to elect directors, and to influence important management and policy decisions. Cleveland Trust does substantial banking business with Acme, Pneumo, W&S, and White.

17. The effect of the aforesaid stock acquisitions may be to substantially lessen competition in violation of Section 7 of the Clayton Act, as amended, in the following ways, among others:

(a) actual and potential competition among Acme, Pneumo, W&S, and White in the manufacture and sale of automatic screw machinery may be substantially lessened;

(b) actual and potential competition among Acme, Pneumo, W&S, and White in the manufacture and sale of single spindle automatic screw machinery may be substantially lessened; and

(c) actual and potential competition among Acme, Pneumo, W&S, and White in the manufacture and sale of multiple spindle automatic screw machinery may be substantially lessened.

#### Second Offense

18. Cleveland Trust, acting through its agents Karch and Shaw, has been and is now a Director of Pneumo, W&S, and White in violation of Section 8 of the Clayton Act.

#### PRAYER

Wherefore, plaintiff prays:

1. That the acquisition, retention, and use by Cleveland Trust of the stock of Acme, Pneumo, W&S, and White be adjudged and decreed to be in violation of Section 7 of the Clayton Act.

2. That Cleveland Trust be required to divest itself of its stock in all but one of the aforesaid companies.

3. That Cleveland Trust be ordered to withdraw from participation in the direction, control, or management of all but one of the aforesaid companies.

4. That it be adjudged that Cleveland Trust has violated Section 8 of the Clayton Act.

5. That Cleveland Trust be ordered and directed to order its agents to resign from directorships in all but one of the aforesaid companies.

6. That Cleveland Trust, its officers, directors, agents, and all other persons acting on its behalf be enjoined from permitting any of its agents from serving as a Director of two or more competing corporations which are each engaged in interstate commerce and have capital, surplus, and undivided profits aggregating more than \$1,000,000.

7. That plaintiff have such other and further relief as the Court may deem just and proper.

8. That plaintiff recover the costs of this suit.

John N. Mitchell, Attorney General;  
Richard W. McLaren, Assistant Attorney General; Baddia J. Rashid, Robert B. Hummel, Carl L. Steinhove, Attorneys, Department of Justice; Frank B. Moore, Charles E. Hamilton III, Robert A. McNew, Robert S. Zuckerman, David F. Hils, Attorneys, Department of Justice, Antitrust Division.

## PRESS RELEASE, DEPARTMENT OF JUSTICE

The Department of Justice today filed a civil antitrust suit against The Cleveland Trust Company to require it to divest itself of stock interests in certain major manufacturers of automatic machine tools and to eliminate its interlocking directorships in such companies.

Attorney General John N. Mitchell said the suit was filed in United States District Court in Cleveland, Ohio, where The Cleveland Trust Company has its headquarters.

According to the complaint, Cleveland Trust has substantial stock holdings in Acme-Cleveland Corporation, Pneumo-Dynamics Corporation, Warner & Swasey Company, and White Consolidated Industries, Inc., all major manufacturers of automatic machine tools. The suit alleges that the bank's influence in which companies through its stock interests may substantially lessen competition in the manufacture and sale of automatic screw machines, which are machine tools for working various metals, in violation of Section 7 of the Clayton Act.

The suit also charges that The Cleveland Trust Company, acting through its agents, has been and is now a director of Pneumo-Dynamics, Warner & Swasey, and White Consolidated, in violation of Section 8 of the Clayton Act. George Karch, chairman and chief executive officer of The Cleveland Trust Company, is a director of Warner & Swasey. Allen K. Shaw, senior vice president of Cleveland Trust, is a director of Pneumo-Dynamics and White Consolidated.

The complaint asks that Cleveland Trust's stock acquisitions in the above named competing corporations be declared illegal and that Cleveland Trust be required to divest its stock interests in all but one of such corporations. The complaint also asks that Cleveland Trust's representation on the boards of directors of Pneumo-Dynamics, Warner & Swasey, and White Consolidated be declared unlawful; that the bank be directed to order its agents to resign from directorships in all but one of such companies; and that the bank, its officers, directors, and agents be enjoined from serving as a director of any two or more competing companies engaged in interstate commerce, whose capital, surplus, and undivided profits aggregate more than \$1 million.

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said that Cleveland Trust is the 16th largest bank in the United States in terms of trust assets and accounts for about 50 per cent of the total trust assets in the Cleveland metropolitan area. Acme-Cleveland, with total automatic screw machine sales of over \$20 million a year, is third largest in such sales in the United States. Pneumo-Dynamics, with automatic screw machine sales of over \$17 million, is fourth largest in total automatic screw machine sales. Warner & Swasey with over \$36 million in sales, is the largest in automatic screw machines in the United States, and White Consolidated, with over \$9 million in sales, is seventh largest.

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING AND CURRENCY,

Washington, D.C., July 9, 1968.

HON. RAMSEY CLARK,  
Attorney General of the United States,  
Department of Justice,  
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: You and your Department are to be congratulated for your recent ruling barring interlocking directorates involving sixteen different corporations. In proportion, however, the action taken by the Department of Justice is minuscule both in number and import when compared with the myriad of similar instances that exist, as shown in the House Committee on Banking and Currency's Domestic Finance Subcommittee current study on *Com-*

*mercial Banks and Their Trust Activities.* Given this decision by your Department, it is, in my opinion, incumbent upon you to take immediate action in applying the Clayton Act and other applicable antitrust laws to the far more serious and widespread problems of interlocking stockholdings and directorships revealed by this study, a copy of which is enclosed.

As you will see, this report details thousands of cases in which commercial banks, in effect, play the role of middlemen through stockholdings and directorships, between competing businesses in practically every major industry in the United States. To take one important example, the Morgan Guaranty Trust Company, the nation's largest bank trust operation with \$16.8 billion in trust assets, holds 7.5% of the common stock of American Airlines and has a director interlock with this airline. At the same time, Morgan holds 8.2% of the common stock of United Airlines and 7.4% of the common stock of Trans World Airlines (see p. 699 of study). Morgan has sole or partial voting rights over practically all of this stock. No one can question that these major domestic air carriers are in direct competition and yet each has as its largest stockholder a single banking institution.

In another area, Morgan holds substantial blocks of common stock of four competing cosmetic manufacturers, and has interlocking directorships with two of these companies (see page 696). Morgan also holds 11.9% of the common stock of Trane Company and 16.5% of the common stock of the Carrier Corporation, two major competitors in the central air conditioning field (see page 697).

These are but a few of the many examples which could be given for this bank and for many others. Such situations are at least as anti-competitive and, in my opinion, far more so than those dealt with in your recent order.

Another instance found in this report dealing directly with an area in which the Justice Department showed much concern in your announcement of June 27, is that of the machine tool industry. In your action the Justice Department broke up a director interlock between two major machine tool companies, TRW and Midland-Ross. Should you not be even more concerned with the fact that the Cleveland Trust Company has far closer relationships with six major companies in machine tool industry, to wit: Cleveland Twist Drill Company (52.4% common stock, three directors); Parker Hannifin Corporation (14.5% common stock, one director); Timken Roller Bearing Company (11.4% common stock); Warner and Swasey Company (9.11% common stock, one director); Osborn Manufacturing Company (42.6% common stock, one director); and Electronics Associates, Inc. (55.4% common stock). In addition, as the study shows in Chart 3, page 640, the Cleveland Trust Company holds large blocks of stock in and interlocking directorships with three large competing iron ore corporations and two of Cleveland's largest department stores.

Even more serious situations are revealed in the study, whereby commercial banks, insurance companies, finance companies, mutual savings banks and other financial institutions, all of whom compete with each other for business, are closely interlocked through major stockholdings and interlocking directorates. A few examples are as follows: The Chase Manhattan Bank holds between 5% and 7% of the common stock of three insurance companies (Aetna Life Insurance, American General Insurance and American Reinsurance) and has ten interlocking directorships with six other major insurance companies (see p. 706).

Similarly, the Mercantile-Safe Deposit and Trust Company of Baltimore, Maryland holds 8.7% of the common stock of a major competitor, the First National Bank of Maryland;

7.1% of the common stock of U.S. Fidelity and Guaranty Co., a billion-dollar insurance company; 22.2% of the outstanding shares of Fidelity and Deposit (Insurance) Company of Maryland (assets—\$114.6 million); 27.4% of the stock of Monumental Life Insurance Company (assets—\$341.6 million); and 6.9% of the common stock of Commercial Credit Company (assets—\$2.9 billion). In addition, this bank has five interlocking directorships with U.S. Fidelity and Guaranty Co., two interlocking directorships with Fidelity and Deposit Company of Maryland, two interlocking directorships with Monumental Life Insurance Co., four interlocking directorships with Commercial Credit Company and three interlocking directorships with the Savings Bank of Baltimore (assets—\$352.6 million). (See Chart 1, pp. 556-557). All of these financial institutions compete with each other and with Mercantile-Safe Deposit and Trust to some extent, and yet they are all intimately interlocked.

One further example should suffice to show how major competing financial institutions are closely interrelated. As shown on pages 670-672 of the enclosed study, the two largest commercial banks in Hartford, Connecticut, have substantial stock and/or director interlocks with the following major insurance companies with which they are supposed to compete: Aetna Life Insurance Company, Connecticut General Life Insurance Company, the Travelers Corporation, Connecticut Mutual Life Insurance Company, Phoenix Mutual Life Insurance Company and the Hartford Steam Boiler Inspection and Insurance Company. All together, two banks and seven insurance companies hold 35.4% of all the shares outstanding of the Hartford National Bank, and 38.5% of the outstanding stock of the Connecticut Bank and Trust Company. In addition, the banks hold large blocks of stock in several of the insurance companies and there are many interlocking directorships between the insurance companies and the banks.

It is difficult for anyone to believe that these and the thousands of other interlocking relationships revealed in this study do not have serious anti-competitive effect within the financial and business community which, in turn, creates a detrimental impact on millions of Americans.

Your recent action in this vital area is applauded. Similar action by your Department in the multitude of similar instances, as pointed out in this study, will greatly aid in the preservation of our competitive free enterprise system.

I look forward to your immediate response to this letter and, in light of the information presented in the Subcommittee's report, I urge you to take immediate action to stop these dangerous practices which are so detrimental to the public interest.

Sincerely yours,

WRIGHT PATMAN,  
Chairman.

[From the New York Times, Mar. 27, 1970]  
JUSTICE UNIT NAMES CLEVELAND TRUST CO.  
IN ANTITRUST SUIT  
(By Eileen Shanahan)

WASHINGTON, March 26.—The Justice Department, in what antitrust officials said was an unprecedented case, charged today that the Cleveland Trust Company had violated the antitrust laws by controlling—though only as a trustee—substantial blocks of stocks in four competing machine-tool companies.

The department brought a suit in United States District Court for the Northern District of Ohio that seeks to force the bank to sell the stock of all but one of the competing concerns.

Officers of the bank serve as directors of three of the four companies and the suit also seeks to force the resignation of all but one of the directors.

The chairman of the bank, George F. Karch, in a statement issued in Cleveland challenged the suit as "a startling departure from existing law" and charged that it was "seriously inaccurate in certain material respects."

Mr. Karch noted, as did the Justice Department's suit, that the stock in question was not owned by the bank but instead represented holdings by individuals who had placed the stock in trusts managed by the bank.

It is this feature of the case that makes it a novel one in antitrust law.

If the Justice Department wins the suit, it appeared likely that other similar suits might be filed against other banks which, acting as trustees, manage or control stock in other competing companies.

Representative Wright Patman, Democrat of Texas, the chairman of the House Banking Committee, contended in a report he made in mid-1968 that there were at least five cases—of which Cleveland Trust was one—in which bank trust departments owned significant amounts of stock in competing companies. Two of Mr. Patman's examples involved the Morgan Guaranty Trust Company of New York. In most of his cases, as in the Cleveland Trust case, there were also interlocking directors.

#### GROUND-BREAKING SUITS

The case against Cleveland Trust was the latest in a series of suits aimed at establishing new principles of antitrust law that have been filed since the Nixon Administration came into office.

Most of the other ground-breaking suits—those involving allegedly illegal reciprocal business practices and those seeking to prevent mergers by the giant conglomerate companies, for example—were all filed some months ago, however.

Thereafter, rumors had circulated widely in the business community that the Justice Department antitrust division, headed by Richard W. McLaren, had been ordered by the White House to stop annoying business with novel and strict antitrust enforcement.

This is the first groundbreaking suit that has been filed since those rumors—always denied by Mr. McLaren—began to be heard.

#### COMPLAINT ALLEGATIONS

The Justice Department's complaint in the Cleveland Trust case alleged that the bank "consistently" voted the stock that it holds as trustee in the four companies "to elect directors and to influence important management and policy decisions."

According to the complaint, Cleveland Trust, in 1968, had acquired 11 per cent of the stock in the Warner & Swasey Company, the largest manufacturer of automatic screw machine tools, and had full power to vote 2 per cent of the stock and qualified power to vote 39 per cent.

In the same year, the complaint continued, it has 27 per cent of the stock of the Acme-Cleveland Corporation, the third largest in the industry, and had full power to vote 20 per cent of the stock and qualified power to vote 5 per cent.

In the third company, the Pneumo-dynamics Corporation, the industry's fourth largest, the complaint alleged that Cleveland Trust had 14 per cent of the stock and full power to vote all of it.

Cleveland Trust held less than 5 per cent of White Consolidated Industries, the industry's seventh largest, the complaint said. It did not detail how much of this stock Cleveland Trust voted.

The trust company's holdings and its votes and the interlocking directorships may substantially lessen competition among the four companies on several types of automatic screw machinery, a major category of machine tools for which the annual market in the United States is \$166-million, the complaint said.

Mr. Karch is a director of Warner & Swasey, according to the complaint, and Allan K. Shaw, a senior vice president of Cleveland Trust, is a director of Pneumo-Dynamics and of White Consolidated.

The Justice Department's inquiry into the case already had produced controversy as far back as 1968, when Cleveland Trust sought to prevent the department from obtaining certain company files which it had sought under a power somewhat similar to the subpoena power, known as "investigative demand." The company filed suit in Federal court to block the demand, alleging among other things, that the inquiry had resulted from a political conspiracy between Representative Patman and Ramsey Clark, then Attorney General and also a Democrat.

[From the Wall Street Journal, Mar. 27, 1970]

#### CLEVELAND TRUST TARGET OF SUIT BY JUSTICE UNIT—ANTITRUST DIVISION SEEKING DIVESTITURE BY THE BANK OF HOLDINGS IN THREE FIRMS—FOUR TOOL MAKERS INVOLVED

The Justice Department filed a novel antitrust suit to require Cleveland Trust Co. to divest itself of its stock interests in competing manufacturers of automatic machine tools and to eliminate its interlocking directorships in the companies.

The suit, filed in Federal district court in Cleveland, charged that the bank's stock interests in four major machine-tool makers violate the Clayton Antitrust Act because such interests may lessen competition among the tool manufacturers. The four are Acme-Cleveland Corp., Pneumo-Dynamics Corp., Warner & Swasey Co. and White Consolidated Industries Inc.

Cleveland Trust immediately issued a statement that its lawyers' first appraisal indicates the suit is "completely without merit" and "represents a startling departure from existing law."

The suit asked that Cleveland Trust be ordered to divest itself of its stock interests and resign its directorships in all but one of the tool makers. The suit didn't say in which one the bank could retain an interest, apparently leaving the choice to the bank.

Richard W. McLaren, head of the Justice Department's Antitrust Division, said in Washington that a similar suit had never been filed before because "the situation never came up where a bank's trust department had interests in a number of competitors."

He also suggested that the suit doesn't signal any broad Government investigation to seek possibly similar situations. Cleveland Trust, he said, "had been under investigation for some time" and appears to be a unique situation.

Edwin Zimmerman, head of the Antitrust Division during the latter part of the Johnson Administration, had filed a civil investigative demand on Cleveland Trust for additional information regarding the bank's trust activities, but the bank went to court to block the demand.

Mr. McLaren said this court action has never been resolved. But he said he reviewed the matter and decided that the department had enough evidence to make a case and thus proceeded to file suit.

Cleveland Trust, according to the suit, is the nation's 16th-largest bank in terms of trust assets. It has more than \$3 billion in trust assets, the suit said.

Warner & Swasey is the nation's largest manufacturer of automatic screw machines, according to the suit. It said Acme-Cleveland is the third largest, Pneumo-Dynamics fourth and White Consolidated seventh largest. The machines are complex tools that perform a variety of processes such as cutting, polishing and boring of metal bars, castings and forgings.

The suit noted that George Karch, chairman of Cleveland Trust, is a director of

Warner & Swasey. Allan K. Shaw, the bank's senior vice president, is a director of Pneumo-Dynamics and White Consolidated. The suit said that, according to proxy materials issued in connection with the 1968 merger that formed Acme-Cleveland, Mr. Karch also is to become a director of that company.

The bank's trust department acquired 27% of Acme-Cleveland's stock when that company was formed in 1968 by merger of National Acme Co. and Cleveland Twist Drill Co., according to the suit. It said that, as of Nov. 27, 1968, the bank had about 14% of Pneumo-Dynamics' common stock. As of May 15, 1968, the bank had about 11% of the stock outstanding of Warner & Swasey, the suit said. The bank holds less than 5% of White Consolidated's common stock, the suit added.

The suit asserted that Cleveland Trust doesn't hold the stocks "solely for investment." It asserted that the bank consistently exercises the voting rights to the shares "to elect directors and to influence important management and policy decisions." Further, the suit said Cleveland Trust "does substantial banking business" with each of the four tool makers.

The suit charged that the bank's influence in the companies, through its stock interests, may substantially lessen competition in the manufacture of automatic screw machines, in violation of the Clayton Act.

The suit asked that the bank be ordered to divest itself of its stock interests and resign its directorships in all but one of the tool makers and that the bank be enjoined from having directors on the boards of any two or more competing corporations. The injunction would apply to any such competing corporation having capital, surplus and undivided profit totaling more than \$1 million.

In Cleveland, Mr. Karch, chairman and chief executive officer of Cleveland Trust, said of the Justice Department complaint: "From a brief examination it would appear to be strongly inaccurate in certain material respects."

Mr. Karch added that the action seems to be based on "trust holdings of certain stocks which were placed in various trusts by individuals and not purchased by the bank. The bank, in its own right, doesn't own any stock in any of the companies mentioned."

The Justice Department complaint isn't the first time Cleveland Trust has drawn fire from Washington for its trust holdings of machine-tool companies. In September 1968, Rep. Patman (D. Texas), Chairman of the House Banking Committee, attacked the bank's "involvement" in three mergers involving machine-tool companies. The bank denied it had fostered the mergers.

The consolidations included the marriage of Cleveland Twist Drill Co. and National Acme Co. to form Acme-Cleveland Corp., the merger of Toledo Scale Co. into Reliance Electric Co., and the merger of Osborn Manufacturing Co. into Sherwin-Williams Co.

[From the Washington Evening Star, Mar. 27, 1970]

#### THE UNITED STATES IS MOVING TO CURB BANK STOCK HOLDERS

(By Robert Walters)

The Justice Department has taken a first step toward curtailing the practice which allows banks to wield substantial control over manufacturing companies—some of them competing firms in the same industry.

In what Justice Department attorneys believe to be an unprecedented use of federal antitrust statutes, the government yesterday moved to force the trust department of a northwestern bank to divest itself of "substantial stock holdings" in four companies which manufacture automatic machine tools.

The civil suit, filed in U.S. District Court in Cleveland, charges that the bank's influence over the companies serves to "substantially lessen competition"—not through the out-

right ownership of stock, but rather through the holding of the securities in trust for others.

Although the initial effort involves only one bank, the Cleveland Trust Co., further application of the concept could have a significant effect on far larger financial institutions in cities throughout the country, notably New York, Baltimore and Hartford.

#### SIMILAR SITUATION

And although the four manufacturing firms named in the suit are in a relatively obscure field, similar situations exist elsewhere which involve larger companies with a greater impact on individual consumers—particularly airlines, cosmetic manufacturers and insurance companies.

The suit, invoking the Clayton Antitrust Act, asks the court to declare the bank's stock holdings in the four firms illegal, require the bank to dispose of the stock in all but one of the companies, and force the bank's officers to resign from directorships of all but one of the firms.

The complaint alleges that the bank does not hold stock in the companies solely for investment, but "consistently exercises the voting rights to these shares of stock to elect directors and to influence important management and policy decisions."

The companies involved all produce automatic screw machines, complex machine tools used for cutting, polishing, boring and reaming of metal used in industry. Their names and annual sales:

Acme-Cleveland Corp., \$20 million; Pneumo-Dynamics Corp., \$70 million; Warner & Swasey Co., \$36 million, and White Consolidated Industries, Inc., \$5 million.

#### MEMBERS OF BOARDS

Cleveland Trust officers are members of the boards of all of the firms except Acme-Cleveland.

Like thousands of other commercial banks in the country, Cleveland Trust holds in its trust department stock which it does not actually own but which has been placed with it for financial management and safekeeping purposes by a variety of trust funds.

The owners of record are union pension funds, employe benefit funds, mutual and insurance funds and private trusts. But the voting rights are almost always assigned to the bank.

The practice was extensively documented in a two-volume, 2,000-page study issued in July 1968 by the House Banking and Currency Committee.

Among the potentially monopolistic situations cited in the report was the relationship between Cleveland Trust and six major firms in the machine tool industry. Two of those companies—the Cleveland Twist Drill Co., predecessor to Acme-Cleveland, and Warner & Swasey—were the same as those cited yesterday by the Justice Department.

At the time the congressional study was released, Rep. Wright Patman, D-Tex., chairman of the House committee, wrote to Atty. Gen. Ramsey Clark asking for "immediate action in applying the Clayton Act and other applicable antitrust laws" to restrain the banks' control of industrial firms.

In addition to listing the investment of more than \$251 billion in securities managed by bank trust departments, Patman's study cited situations in Baltimore, Boston, Chicago, Cincinnati, Cleveland, Detroit, Hartford, New York, Philadelphia and Pittsburgh.

The congressional report showed that the Morgan Guaranty Trust Co. of New York held 7.5 percent of American Airlines' outstanding common stock, 8.2 percent of United Airlines' stock and 7.4 percent of Trans World Airlines' stock.

In another area, Morgan Guaranty held substantial blocks of stock in four firms competing in the marketing of soap and cosmetic products—Avon Products, Inc., 6.5 percent; Chesebrough-Pond's, Inc., 14.1 percent; Max Factor & Co., 8.8 percent, and Lanvin-Charles of the Ritz, Inc., 9.1 percent.

The Mercantile-Safe Deposit and Trust Co. of Baltimore held 8.7 percent of the common stock of a major competitor, the First National Bank of Maryland, and 7.1 percent to 27.4 percent of the stock of three competing life insurance companies.

The congressional study warned of "a new trend toward control of these vital elements of our economy through control of the voting of large blocks of stock in these corporations held for beneficiaries by a relatively few giant financial institutions."

#### ONE HOUSE FOR EVERY 103 FAMILIES

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the Nation's housing shortage, bad as it was last year, is expected to descend to an even more disastrous level during 1970. Last year there were 1.4 million housing starts. This year the National Association of Home Builders, which represents most of the Nation's home building industry, estimates that housing starts will drop to 1.2 million starts, only 46 percent of the 2.6 million units required to meet our annual national housing goal.

Of the total of 1.2 million starts, NAHB estimates there will be 700,000 single family units, two-thirds of which will be priced at \$25,000 or more. In fact, the homebuilders' projection calls for only 273,000 single family units priced under \$25,000.

#### TWENTY-EIGHT MILLION PRICED OUT

Studies indicate that minimum monthly payments of \$226 are required in order to afford a \$20,000—30-year mortgage carrying the current, exorbitant effective interest rate of 9 percent. The total of \$226 is comprised of the payments required for insurance, utilities, maintenance, and taxes, as well as principal and interest. It is generally accepted that, in order to balance the family budget, no more than 25 percent of net household income should be spent on housing. This means that a family should have a net income of at least \$10,800 or a gross income of about \$13,000 in order to qualify for a \$20,000 FHA mortgage.

This criteria, when compared to a recent report on household income by the Census Bureau, reveals that there are 28 million families or 101 million persons whose income is too high for them to qualify for federally assisted housing and too low for them to afford a \$20,000—30-year FHA mortgage. In other words, the moderate income families of the Nation—half the people in the country—cannot afford a mortgage higher than \$20,000.

When the NAHB estimates for the year are brought into the picture, the situation boils down to construction of one single family house priced under \$25,000 for each 103 families which can afford the mortgage payments on such a dwelling.

To say that the Nation is confronted with a housing disaster is to understate the situation.

#### OUT OF CONTROL

Other findings by the Census Bureau, the Bureau of Labor Statistics and NAHB regarding the cost of building the average home further support the con-

clusion that the situation is out of control. For example:

Overhead and profit on the average new home went up 67 percent and the cost of the structure went up 45 percent during the 20-year period from 1949 to 1969. But the cost of a lot, which was \$1,485 in 1949 and is now \$6,200, went up 319 percent. The cost of financing construction went up even more. In 1949 it was \$675. Today it is \$2,860, an increase of 324 percent.

To this must be added the fact that the effective FHA interest rate went from 5 percent in 1949 to 9 percent in 1970, an increase of 80 percent. This means that a \$20,000—30-year mortgage loan in 1949 required total interest payments over the term of the loan of \$18,653. Today, a \$20,000—30-year FHA mortgage carries total interest payments of \$38,000 over the life of the loan. When principal payments are added, the total paid in by the homeowner over the term of the \$20,000 mortgage is \$58,000.

Mr. Speaker, these are but some of the conditions that prevail today and that spell the end of homeownership for the moderate-income families of the Nation. Graphic descriptions of the Nation's housing crisis and the factors that produced that crisis are contained in an article entitled "Why Can't People Get Homes?" published in the April 1970 issue of the American Legion magazine, and in Building Construction in Texas, published by the University of Texas Bureau of Business Research. I submit both of these articles to be included in the RECORD:

[From the American Legion magazine, April 1970]

#### WHY CAN'T PEOPLE GET HOMES?

(By L. A. Knight, Jr.)

The United States is in the grip of the worst housing shortage since WW2, a shortage that hits young couples, and especially young veterans, hardest.

The door is now all but closed to the young veteran and his wife trying to buy a decent home under the VA's veterans housing loan program. Young non-veteran couples who could once find houses under FHA mortgages are only slightly better off, thanks to their somewhat better foothold in the economy by virtue of their not having been away on Uncle Sam's affairs.

Veterans of recent military service are writing letters about their plight to the White House, Congressional offices, the Veterans Administration (VA), the Department of Housing and Urban Development (HUD) or whatever else they might hope for a sympathetic ear.

Says a Burlington, Iowa, veteran, "After saving for years to accumulate the down payment for a home of our own we now find the G.I. loan, that we have been counting on for so long, is in truth not really available." He mirrors a larger army of ex-servicemen, their G.I. entitlement in hand, who are being turned away by banks, savings and loan institutions and mortgage companies; or, who can only find housing and loan terms that are far beyond their means—and beyond any previous price scale and mortgage terms in our history.

"No real estate company or bank will even discuss a G.I. loan with me," a Pontiac, Mich., veteran wrote to George Romney, former governor of Michigan and now head of HUD.

A Lynchburg, Va., schoolteacher asked the White House: "What good is my G.I. loan if I can't use it? What am I and other veterans who can't afford a civilian mortgage going to do?"

A young Southington, Conn., housewife, whose husband had just been separated from service, told her Congressman: "Every bank we go to we are turned down. What is the government coming to?"

A former Army sergeant now living in Buffalo, N.Y., wrote: "I have gone to five banks and one mortgage company and only one of the banks says it will make a G.I. loan. But this particular bank has set its standards so high my loan application never reached the VA for approval."

An Edison, N.J., veteran was about to close a purchase arrangement for a new home when the Veterans Administration raised the permissible interest on a G.I. loan from 7½ to 8½% on Jan. 25. Since this would add another \$20 a month to his mortgage note he found he could not go through with the purchase. He wrote the President:

"I guess the only way to get ahead in this present condition is to go on welfare. I know of a few people on welfare now who live a lot better than we do. Why is this?"

A California veteran directed this appeal to the White House:

"I have spent my time in Vietnam fighting Communism. Now I'll have to fight inflation on the home front. I happen to be one of those people that has suddenly found out that the house that I was about to buy is now out of my price range."

In large numbers, Vietnam vets and other young people are living in too-small apartments, in single rooms or doubling up with friends or relatives. Some find an occasional rare buy in old housing—perhaps miles from where they work—often because there's something the matter with it. Many are moving into mobile homes, and we'll say more about that later.

To get decent housing it helps if you have well-to-do or influential parents, or if you inherit a house or a wad of money, or start adult life with large earnings.

We've been hearing about bad housing for the poor all along. Today, those with good earnings who are willing to pay more than is reasonable, and to pledge a disproportionate part of their future earnings, find it ever harder to buy or rent decent shelter.

Because most older people with reasonably good incomes already have homes, the housing crisis falls most heavily on the young. And not just the very young. A 32-year-old Chicago executive who thinks he's off to a good start in earnings for his age says he can't buy a suburban Chicago home. Average price is \$32,000. "I could pay that off, all right," he says, "but the down payment is \$10,000 and I haven't \$10,000 lying around loose." In many areas, new rentals are almost impossible, too. The bidding for the little that's available runs it out of reach of any but those who already have it made in life.

The three main causes of the housing mess are: (1) inflation with its high prices, (2) "tight money"—which is not the same thing as inflation and (3) a serious shortage of conventional housing.

They are all related, and each rests on layers of other causes and effects that chase each others' tails around a series of circles.

(1) *Inflation* simply puts the asking price on living space—for sale or rent—beyond what many can afford to pay. It wouldn't do that if income and housing were inflated equally. But housing is inflated way beyond income. Thirty-five years ago, good, new suburban housing cost about 2½ to 3 times the annual take-home of a couple starting out in life with normally good prospects. Today, good, new suburban housing doesn't exist in any meaningful amount. Good, old suburban housing often runs from 4 to 7 times the annual take-home of a similar couple.

(2) "*Tight money*" is a shift of available lending money away from mortgages to other things. It is not a shortage of money, but a diversion of it, as far as housing is concerned.

Tight money makes mortgages unavailable to many people who are willing to pay the inflated home prices. The lender refuses to

lend. For others, it lards a mortgage with skyrocketing interest rates and "extra" charges as the price of getting one at all. This happens twice on new housing. The builders are soaked with high interest and "extras" for the money they borrow to build with, which they then add to the price of the home. Then the customer pay high rates when he finances his purchase.

To spread the scant amount of mortgage money that lenders have, or are willing to put into mortgages, bigger down payments (smaller mortgages) are required, and quicker pay-back is demanded (meaning larger monthly payments). The total finance costs, over the years, on some houses now being mortgaged come to far more than the cost of the houses.

(3) *The shortage of homes* flows from all of the above, and from more. Builders who are dying to build are not building middle class houses. Their potential customers are priced out of the market, simply can't get mortgages or can't meet the larger down payments now demanded.

The shortage of new housing and its great cost where available have set frantic home seekers oubidding one another for existing older homes. Again, the more affluent win out. Some houses in desirable areas that sold new in the 1920's for \$3,000 are going for \$20,000 and more today—in antiquated, run-down condition. Houses that were thought to be inflated in 1946 at \$13,000 sell for as much as \$25,000 and \$30,000 after 24 years of occupancy.

HUD Secretary George Romney has been issuing forthright warnings about the explosiveness of the situation for some time. He sits at the top of a heap of authority that doesn't seem to be able to cope with the mess. Small wonder. The interlocking causes of the mess go far beyond the scope of any housing authority. For instance, the Federal Reserve first cut the strings that let interest rates soar, and neither Mr. Romney nor the President can tell the Federal Reserve what to do. It is an independent agency subject only to acts of Congress.

Romney seems to be saying that grassroots heat is all that can budge the housing monster. He had said quite frankly that those who holler loudest and longest get the most attention. In fact, he seems to have been asking frustrated home seekers to start a wave of reasoned protest now, before their pent-up frustration simply explodes.

He has to be right, if this is what he's getting at. You can't raise new generations of working people in a free country and give them explanations instead of shelter they're willing to pay for. They do this in Russia. Here, the whole situation is going to:

(1) Be remedied along some traditional lines soon, or;

(2) Blow sky-high in some sort of unmanageable "confrontation," or;

(3) Swiftly popularize housing concepts that do an end run around traditional building and/or lending—to leave them back with the horse as intolerable obstacles to the realization of basic human needs, or;

(4) Respond to some combination of these possibilities.

The housing mess is embittering many people who till now have had little patience with attacks on "The Establishment" over phony, misstated or contrived issues. The housing mess is not phony. It is understated. If it continues until we have 3 million or so more Vietnam veterans back homeless, maybe more people will see it for what it is.

Far from being a contrived issue for protest, its victims have suffered in relative silence. But that can't continue. Thousands of servicemen are returning to civilian life every month. Americans who are steadily improving their incomes are eyeing new homes. Negroes, given better employment opportunities, are breaking out of inner-city ghettos and looking toward suburban living. The number of young Americans getting

married has almost doubled in the past ten years and the population continues to grow by leaps and bounds. But the number of new houses for which ground is broken is running about 1.3 million, far below the estimated needs for the 1970's projected by the Johnson Administration in 1968.

This number is misleading in two opposite ways. First, mobile homes, which are booming, aren't counted in the government figures as new units started. Second, a higher-than-normal percentage of the new houses that are started are either public projects for the poor or tailored for those to whom cost is secondary. Builders, many of whom are counted among the embittered, are either closing shop or only building for those who can pay well. In Houston, for instance, most new homes are selling for between \$35,000 and \$40,000, while in New York's metropolitan area it's almost a joke to expect to have a respectable new home built for as little as \$40,000. And the way to get a substantial mortgage on such property is to sign up for lending terms that raise the total to \$70,000, \$80,000 or \$90,000 before it's all paid off.

Why is mortgage money scarce and costly? Many reasons have been published, but there are far more. One traditional source of mortgage money has always been savings and loan institutions, which may only invest in real estate. But the amounts deposited with them by savers have fallen far below the needs of home-buying borrowers.

Here are three things that have steered deposits away from savings banks:

(1) Ever growing taxes, state, federal and local—income, sales, gasoline, etc. Whatever is paid out in taxes by a householder is money he might have saved, but can't. Governments, which claim ever higher taxes, do many things with the money. Lending it to home-buyers is an unnoticeably small fraction of the take.

(2) Speculation in the stock market, and in other sorts of investments, using the sort of funds that people used to save.

(3) So-called *affluent living*. It is a fact that people who used to save are more interested in buying to the hilt. The enormous rise of credit buying reflects how much people are going into hock for purchases, instead of saving.

Then we have the commercial banks, those that you usually call "banks" instead of "savings banks." They are in the savings business too, but also in checking accounts, etc. They move in and out of mortgages, since they are also active in personal loans, auto loans, loans to industry and business, etc. Mortgages are only attractive to them when they can't farm out enough loans at higher interest rates and shorter terms elsewhere.

During the whole decade of the 1960's, industry and business were expanding at a rate faster than they could manage on pay-as-you-grow. Profits and expectations were so high they were willing to borrow huge sums and pay fancier interest rates to banks than home buyers could pay, or than was legally allowed for mortgage loans in most states.

A couple of years ago the Federal Reserve felt that all this commercial activity on borrowed money was forcing inflation upward too fast. The Federal Reserve suddenly raised the rate of interest it charges member banks when it pumps money into them. The Fed's act not only forced the banks to raise rates to their customers, but gave higher interest rates the moral sanction of an officially sponsored inflation brake. The Fed thought that higher interest would check borrowing, thus check too-rapid business expansion, thus cool off inflation.

That isn't what happened. Business borrowers willingly paid the higher rates. Their loan demands did not slacken. Interest went up again, and still the commercial borrowers paid it and cried for more. Seeing this, the leading banks raised the rates more, without any goosing from the Fed, and the rest

followed. The customers only cried for more. The inflation wasn't stopped. It was just made more expensive for everybody but lenders.

But the banks were only temporarily enriched by the higher rates they were charging. When prices go up, they go up all over—and that's true for the price of money, too. In nothing flat, banks had to increase the interest that they pay out to depositors. We've all seen the savings banks competing with one another to the legal limit, each trying to offer you more interest if you'll place your savings with them: sweetening the terms so that they are compounding your interest every quarter, every month, every week, every day—promising interest from "day of deposit," then "from the first of the month"; giving kitchen blenders, cups, silverware to those opening new accounts, and so on.

The commercial banks are doing the same kind of thing. They aren't making any more on the higher rates they are charging than they used to, because their own money costs more.

The whole situation adds up to everybody chasing his tail around a circle. The cost of money becomes astronomical, while in the end nobody gets any richer except those who make the first move. In this silly race (a banker who read this said that's just the phrase for it) ever more money that could be buying goods or services is siphoned off to pay for absolutely nothing but the feel of money passing through one's hands.

Previously, goods and labor had been seriously inflated, but not the cost of money. When the interest lid went off it stepped up the inflation of goods and labor and moved rapid inflation into the cost of money, too. The same step sent taxes up for a long time to come, as well. Suddenly governments, from national down to city, found the interest rates they have to pay on bond issues zooming skyward. Now cities, states and Uncle Sam are borrowing at ever higher finance charges—and of course they are going to pay off these higher charges with higher future taxes.

What happened to the home buyer in all this? Most states had a legal limit on mortgages of about 6% interest three years ago. By the time the banks were charging General Motors 8% and paying almost 6% to depositors, they weren't about to tie up money for ten, 20 or 30 years in 6% mortgages.

Mortgage money all but disappeared. Many of the states rushed in to raise the legal limit on mortgage interest—not to soak home buyers, but to let them pay enough to be able to borrow at all.

The FHA and the VA did the same thing, raising the permissible interest rate on the mortgages they guarantee before there just wouldn't be any more FHA or VA mortgages. But, by the time they acted, the "prime rate" was about as high as the new legal mortgage rates. The "prime rate" is the rock bottom interest rate that commercial banks will give to Grade A big business borrowers. There's nothing lower, and everything else is higher, in the field of private lending. So the new, higher legal rate on mortgage money is still so low—compared to what the money can earn elsewhere—that you can hardly find it.

Yet there is always pressure on banks to underwrite mortgages out of a social duty, because the nation's shelter depends on them. In the situation, lenders took three steps to live up to their duty without losing their shirts.

(1) They rationed the money, granting smaller mortgages and thus requiring larger down payments.

(2) They shortened the time limit for paying back a mortgage, thus raising the monthly payments.

(3) They began asking for "points."

Points are a one-shot payment, rather than annual interest. "Points" began modestly at about a 1% charge of the face value of the

mortgage. That's "one point." Quickly, wherever the law didn't prohibit it, points went up—2, then 3, then 4, and kept going up. Recently as much as 10 points have been paid, or 1/10th of the size of the loan sought for the privilege of getting it. Builders began paying "points," so that the first year's charges on a building loan might come to 15% or even more on a 7½% loan. This drove marginal builders right out of business and marginal home buyers into shacks. It made many other builders close shop at least temporarily, or go to rich men's home building or start doing more repair work instead of building.

As another protective device, several years ago some banks began writing small type into mortgages providing for their recall at the bank's pleasure after three years. One of our readers wrote to tell us that his bank had just given him the option of paying up in full or accepting a 1% increase in interest.

There is still a third reason for the shortage of mortgage money. Elsewhere in this magazine is a story on crime which notes that organized racketeering, gambling, loan-sharking, etc., are now holding \$60 billion out of legitimate channels. That's more than the gross annual take of our six leading corporations—a figure in the same order as the federal budget that's held out of the legitimate national flow of money.

Today, there are all sorts of schemes afoot for stopgap measures to put money into mortgages. Unions and others with big pension funds are being urged to invest such funds heavily in mortgages. There's a bill in the hopper to authorize the Veterans' Administration to invest what it holds in its veterans life insurance funds in mortgages. The National Association of Home Builders is promoting these suggestions in the hope that, if we can get some increase in building going, the competition for homes won't be so great. Then prices and interest rates might fall off and loosen everything up. They hope.

This is the "shot-in-the-arm" approach. In view of the millions who cannot now get shelter of the quality that their incomes ought to entitle them to, a 1970 shot-in-the-arm seems to be an absolute necessity. A compulsory rolling back of interest rates, or a Big Brother setting aside of billions reserved for no purpose but building loans at reasonable interest, or both, seems to be called for. It's hard to see how we can expect those presently in need of homes to wait out a more fundamental solution.

But the Big Brother approach is basically a bad one for a permanent solution. Our experience with welfare ought to make that clear. Its second, third and fourth level effects are mischievous. It creates dependency where we need initiative. It is inflationary where we need deflation.

However, Big Brother is presently doing worse than nothing. For instance, Uncle is paying part of the rent for people who are too poor to pay all of their own rent. The money is totally wasted. It doesn't create new housing, it supports higher charges for existing housing and it draws off the money of wage earners in the form of taxes to pay other people's landlords. As some builders point out, if only this same money were put into reasonable loans to builders, it would create new housing at lower cost and be returned to Big Brother for more of the same—instead of going down the drain to the tune of more taxes and still higher shelter costs.

Consider that if a builder could borrow at 6% and no points, instead of at 8% and 10 points for one year, he could knock off \$1,200 for every \$10,000 charged for a house and make the same profit. A \$20,000 home could go for \$17,600. His customers' down payments, their monthly payments on principal and their total interest payments could all be reduced. Any step in this direction would open up new housing for more people. That would add to the total housing supply and tend to take the fat out of high rents and

out of prices for old houses, both of which are inflated way beyond their value simply because it's a sellers' market.

But an emergency financial patch-up is no cure. Housing itself costs three or more times what it should. It is still in the Dark Ages. Most Americans could easily afford a good home under the present ridiculous mortgage arrangements if we'd only move home construction out of the 17th century.

Today, a mobile home is made in a factory—complete. The average price of a mobile home, that is the equivalent of a house built on the site for \$20,000 or more, is only \$6,300. And that is completely furnished, delivered to the site, with utilities attached. The mobile home business is booming today while all other housing is stagnant. Young and old are going for mobiles in ever greater numbers.

Why not? Mortgages became generally acceptable for mobile homes last year. A \$4,000 mortgage and a \$6,300 furnished dwelling cost is the answer to the dreams of home-seekers and "tight money" bankers alike. A standard mobile unit is 12 feet wide (that's narrow) and about 60 feet long (that's long.) Thanks to eased highway rules, 14-foot width is coming in. Good factory-built homes are surprisingly excellent dwellings inside. Do you want more house than that? You can go up to three stories of "modular home," with units stacked vertically, or make a truly big "ranch-type" home by adding "sectional units" on the ground level. If \$6,300 will house a young couple well, for \$25,000 you can have a furnished, carpeted whopper that's the equivalent of what \$50,000 and more can buy with a bare interior in many metropolitan suburbs. And because the total finance charges fall off in proportion, the saving is far more than a mere comparison of prices suggests.

These savings are astronomical even after the need to buy or rent the land is taken into account. Today, many more corporations are making mobile homes, and many others are entering the picture purely to develop land sites, with streets, lawns, underground utilities, foundation slabs, swimming pools and golf courses. Whole towns and developments are springing up in favored areas, given over to pleasant mobile home settlements that belie the old image of the "trailer camp."

Perhaps the very pressure of today's housing emergency will yet break the back of the old idea of the house built on the spot, mainly with terribly expensive hand labor and materials loaded with needless hauling, handling and trimming charges that factory-manufacture overcomes.

It almost seems silly to explain that mass production to standard specifications in a factory is the key to producing any goods—including houses—at prices far below what hand labor at the customers' site can meet. Housing is about the only common product that has escaped the industrial revolution and still hews to basic procedures that are 400 years old.

Houses made of sections that are manufactured entirely at the factory and which would bring good housing inexpensively to the millions have failed to make the big breakthrough in America. They have always fallen over the stumbling block of local ordinances. These arbitrarily set different standards, sometimes down to the last detail of materials and of construction, from town to town. They also hitch zoning laws to tight and different specifications.

It is not that there are local standards, but that they are entirely capricious from town to town. The basic building code in the Chicago area is quite enlightened as modern codes go. Yet in that area there are 58 different variations on it from community to community. If these communities had 58 different requirements for automobile mufflers, carburetors, etc., few Chicago area residents could afford a car today. Detroit would be making special auto models for Chicago

proper, Chicago Heights, East Chicago, Evanston, Oak Park, Aurora, Joliet, etc., and the cost of revising production lines at GM, Ford, Chrysler for each town line would send auto prices through the roof. And that's what keeps millions of Americans from having good homes dirt cheap by today's standards.

Ideally, the United States could have nationwide specifications for homes. Towns could still zone, still have high and low specifications for various types of homes in various neighborhoods. There could be Class A, Class B and right on down through Class P specifications, all of them meeting sane standards. A town could elect to be all Class A, or zone for five classes or 20. If each class were standard everywhere, even if there were 15 classes, factory production could begin with an assured mass market for each of them, just as cars are offered in numerous models for different tastes. Apartment houses, stores and office buildings, no less than homes, could be made of sectional units finished at the factory on the same basis, at the same astronomical savings, and with enough variety in specifications to meet any reasonable local tastes. Maybe 20 or so basic units would turn the tide, instead of the thousands now required by the caprice of trivial differences from town to town.

The American people would do themselves a favor worth untold millions of dollars to them if they'd start bringing the heat to bear locally to clean up the jungle of man-made rules that keep us from getting good housing at low cost. Maybe one of these days some guy will go to the Supreme Court to have his local housing ordinances ruled unconstitutional on the grounds that they infringe on his right to purchase available and suitable housing that he can afford. That could really take us out of the dumps. There is no such constitutional right, but the Court has created less important ones for fewer people out of thin air.

Nobody, not even those in the business, can dream today of what factory-made sectional housing could do if the market were opened up by removing the local legalistic obstructions. The notion that mobile homes make "ugly trailer camps" is the doing of local ordinances. The rules are all against them in the New York metropolitan area, so you see them in such places as industrial areas and swamp edges, and almost nowhere else in that area. Of course they are unsightly. California is the national leader in tailoring local rules to permit factory-made homes, while requiring them to put on a respectable front. Some of the California mobile home developments are superior to conventional developments in more restrictive Eastern towns.

The example now being set in California and other places, coupled with the pressure of the present housing and mortgage mess, just might make the 1970's the decade of breakthrough of American housing into the 20th century—before the 21st is here. But it can hardly come soon enough for all of today's young marrieds and Vietnam vets. This year, thousands of John Does will come home from Vietnam to find that they can't have decent homes because not enough money is deposited in savings banks, because the Federal Reserve doesn't want Universal Conglomerate to grow too fast on borrowed money, because organized crime is holding \$60 billion out of legitimate channels. Those don't seem like good reasons. Somebody had better do something about John Doe.

[From the Bureau of Business Research, the University of Texas, March 1970]

#### BUILDING CONSTRUCTION IN TEXAS

New offices and factories are being built in every major city at record rates. Urban work opportunities are expanding monthly. Yet the lag in residential building threatens to depress Texans' living standards and may

even stand in the way of recruiting additional city workers unless some relief is found.

In January, the first month of a new decade, the Texas homebuilding industry was planning fewer new residential units than a decade earlier—for a much larger and more affluent population. To compound the problem, the houses being built are disproportionately inflated in cost, must be financed at extraordinarily high interest rates if financing is available at all, and must be maintained at far higher expense than in the recent past.

Urban building statistics gathered by the Bureau of Business Research reflect the disturbing trend. The average cost of building a single-family residence in Texas in December 1958 was \$11,179. By December 1969 the average new home cost \$16,722. The increase in cost, however, was more than offset by the effect of inflation. In other words, the 1969 house was either smaller or less solidly built than the 1958 model. Of course the interest, taxes, and upkeep on the newly built house must cover the larger dollar value, and at higher rates.

Texans secured permits to build just 1,883 new one-family homes in January 1970, a decline of 36 percent since January 1969. Surprisingly, the average home authorized at the beginning of the current year is considerably less expensive than the typical home of a year earlier, and this in a time of rapid price escalation. In fact the real, deflated, value of the average new Texas home has been declining for two years.

Builders are frank in explaining the situation. It is no longer economically feasible to meet the housing needs of middle-income Texans, or their counterparts in other states. Those poor enough to qualify for federal subsidies have a chance of finding new housing, of a sort. At the other end of the scale, a limited number of expensive new houses are being put up for those who can afford them. For the large mid-section of the market, the pickings are poor.

In metropolitan Houston (the SMSA) permits were issued for only 156 new houses this January and for no duplex units at all. Even apartment authorizations were down sharply from a year earlier. In Dallas, San Antonio, and Fort Worth cutbacks were less sharp but still edgy. Among the smaller metropolitan cities Odessa can be cited as a case in point. Permits were granted there for three new houses in January 1969 and again three in January 1970, at an average cost of \$26,000 in 1969 and \$30,000 in 1970.

The new-house shortage might be expected to encourage renovation of older structures, but such has not been the case. Throughout the state, additions, alterations, and repairs to existing residences are also being undertaken at a lower rate than a year ago, largely because of high interest rates on home improvements. Additionally, the cost of repairs has risen even faster than prices of new construction. Bureau of Labor Statistics data show that nationally it costs 82 percent more to have living and dining rooms repainted than it did about a decade ago. A roof-re-shingling job is about 63 percent more expensive. Furnace repairs have gone up 45 percent in only seven years.

The current housing lag is dangerously out of phase with other economic developments in Texas. Metropolitan areas are already growing faster than their housing resources. Now the way is being paved for them to continue growing, perhaps even faster in some cities. Industrial and commercial construction, most of it in major cities, is going forward at remarkable rates. January 1970 set a new record for that month in the volume of nonresidential construction authorized in Texas. Yet in 1969 the total number of one-family homes authorized in the state declined to half the 1959 total.

Apartment construction has more than offset the drop in single-family residential building, but the average 1969 apartment is

less spacious, less adequately built than the average 1958 apartment. Last year's typical apartment unit represented a construction cost of \$7,100, clearly too little to cover the housing needs of a middle-income family of three or more persons. Indeed apartment construction is frequently adding to urban problems rather than relieving them. Most new apartment projects are inadequate in terms of off-street parking provisions. Many are built so unsoundly that they are susceptible to fast deterioration. The dreary blocks of slum dwellings in the nation's older cities are mostly composed of once-substantial buildings now dilapidated through lack of maintenance. Future slums may develop much more rapidly from buildings that were never sound. While the present building cutback is due in large part to the effort to control inflation, it may in fact help generate environmental problems that will encourage future inflationary spending by government agencies.

Apart from high interest costs, the construction industry is burdened with labor shortages and extremely high labor costs. Latest figures from the U.S. Bureau of Labor Statistics show nonsupervisory construction workers across the nation are paid significantly more than comparable workers in any other major industrial sector. Their average weekly earnings in November were \$182.78, compared with the average \$78.73 earned by retail-trade employees. Even manufacturing industries notable for their high skill requirements paid their workers substantially less: about \$170 in petroleum refineries, \$164.39 in the manufacture of aircraft, automobiles, and other transportation equipment, \$149.23 in chemical plants, and \$145.15 in printing and publishing.

There is little convincing evidence that building workers must have higher skills than those in any other major industry. The capability for learning building skills is by no means so rare as wage rates might suggest. Recognizing that fact, the federal government initiated last August its controversial "Philadelphia Plan" to bring minority-group members into the building trades in larger numbers and rather quickly. Labor Department researchers found that in Philadelphia 12 percent of the skilled-trades unionists were minority-group members but only 1 percent of the workers in the high-wage "target" occupations such as plumbing, sheetmetal work, roofing, and electrical work.

Since 1967 the proportion of minority-group apprentices in building trades has increased four times as rapidly as total apprenticeships, a promising development in view of the high unemployment rates prevalent among young Negro men. Yet it is doubtful that increasing the labor pool of skilled building workers will do much to bring into line the high labor costs of residential construction.

A more promising approach is to centralize more of the labor input through factory assembly of building modules and through greater mechanization of production. (Such a development, by the way, would not necessarily sacrifice individuality of residential design.) Already factory-made homes are being purchased in greatly increased numbers in the form of mobile units. Many families in the market for new housing still find mobile homes unacceptable for special, social, or aesthetic reasons. Nevertheless, many of the techniques used in making them can be adapted for use in building more conventional structures—not only individual homes but also apartment units.

Another promising opportunity that could be developed through the centralization of homebuilding is the employment of women in housing-component fabrication. Already many women are permanently employed in the assembly operations of electronics and apparel manufacturers. Similar light assembly jobs could be developed in the making of housing modules.



With the unemployment rate for women approximately twice the male rate, new industrial opportunities for women are worth developing for general economic reasons. It should be added that the unemployment rate for women over 25 years of age has been remarkably low nationally, around 3 percent in recent months; however, 1.4- to 1.8-percent rates for men prevailed through 1969.

As the new decade progresses housing shortages in Texas and across the nation will call for serious attention. Nor is there any single remedy likely to ameliorate the situation. Only a combination of fiscal adjustments, increased efficiencies, and a reordering of the entire industry is likely to provide acceptable living quarters to the growing population.

ROBERT H. RYAN,  
Research Associate.

#### RAISING FIRST-CLASS POSTAGE TO 10 CENTS IS OUTRAGEOUS

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HECHLER of West Virginia. Mr. Speaker, I am strongly opposed to President Nixon's proposal to raise first-class postage from 6 to 10 cents. This is a sharp increase of 67 percent, when it is proposed to raise bulk, junk mail rates a puny, meager 5 percent.

It is an insult to the American people to ask the average person to fork over 67 percent more for a first-class postage stamp, when first-class mail already brings in a profit to the Post Office Department. The mailers of bulk, junk mail are right now being subsidized by the taxpayers to the tune of several hundreds of millions of dollars a year, and this junk mail is unread, unwanted, and unnecessary. The junk mailers and the slick magazines make their profits through low postage rates, and they should pay in postage what it costs the Post Office Department to deliver this mass of material.

Think of the millions of trees that have to be cut down—many of them by clear-cutting and in violation of good conservation practices—to provide all the paper which goes into junk mail.

When you pay your April 15 tax bill, a big bite goes to subsidize the low postal rates enjoyed by junk mailers. There is no earthly reason why still more has to be taken out of the average person's pocket in a 10-cent rate for first-class mail.

#### PROPOSED INCREASE IN POSTAL RATES

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

Mr. GROSS. Mr. Speaker, the fanfare at the other end of Pennsylvania Avenue that has marked so-called negotiations between the executive branch and union leaders on Federal employee pay increases is over.

Now comes the call to that interested third party—the public as represented by Congress—to pick up the debris.

To finance what amounts to a 16-percent pay increase for postal workers, President Nixon is calling for a 4-cent increase in the first-class letter rate. In

other words, it would cost Aunt Minnie, living on social security, 10 cents to pay her electric bill or write to Aunt Sarah living in the next town.

This, despite the fact that at last reports the present 6-cent first-class letter rate is returning a profit.

The present second- and third-class rates, which now are the big losers, would get what the President suggests as an "adjustment" to provide \$120 million as compared with a grab of \$2.3 billion from first-class mail.

As previously noted, the fanfare at the other end of the avenue has died down, but I predict it is just starting as far as Mr. and Mrs. Average Citizen is concerned. And I predict it will be a long, cold winter day before Congress whoops the first-class letter rate to 10 cents, Mr. Nixon, the Postmaster General, and the union leaders to the contrary notwithstanding.

#### INCREASED POSTAL RATES MADE NECESSARY BY PAY INCREASE

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

Mr. THOMPSON of Georgia. Mr. Speaker, we have seen for the last few weeks negotiations on a pay increase for the post office employees. I do not believe there is a person sitting in this Chamber who does not agree that such a pay increase is in order, but we also must recognize, Mr. Speaker, that when we do increase the salaries of the postal employees we are going to have to come up with the money to pay for it.

I would like very much, if it were possible, for us to give this increase to postal employees and not to have to increase the cost of first-class letters as well as second-class and third-class mail, but the fact is, the cold, hard fact is simply this: that we are going to have to charge the public more for the service that they have been receiving because the postal employees are due and have earned and are entitled to an increase.

Mr. Speaker, about 2 years ago I offered an amendment in this House. The amendment was called truth in mailing. That amendment would have done only one thing: it would have required that on each item mailed, whether magazines or letters, it would state if it was subsidized mail, and if so the amount that it was subsidized by.

I believe the public should know, and I believe they have a right to know how much second- and third-class mail is being subsidized. If I recall correctly, Mr. Speaker, second-class mail is paying about 25 percent of its cost, and third-class, the so-called junk mail, is paying around 82 percent.

Newspapers and your magazines are the villains in the monetary rate scheduling of post office mail rates. But they are also the most powerful politically. First-class mailers are not organized. Second-class mailers are. Second-class mailers often determine the election of Congressmen and they determine the election of Senators. I urge each Member of this House, if they really mean what they say when they say "let's make these rates equitable," to look at second-class

and third-class mail rates and consider equity not political power and legislate rates up as they should be for the service being given by the Post Office Department.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of Georgia. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Is it not true that you can cut off a second-class subscription, but you can never cut off third-class junk mail, and it just keeps on coming?

Mr. THOMPSON of Georgia. Of course, third-class so-called junk mail is almost paying its own way. To my way of thinking, their rates are two or three times as much as second-class for the same service.

#### A FATALLY DEFECTIVE CENSUS

Mr. WYMAN. Mr. Speaker, I hold in my hand a form on the basis of which the 1970 census is being taken across the Nation. It contains a very serious and in fact in all probability a fatal omission.

This is its failure to ask each person his State of legal residence.

Failure to do this means the census as now being conducted is merely counting bodies where they are for the moment and without regard to their State of legal residence.

This means the census will count for representation in Congress, for example, the hundreds of thousands of transients who may be vacationing or sojourning in recreation areas or in metropolitan districts giving credit to certain States for residents of other States.

Such a policy unconstitutionally denies to the States of legal residence of these persons the State's right to have them counted within that State. It also denies to the individual who must travel or finds himself, for whatever reason, somewhere other than where he resides when he is questioned in the census, his or her right to be counted in his own State.

The significance of the count is demonstrable when one realizes that it is on the basis of the total number of residents that States receive fractional interests in many Federal grants, and also have the right to be represented in the Congress. It is entirely possible that in the way the census is now being taken, certain States may gain additional congressional seats at the expense of others, although not actually having anywhere near the number of residents required.

This is patently unconstitutional and I am accordingly introducing a very simple bill today requiring that the census include a question of legal residency and also requiring that the State of legal residence receive credit for the individual enumerated. Only in this way can we adhere to the constitutional requirement for apportionment on the basis of residency.

#### WELFARE REFORM

(Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. BYRNES of Wisconsin. Mr. Speaker, under unanimous consent I include in the RECORD an article from the Wall Street Journal under date of Monday, March 30, 1970.

The article is on the welfare reform bill, or family assistance plan, now before the Congress. The piece was written by Jerome M. Rosow, Assistant Secretary of Labor for Policy, Evaluation, and Research. Mr. Rosow also is a member of the President's working group on welfare reform and one of the authors of the welfare reform bill.

The article follows:

WELFARE AND WORK: THE OFFICIAL VIEW  
(By Jerome M. Rosow)

President Nixon has said that the present welfare program of Aid to Families with Dependent Children is a colossal failure. If we do nothing to change our course we are headed for financial and social disaster, with runaway welfare costs—reaching \$12 billion by 1975 under the present system—and with broken homes to spawn a new generation of welfare recipients.

The welfare reform bill—the Family Assistance Plan—provides for fundamental reforms of the welfare system, such as national eligibility standards, a basic income payment related to the size of the family, a firm work requirement and effective work incentives, training, upgrading and rehabilitation opportunities, adequate provision of quality child care, inclusion of the working poor for the first time, and fiscal relief to state and local government.

All of these provisions are important. However, because some people have been skeptical about the extent to which the welfare reform bill adequately provides for moving recipients from welfare rolls to payrolls, I am going to concentrate here on the employment and manpower aspects of the Family Assistance Plan.

The Family Assistance Plan was based on certain key assumptions, which we believe will be recognized as both sound and valid. These assumptions are:

That the great majority of welfare adults prefer work to idleness; this is confirmed in attitude surveys.

That economic gain is the real motivator for work, and that the poor recognize their self-interest as quickly as other people do.

That training, child care and vocational rehabilitation are support services which further real attachment to the work force.

The Family Assistance Plan involves responsibilities as well as rights, and

That the mother, the children and the society are benefited by self-sufficiency, and all are harmed by dependency.

#### REQUIREMENT TO WORK

The responsibilities imposed by the Family Assistance Plan are clear in its work requirement, which is a major feature of the proposal made by President Nixon, and approved by the Ways and Means Committee, by a vote of 21-3.

Persons who apply must be registered with the local Employment Service before they can receive benefits. Only carefully defined groups are exempted from the registration requirement.

In this respect, the Family Assistance Plan strengthens the work requirement now in effect in WIN (the Work Incentive Program). Under that program, it was left to the states to define who was "appropriate" for referral. Many state welfare agencies circumvented the intent of the law by refusing to refer clients to the manpower program, or referred such small numbers as to seriously hamper training efforts to reduce the welfare rolls.

No such discretion is provided in the Family Assistance Plan. It would not be left to the state welfare agency at all. A new Federal agency would decide who was to

register, and that agency would be permitted to exempt only those specified in the law, such as the ill and disabled, mothers with pre-school children, wives where there is a man who is working or has to register for work, and children.

If a person refuses to register, he will not receive benefits. If he refuses a suitable job or training, his benefits will be canceled.

Once registration with the Employment Service is accomplished, an individual "employability plan" will be worked out specifying what steps are necessary to achieve a lasting attachment to the labor force. From there on, a team of specialists in the Employment Service will be responsible for seeing to it that the plan is completed. Even after placement on the job, follow-up "coaching" will be provided to assure that the person sticks in employment.

#### INCENTIVE TO WORK

The requirement to work is accompanied by strong incentives to accept training and employment. Since it will be in the financial interest of recipients to seek training and employment, the Employment Service should have little trouble enforcing the work requirement. Market incentives are more reliable than Government regulations. The latter are, of course, required for the few who will not recognize their self-interest without some assistance. These incentives are summarized below.

1. No reduction of benefits is made for the first \$720 of earnings, which represents the out of pocket cost of going to work. This is double the present "earnings disregard" for mothers now on welfare, and increases the incentive to work.

2. The present program for unemployed fathers, operating in 23 states, still "taxes" 100% of income. Under the Family Assistance Act, the states would be required to follow Federal law on "disregarding" income in computing benefits. This means that fathers will receive the same treatment on retention of earnings available to welfare mothers, and the incentive to work will not be choked off.

3. The incentive to enter training programs has been increased by two actions. First, the amount of the extra training bonus has been raised by providing the difference between Family Assistance and the regular training allowance. Generally, this will be more than the present \$30 per month. Second, the manpower agency is authorized to reimburse individuals for the cost of attending training programs such as transportation, clothes, and supplies. Thus the trainee is not out of pocket while in training.

4. The provision of child care—an additional 450,000 opportunities the first year—will make training and employment feasible for mothers. Barriers in the present law to achieving child care on a large scale will be removed by the Family Assistance Plan:

By providing 100% Federal financing. The current 25% state matching requirements under WIN have slowed the growth of child care facilities because of state financial pressures.

By providing authority to remodel and renovate facilities.

By providing for contracts with local school boards to furnish after-school and summer care for school-age children, which will reduce new construction needs.

By providing for child care to continue after employment commences.

By providing for a broad array of sponsors, including profit-making firms.

5. The Family Assistance Plan provides for stepping up training of welfare recipients. In the first year of operation, training opportunities would be expanded by a quarter of a million under the new law.

#### THE WORKING POOR

A prominent feature of the Family Assistance Plan is the inclusion of the working poor. There are about 1.2 million persons in the population covered by the Family Assis-

ance Plan that work full-time, but earn so little that their families are living in poverty. For too long in this country, we have had a welfare system that penalizes work, and rewards non-work. The present system provides incentives for a working man to desert his family so the family can receive the assistance it needs. Rather than penalize work, and create a financial incentive for breaking up families, we would give a helping hand to the worker who is doing all he now can to help himself. In fact the average yearly payment to a family headed by a male working full-time would be \$769, compared with \$1,600 for a family with no income.

One fact to bear in mind about the working poor is that they are not likely to become long-term recipients of assistance payments. Because of rising wage scales due to increased productivity, about 200,000 of the working poor rise above the poverty line every year. Upgrading efforts on the part of the manpower agency will increase this movement to self-sufficiency.

#### EMPLOYMENT POTENTIAL

Questions have arisen about the degree to which the welfare population could be made employable, and some have expressed skepticism about the employability of the welfare population. The Department of Labor, in collaboration with the Urban Institute, has examined the characteristics of the population that would be covered by the Family Assistance Plan, and has estimated how many adults can be considered potentially employable. The conclusion of the study was that 3.2 million were or could be made employable. This is 47% of all the adults covered.

It should not be thought that this is a population without prior work experience. Out of 1.4 million male family heads classified as potentially employable, only an estimated 30,000 would have done no work at all during a 12-month period. Even among female family heads, 60% have work experience sometime during the year. The employment goals of the Family Assistance Plan are neither unreasonable or unobtainable.

We must, of course, rely on a strong private sector to produce the jobs. Business and industry can make a major contribution to satisfy their manpower needs and solve a social problem. Their involvement is critical to our success. The National Alliance of Businessmen JOBS program is a logical, ready vehicle for this industry-Government partnership.

#### WORKING MOTHERS

One of the most controversial issues in the development of the WIN program was the extent to which mothers with children should be subject to the work requirement. The Family Assistance Plan exempts only mothers with pre-school age children, because of the very different opinions honestly held in American society about what is best for the very young children. Out of respect for these differing views, the Family Assistance Plan leaves the choice up to the mothers. Based on experience with the present WIN program, we expect a very large proportion of these young mothers to volunteers for employment and training programs. Volunteers will be provided training opportunities and arrangements will be made for the care of their children.

In examining the situation of mothers of school-age children, very little evidence exists to suggest that they should not be required to register for employment. Typically in our society, the mother assumes the role of breadwinner when there is no father in the home and the children are in school. Seven out of every ten such female family heads in the nation are in the labor force. In 1960, eight out of every ten such family heads with income between \$4,000 and \$10,000 per year had worked sometime during the previous year. These mothers—also taxpayers—will expect the same effort on the part of welfare mothers as they themselves exert on behalf of their children.

President Nixon's Family Assistance Plan is a break with the past. It provides new work and training incentives. It provides a strong work requirement. It provides equity for those who help themselves by working at the jobs available to them in the American economy. It makes a careful and just distinction between those who should work and those who should not.

It is not, by any stretch of the imagination, a "guaranteed income" program.

#### FOREIGN TRAVEL EXPENSES

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

Mr. BUSH. Mr. Speaker, I have today introduced a resolution which would prohibit the expenditure of Federal funds for all foreign travel expenses of any Member of the House who has been defeated or has announced his intention to resign.

I, personally, feel that foreign travel is beneficial. It enables us to develop insights and to gain first-hand information needed for intelligent legislating. I do not feel, however, that this travel should be at Government expense except under clearly defined circumstances. And the practice of permitting "lame duck" Members to travel abroad—as seven did in 1968—six Representatives and one Senator—at the taxpayer's expense just does not make sense. This is a free vacation and I do not think the rules of the House should permit it.

In order to avoid directing this legislation at any one Member, I am introducing the bill at this time.

#### ADMINISTRATION'S PROPOSED PAY RAISE FOR POSTAL WORKERS

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

Mr. JACOBS. Mr. Speaker, with reference to the administration's proposed 6-percent pay raise for postal workers; 5-percent increase in postage for junk mail, which is not paying its own way now, and a 66½-percent increase in John Q. Public's first-class postage, it should be said: "Never before have so many been asked to pay so much to give so little to their postmen."

#### THE TRAGIC ASSASSINATION OF AMBASSADOR KARL VON SPRETI

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

Mr. FASCELL. Mr. Speaker, I am certain that the whole civilized world was deeply shocked by the news of the wanton murder of the German Ambassador to Guatemala, Count Karl von Spredi.

Captured last week by a band of Guatemalan terrorists, Ambassador von Spredi was held for ransom and assassinated when the Guatemalan Government apparently refused to meet his captors' demands for the release of more than a score of political prisoners and a cash payment of \$700,000.

During the past 2 years, we have wit-

nessed a crescendo of terrorist violence in Latin America. A good part of this wave has been directed against members of the foreign diplomatic establishment. Three American diplomats, Ambassador John Gordon Mein, Col. John D. Webber, and Navy Lt. Comdr. Ernest R. Munro, the latter two serving as Armed Forces attachés, lost their lives at the hands of terrorists.

Part of this radical activity can undoubtedly be attributed to the slow pace of social, economic, and political progress in the southern half of our hemisphere. It is, in a sense, an expression of the desperation of the impoverished and neglected Latin American masses. But another part, and probably the major one, has been bred by revolutionary theory and practice emanating in recent years from Cuba. Castro's continued export of terrorism and revolution is certainly a matter of record.

What must concern all of us is the fact that these internal developments in some countries of Latin America are beginning to jeopardize very seriously the conduct of international diplomatic and other relations with our sister republics.

Obviously there is no simple or single solution to this growing problem. It will undoubtedly require positive and forceful action by the governments of Latin America on many fronts. The internal security of those countries needs to be maintained and their international obligations have to be lived up to. At the same time, the economic, social, and political reform goals of the Alliance for Progress will need to be pursued with more vigor and more effectiveness.

Our sympathy goes today to the family of Ambassador von Spredi and to the family of American Consul Curtis C. Cutter, in Porto Alegre, Brazil, who experienced a tragic ordeal in escaping, fortunately, from a band of would-be captors in that country.

At the same time, our sympathy must also go to those legitimately elected governments of Latin America which are trying, within their respective constitutional frameworks, to meet their peoples' aspirations for justice and a better life. Their tasks are made very difficult by the activities of the radical elements who resort to terrorism and violence in the pursuit of their objectives.

#### LAOS RESOLUTION ASSERTS CONGRESSIONAL AUTHORITY

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous material.)

Mr. RYAN. Mr. Speaker, I have introduced, with nine cosponsors, House Resolution 899, which expresses the sense of the House that the use of U.S. Armed Forces and paramilitary or auxiliary forces in combat in or over Laos requires specific action by the Congress. My colleagues who joined in this resolution are: Mr. BROWN of California, Mr. BURTON of California, Mr. CONYERS, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRASER, Mr. KASTENMEIER, Mr. MIKVA, and Mr. ROSENTHAL.

Mr. Speaker, I include at this point, the full text of this resolution:

#### H. RES. 899

Whereas the United States has not by treaty or other constitutional procedure undertaken to engage American military forces in combat in Laos; and

Whereas United Air Force and other American military personnel have nevertheless become increasingly involved in, and have suffered casualties as a result of combat activities in Laos distinct from the interdiction of military supplies or forces destined for South Vietnam; and

Whereas the nature and extent of United States military involvement in Laos has not been completely communicated to the American people: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Constitution of the United States requires that authority for the use of United States Armed Forces and para-military or auxiliary forces, in combat in or over Laos must be predicated upon affirmative action taken by the executive and legislative branches of the United States Government through means of a treaty, convention, or other legislative instrumentality specifically intended to give effect to the commitment of American forces in Laos.

In the past several weeks the President and the Defense Department have revealed some details about our military involvement in Laos. These facts have been sparse, as well as contradictory.

In his March 6 statement the President stated that "no American stationed in Laos has ever been killed in ground combat." The next day newspaper reports appeared stating that Army Capt. Joseph K. Bush had been killed in action in Laos in February 1969. Although Captain Bush received a posthumous citation for bravery which stated that a force using "grenades, small arms, machineguns, B-40 rockets, and satchel charges" had attacked the compound at which he was stationed, the Pentagon's response was that it did not consider Captain Bush to have been involved in "ground combat."

The following week the Pentagon released a list of 27 American advisers listed as missing or killed in action in Laos. Those in this group who were killed in action were not classified as "combat" deaths because, as the Defense Department stated, "they initiated no combat."

Clearly semantics have become the Nixon administration's blanket to avoid embarrassment and to cover truth. The President has stated that there are only advisers, and no combat troops, in Laos. Yet, the Defense Department recently revealed that soldiers assigned to "military advisory or military training" posts in Laos have received "hostile fire pay" of \$65 a month since 1966. And in an article by Arnold Abrams in the January 1, 1970, issue of the Far Eastern Economic Review, it is stated:

The American public remains ignorant of the fact that their government is arming, training, supplying, transporting, and directing approximately 70,000 Laotian troops in a war that threatens to get out of hand.

The dismal fact is that the United States is involved in large-scale fighting in Laos which might euphemistically be called a "conflict," but which is in fact a war. Presently the U.S. Air Force is flying 400 to 500 sorties a day over Laos; these planes are dropping 200,000 tons of bombs a year on a country of only 91,000

square miles. The U.S. Air Force has lost more than 400 planes over Laos in the last 6 years, and it lost 63 planes between November of 1969 and February of this year.

We all must regard the events of recent months with increasing trepidation. The insidious path which led in Vietnam from military advisers to combat troops appears to be about to repeat itself in Laos. The crucial factor of which we must all be aware, however, is that this path is not an inevitable one. We can prevent this course from being followed. We must. The tragedy of Vietnam is stark testimony to the folly of mistaken ventures, pursued for the wrong reasons, in the wrong places.

Whether by mistaken perception or by deliberate intention, the executive branch embarked upon the Vietnam war without a congressional declaration of war. The failure of Congress to exercise its constitutional powers and responsibilities should not be repeated. Death and destruction in a distant land are no less real because they follow upon Congress default to executive dictate.

We urge prompt adoption of this resolution, which we have explained in our letter to President Nixon on March 26, and which follows:

MARCH 26, 1970.

The PRESIDENT  
The White House,  
Washington, D.C.

DEAR MR. PRESIDENT: Today we have introduced in the House a Resolution that is a companion to the Senate Resolution, S. Res. 368, to restrain U.S. military involvement in Laos. Our Resolution states it is the sense of the House of Representatives that use of United States forces in combat in or over Laos must be predicated upon "affirmative action taken by the executive and legislative branches of the United States Government . . ." The House of Representatives has a constitutional obligation to exercise in declaring war and in appropriating funds for a war's prosecution. Accordingly, we deem it essential that the concern of the House of United States actions in Laos be manifested at this time.

As you know, the full tenor of the Declaration on the Neutrality of Laos, dated July 23, 1962, was to prevent "use or threat of force" or not to introduce in Laos "foreign troops or military personnel in any form whatsoever." The United States, as a signatory of that Declaration, is bound by its restrictions.

We have read carefully your statement of March 6 explaining United States involvement in Laos. While it is true that you point out a number of instances of troop build-up by North Vietnam in Laos, we fear that you have accepted a line of reasoning which has often misled the United States in the past. This is the reasoning which points to misdeeds of others, no matter where they occur, as a justification for United States counter action.

It is far outside the limit of our capacity and wisdom, as the Vietnam involvement has demonstrated, to right every wrong, to punish every malefactor, to arrogate to ourselves the role of world policeman, and to meet every request for our intervention, throughout the world. The United States has no commitment to repel violators of the 1962 Declaration on Laos. We have only the obligation not to violate it ourselves.

The incipient intervention of U.S. forces into Laos signals later involvement in Thailand, in Burma, and beyond. At each stage we could become further engrossed in the

rights and wrongs of local disputes, forgetting finally the great concerns and responsibilities of America itself, on which our efforts must be mainly focussed.

Mr. President, we trust that you will take note of our House Resolution in your future counsels pertaining to Laos.

Sincerely,

WILLIAM F. RYAN, BENJAMIN ROSENTHAL,  
ABNER MIKVA, ROBERT W. KASTENMEIER,  
DONALD M. FRASER, DON EDWARDS, BOB  
ECKHARDT, JOHN CONYERS, PHILLIP  
BURTON, GEORGE BROWN, JR.

#### PRESIDENT'S STATEMENT ON VETERANS MEDICAL CARE

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

Mr. HAMMERSCHMIDT. Mr. Speaker, traditionally, in this country, the finest young men we have are called upon to serve in the Armed Forces. They are the cream of the crop.

Surely, it follows that if this Nation calls on these men for military service, it owes them the finest medical care it can provide.

I am delighted that the President and the Administration of Veterans' Affairs have recognized the needs that exist today in the VA's medical program and asserted their determination to remedy those needs.

The President is to be congratulated for his action in adding \$50 million to the VA budget for medical care during the next fiscal year. This makes it \$210 million more than the approved appropriation for this fiscal year. The President also is to be applauded for authorizing VA to ask Congress for an additional \$15 million for this fiscal year.

While Vietnam veterans make up less than 10 percent of the patients entering VA hospitals, this percentage is expected to rise as time goes on. Vietnam veterans can be reassured that their country is doing everything possible to see to it that he gets the best medical attention that can be provided.

#### TO HONOR THE NATION'S VOLUNTEER FIREMEN

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SAYLOR. Mr. Speaker, on March 14, I was privileged to have participated in the 34th annual St. Patrick's Day dinner, sponsored by the Young Men's Volunteer Fire Company of Blairsville, Pa. The event is scheduled each year to honor the outstanding volunteer firemen of the areas served by the company during the preceding year.

Those so honored were James Joyce, Black Lick fire chief; John Bradley, Derry fire chief; Earl Dalton, Latrobe fire chief; Ron McNaughton, New Alex fire chief; and Ron Wagner, Saltsburg fire chief. Kenneth Uber, fire chief of Blairsville, was also cited at the event.

There is no adequate way for me to repeat the tales of heroism and public service contributed by the men honored that night. Suffice it to say that their dedication to the public's safety is an

irreplaceable and priceless commodity. It seems incomprehensible that heretofore the President and the Congress have not memorialized these selfless, heroic, and unsung public servants.

Considering that fact as I listened to the testimonials that night, I sought some way for the people to say "thank you." In my remarks on the subject of "volunteerism" throughout America, I proposed the creation of a National Volunteer Firemen's Week.

Accordingly, I have drafted and submitted to the membership of the House a joint resolution authorizing the President to proclaim National Volunteer Firemen's Week from September 19, 1970, through September 26, 1970.

Little did I realize that night that my proposal would be followed by a horribly tragic event that underscores the need for a week to honor the Nation's volunteer firemen.

On Sunday, March 26, in the community of Corry, Pa., which lies in the district of Congressman VICORRO, five—I repeat—five volunteers of the Corry Volunteer Fire Department lost their lives in carrying out their duties.

The firemen were killed when an explosion blew a wall down on them while they were fighting what looked like a routine blaze at a local paint store. Twenty-three other persons were injured.

The men lost were: Dennis B. Rockafellow, 28, married and the father of two, an electrical-machinist; Richard Brigham, 22, a camera technician; Lauren Shreve, 26, married and the father of two, a foreman at the Erie County Plastics Co.; Jon Miller, 30, married just last year, a newspaper advertising manager; and David Apps, 37, married and the father of four, general manager of the industrial division of Mace Electronics and the son of the fire chief.

After the tragedy, the mayor of the town of 8,000 said, "our town is crying." So should we all. So should we all.

Our sympathy goes out to the grieving families of the men and to the town which has lost its volunteer heroes. Men who comprised a tiny cross section of America in their occupations, from a town that itself represents a tiny cross section of this great land of ours. There is no greater tribute to their memories than to recall the words of our Saviour who said:

Greater love hath no man than this, that a man lay down his life for his friends.

Mr. Speaker, I pray you and our colleagues will join in sponsoring the resolution to create a National Volunteer Firemen's Week, not only to honor the volunteers who lost their lives in Corry, Pa., but to recognize and honor the thousands upon thousands of men all over this country who face danger and death without pay or reward, simply to help their neighbors.

#### "POLITICS AND THE ENVIRONMENT"—A TIMELY SPEECH BY DR. EDWARD C. CRAFTS

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SAYLOR. Mr. Speaker, I have been giving speeches on the subject of "conservation" and "the environment" for many years now, and I immodestly like to think that I have pretty well covered most of the approaches and angles in one or another address. Just recently I spoke to a group concerning the "hard realities" of the antipollution fight and mentioned therein the practical political environment of the conservation movement. I have just read "the" speech on the subject of politics and the environment and wish to bring it to the attention of our colleagues.

Dr. Edward C. Crafts, former Director of the Bureau of Outdoor Recreation, delivered the regents' lecture sponsored by the School of Forestry and Conservation and the College of Environmental Design at the University of California, Berkeley, on February 11. His view of the realities of the environmental fight is of critical importance to the country at large and especially to Members of Congress.

Dr. Crafts says in opening his talk:

Its purpose is to persuade you that politics, not science, is the real key to environmental management.

He mentions later:

The people are ahead of the politicians who are being slowed up by private interests, jealous committees of the Congress, and the fiefdom bureaucracy of both Congress and the Executive. The issue should be hotter on Capitol Hill and in the White House than civil rights, poverty, housing, hunger, inflation, or crime.

I do not entirely agree with that assessment of the situation. Although there is much talk about the environment, ecology and the like, the "environmental concern" has not been around the White House or Capitol Hill long enough to acquire all the trappings and power of the more traditional and successful lobbying amalgamations. To date, the environmental concern is a fad. When the American people are asked to pay for cleaning up and restoring the natural landscape, then we will discover if there is a real environmental concern that can move legislation. The test is simple: if money for environmental cleanup can be appropriated with the same ease as funds for "dolism," educational follies, or foreign aid give-aways, then the millenium will have arrived.

The political reality of the situation is that it may take an environmental disaster to move Congress and the administration to effective action. It is a sad commentary on the operational methodology of the Congress of the United States, but it could take a "Pearl Harbor," a "sputnik," or a "Farmington" before the environmental concern becomes more than the politicians' speech-making gold mine.

Doctor Craft's speech follows:

#### POLITICS AND THE ENVIRONMENT

(By Edward C. Crafts, regents' lecturer)

This is not a partisan political talk. Its purpose is to persuade you that politics, not science, is the real key to environmental management. Possibly the President's recent State of the Union Message has done this already.

Environment has become a big political issue, but so far it has been more rhetoric

than action. Environment has been a "motherhood" issue because the toughness and costs necessary to be effective have not been realized. Environment and ecology are today's catchwords, just as conservation was for yesteryear.

Politicians talk and make programs. Yet existing laws have been unenforced and underfinanced.

Major industrial polluters such as auto, oil and airlines are important financial contributors to both political parties. This is where the crunch comes.

The political, business and social push for growth, jobs and profits means highrises, shopping centers, highways, and other environmental intrusions.

Clean air and water will cost billions. No one—neither the politician, corporate head nor man on the street—has really faced up. The industrialist is unwilling to share the cost and thus reduce profits. He is willing simply to pass on added costs to the consumer.

No one in power has yet proved willing to make the jolting revision of national priorities—foreign, domestic, and economic—that is necessary to get the job done. Unfortunately, in our governmental system of checks and balances, perhaps no one has the power to get the job done.

The issues are fraught with power politics of a high order, and the tough action required possibly is suicidal to the activist politician. When profits or key political support clash with environment, the latter usually goes down the drain.

Until there is gathered together at the same time in the power structure of American politics both the consensus and courage to truly reassess our national destiny, there will continue to be much talk, little do, and disillusionment.

These remarks point the finger at the Administration, Congress, Governors and State Legislatures, county and municipal councils, courts, public executive agencies, corporate directors, and indirectly, at affluent suburbanites—and ourselves.

This is neither a technical treatise nor a doomsday talk. There is no soaring rhetoric, just plain words. Neither are the remarks California-oriented, although environmental pollution appears to be a top issue in the upcoming California political elections.

The talk is an assessment of man's confrontation with nature. It outlines some basic truths about environmental degradation. It names the chief offenders. And it states the enormous price of man's living in with most major national problems—both initiative and leadership lie with the top political structure of the Nation, starting with the President and the Congress. Then come the States, industrialists and labor unions.

The press, radio and TV have come alive at long last to world-wide environmental dangers. Such attention-getting titles as "Threatened America," "Last Chance to Save the Everglades," "Peaceful Atom Sparks a War," "Kill the Hill—Pave That Grass," "Oceans—Man's Last Great Resource," "Alaska—The Great Land Under Massive Attack," "Pesticide Pollution—An Assessment," "America the Beautiful," "The Garbage Can Crisis," "Northwest Passage to What?," "Noise—More Than a Nuisance," "The Ravaged Environment," and "Standing Room Only on Spaceship Earth" are intended to catch public attention and are succeeding.

Such well-known journals as Life, Look, Newsweek, Reader's Digest, Time, The Saturday Review, U.S. News and World Report, and practically all conservation magazines are speaking up. Leading papers like the New York Times, Christian Science Monitor, National Observer, Wall Street Journal and a host of others are running almost daily news reports or features on auto pollution, the Florida Everglades, municipal waste, environ-

mental litigation, Lake Erie, the atmospheric sink, and so on ad infinitum.

A new magazine, "The Environment," published by the Committee on Environmental Information of St. Louis, and the "Environmental Newsletter" by the Conservation Foundation deserve special mention. They are scholarly, judicious, across-the-board and authoritative.

All this has started to awaken the national conscience. It has created a national awareness and lofty generalities, but not much downright concern when measured against willingness to pay more taxes, higher utility bills, or to accept lower profits or dividends. We are pretty much at the stage where environmental improvement is the thing we are for, provided it doesn't interfere with our own personal way of life.

Despite all the attention, only a handful of National leaders really understand and are prepared to accept the traumatic action that is necessary if the environmental crisis that is crashing down on the United States is to be weathered. In such situations we must accept that habits essential or acceptable in one age of the Nation's history—such as large families—may become disastrous in another.

In the meantime, environmental evangelists and students give vent to their beliefs and frustrations in speeches and teach-ins. Scientists disagree among themselves. Many politicians, industrialists and other men of power stay silent, go about their anti-social business as usual, or issue smoothing statements and programs in reports to voters and stockholders.

#### TEN BASIC TRUTHS

There follow ten basic truths about environmental decline, which we would do well to ponder and accept.

1. *Man's environment is everything outside his own body.* The scope immediately becomes overwhelming and almost self-defeating. For rational handling, environment must be broken down into some of its more important components.

2. *The world's environment is unique in the solar system.* This appears to be supported by recent Apollo trips to the moon and photos of Mars. The world's environment is characterized by its unusual combination of atmosphere, water in liquid form, and land. Together they first spawned life and then man.

3. *The growing danger is that man will destroy himself by degrading the environment to where it is no longer liveable.* This degradation is caused basically by man's failure to dispose adequately of his waste products. It results mainly not from lack of knowledge, but from misuse of his technological know-how.

4. *Failure to use properly man's scientific knowledge is causing serious water, air, and land pollution, pesticide poisoning and improper disposal of solid waste.* The worst polluter of all is the automobile with its internal combustion engine. Usually the finger is pointed most accusingly at the mining, chemical, steel, auto, oil, and utility industries as the leading villains. But let us not forget the road builders, construction industry, real estate developers, and timber depleters. Let us not forget also that regulatory and other public agencies are major contributors to environmental deterioration.

On the other hand, let us remember that these industries and agencies not only are promoting, but are responding to the demands of you the consumer. The price of big auto engines, fancy homes, weedless lawns, and countless other creature comforts that you want and enjoy is environmental depletion.

5. *The motivations that cause environmental declines are the desire for large families, status living, social conformity, material affluence, creature comforts, and so-called "progress."* The United States has 6 percent of the world's population and uses 40 percent

of the resources. Generally the higher the living standard the greater the consumptive use of resources. The affluent suburbanite is the worst offender of all. The United States is choking on its own affluence.

6. *Man can learn about, but he cannot alter, the natural laws of this earth nor the solar system.* To survive, he must control the technological apparatus by which knowledge of these laws is applied to his own well-being. Man's confrontation with nature is a war he cannot win. He not only must atone for past abuse, but also must reverse the trend. The President indicated that the number one domestic priority is to make peace with nature, and reparations for past damage to air, water, and land.

7. *If there are certain industrial "princes of pollution," the kings and queens of environmental decline are the men and women of the world who enjoy a high standard of living—namely you and I.* We have it in our power in countless ways to halt the downward trend and maintain the biotic balance between nature and man that is essential to survival of the species.

8. *The price runs against our grain.* It runs against progress, development, and the biological urge. The price is twofold. It includes: (1) control of the world's population, and (2) a social ethic that makes environment the number one National priority in terms of performance as well as words. To achieve such priority means willingness to forswear profits and dividends, pay greater taxes and higher prices for consumer goods and services, reduction in the material standard of living, sacrifice of certain strongly-desired comforts, and educating ourselves and our children as to the environmental necessities. Major revision in national and social priorities means raising sufficient public opinion against principal offenders to compel change, challenging the politicians, and finally the ability by our leaders to recognize the point-of-no-return before it is too late.

In short, the people of this Nation must develop a consciousness and determination regardless of individual, corporate, or collective sacrifice.

We as a people must be willing to bite the "hot bullet." To illustrate and bring it close to home, we should look with disfavor on more than two children per family, on buying a new car every two years, on buying a V-8 instead of a Six, and on other conspicuous consumptions of contaminating consumer goods.

9. *The main deterrents to correction are neither scientific nor technological. They are political, social and economic.*

10. *At stake is man's survival.* The environmental threat is no less certain that that of unleashed nuclear weapons. But it far less dramatic, less sudden, more insidious. Thus far more dangerous. Through simple disinterest, disbelief, or selfishness, man as a species may go down the drain—a victim of his own brain.

#### MAN AGAINST HIMSELF Population

So much has been written and said about the world's population explosion that I can add nothing—only summarize. I do commend an article in the December Reader's Digest, "Our Spaceship Earth—Standing Room Only."

The United States took 180 years to go from 4 to 200 million Americans. By 2000 we will have over 300 million. There are one billion more people on this planet now than in 1950. In the last 5 years alone there have been added 250 million, or a greater increase than the total population at that time of either the Soviet Union or Continental Africa. The world's population is now 2.5 billion and due to double every 30 years.

What does this population increase mean in terms of environmental impact? Each new American adds 120 gallons of sewage, and 4 pounds of solid waste per day. In the course

of a year each new American discards 250 cans and 135 bottles.

There has long been recognized the carrying capacity of a range for livestock or the sustained-yield capacity of a forest for timber. It is high time we recognized that the earth has a carrying capacity for humans.

Ecologists also long have recognized that an understocked range produces fatter and healthier cattle than a fully-grazed or overstocked range. In human terms this means there is an inverse relation between standard of living and numbers of people.

Population control is a touchy subject involving religion, race and invasion of privacy. But it is time to flush it out and do something. Voluntary control would be best. I doubt that it will work.

Deterrents to large families in terms of additional tax costs for more than two children, and property taxes graduated upward in relation to numbers of children have been discussed.

I have heard a Catholic attorney urge legalized abortion, and compulsory contraception by Congressional statute with sterilization as the penalty for violation. The same individual also urged a court test of the position of the Catholic Church.

True, there is growing awareness of population pressure. But how to reach that quarter of American families that produces two-thirds of America's children? Or the Puerto Rican fisherman with 16 children who is too poor even to feed his own children the fish he catches, and who obviously pays no taxes? How to change a culture which is extant in the United States and looks down on a bride who does not become pregnant shortly after marriage?

But even if the United States were to face up, what about the rest of the world? Frankly, I get a feeling of hopelessness when I think of the population problems of some continents other than North America. Nor do I believe the United States could become an island of isolation, nor survive in biotic balance if the rest of the world is out of tune and headed for disaster.

There are various voluntary action groups; there have been Congressional hearings; bills are pending; the President has established a Commission and sent a message to Congress. But the political clout to do something is missing. Reelection is more important.

The population issue is one example of what I mean by biting the "hot bullet." Solutions are definitely not for the chicken-hearted. Stabilizing U.S. population will prove the ultimate environmental test. The alternative might be catastrophe by numbers.

#### The abuse of nature

A stabilized population is certainly one part of the equation for environmental maintenance. The other is living in harmony with nature. If we fail on either count we are in trouble. So, turning now to the other part of the equation—what are we doing to America the Beautiful by our proud American way of life?

Generally speaking, there are three earth resources vulnerable to environmental pollution—air, water, and land. All of the air, nearly all of the water, and much of the land is in the public domain. The problem throughout is both a public and private responsibility. Do not comfort yourself that solutions lie only with a distant Congress, the President, the Governor, or the Judiciary. It is a personal problem for which you as an individual have a responsibility, as do your neighbors and children.

Air has its visible and invisible contaminants, with the latter the more serious. Principal sources of air pollution include the auto, trucks, busses, jet planes, factories, garbage and city dumps, pesticides, steel mills, heating and power plants. All of us recall big city smog, heat inversion, haze, belching smokestacks, burning dumps, dust bowls, and forest fires.

The air over most of the East Coast from Maine to Florida is visibly polluted up to 20 or 30 thousand feet and often a hundred miles or more out to sea. The smog of southern California is infamous, with wisps and fingers reaching across the state into Arizona. San Francisco and Sacramento are not immune. Just east of the Front Range in Colorado from Colorado Springs through Denver north to Fort Collins, air pollution has become a recognized problem. City after city could be named.

Of all causes the automobile is the worst offender. But despite great talk of auto safety, little beyond research has yet been done about that most dangerous source of all—the exhaust pipe. General Motors in its report to stockholders for the 3rd quarter of 1969 reported on reductions made in vehicle emissions and research under way, and recently has made more forcible public statements of intent. Ford Motor Company has announced an "intensified effort to minimize pollution in its products and plants in the shortest possible time." New York State is suing major auto manufacturers, charging conspiracy to eliminate competition in the development of anti-pollution devices. Standard Oil of California has reported the discovery of a fuel additive that reduces undesirable emissions by half. Steam, electric and gas engines are being investigated.

It is hard to know where the truth lies between announcements by manufacturers and such charges as made by New York State.

The airlines now have an emission-free jet engine; but why do the airlines wish to install it only as part of an orderly rotation system, not on a crash basis? The answer is cost. Fortunately, the Administration has pushed up the target date from 1975 to 1972.

Direct action is available but the Nation is not ready. Smog in Los Angeles would be ended if gasoline sales were banned in southern California. A slower alternative would be to immediately ban the sale of new autos without the best corrective devices, and additionally require their installation and regular inspection on all existing vehicles, without waiting for gradual supersession.

Noise is another form of air pollution that is increasingly serious. It is traceable to big city din, trucks, railroads, jet planes, jetports, sonic booms, interstates, turnpikes, beltways, expressways, and the construction industry.

One scientist has suggested that within 10 years air pollution may become so serious, urban Americans will be forced to wear plastic head hoods to breathe an artificial atmosphere, and such masks will become more essential than clothing.

Water is polluted from soil erosion, sewage, industrial, agricultural and consumer waste of all kinds, and of course the ever-present pesticides. Most major rivers of the nation are polluted as are many minor streams. Lake Erie may be dying. So may Lake Tahoe whose color is changing from blue to green. The coho salmon of Lake Michigan are contaminated. So were your Thanksgiving and Christmas turkeys. The pollution of Long Island Sound has doubled in 10 years. Ore waste continues to go into Lake Superior and some beaches of Monterey are unsafe for swimming.

Estuaries and wetlands are disappearing to high rises and condominiums. Even the oceans are becoming garbage pits and the end of the line for trash, of all sorts, sewage, industrial waste, the persistent pesticides, and other chemicals.

Disasters such as the oil leaks off Santa Barbara are fresh in mind, and uncorrected. Why does not Union Oil abandon drilling in the public interest? The State Assembly of California has, by resolution, urged the Administration to abort the leases, but why have not the Interior and Justice Departments taken action on their own initiative? Why cannot a restraining injunction be in-

itated by the State or other aggrieved parties?

The beautiful harbor of Charlotte Amalie on St. Thomas in the Virgin Island stinks from raw sewage and is beset by slums. The proposed St. Thomas jetport will be at the expense of wetlands, lagoons, and island beauty.

The sugar mills built on the cliffs of the various Hawaiian islands dump their effluent into the blue Pacific, thereby making it look like the Muddy Missouri. The petrochemical and other waste discharges into the ocean on the north and south coasts of Puerto Rico are visible for miles as one approaches by plane. So is the smoke hanging over San Juan and coming mainly from rum distilleries and a cement plant.

Thermal pollution from nuclear power generators raises the temperature of rivers and lakes and possibly in due time even the oceans to the point of affecting marine life in unknown ways. Should the polar ice caps melt either from this cause, air pollution, or Arctic development, the oceans would rise over 200 feet. Visualize what this would do to the great central valleys of California and other lowlands throughout the world. The peaceful use of nuclear energy is challenged by this fear of thermal contamination.

Land pollution is multitudinous and diverse in character. Pesticides upset the biotic balance. Erosion and construction tear the land apart and deface it. Examples are endless and include overcutting the forest, suburban sprawl, urban slums, overgrazing, misdesign of cities and structures, overcrowding the parks, highways splattering ribbons of concrete over the landscape, strip mines, utility lines, litter, advertising signs, trash, junkyards, industrial and urban decay, and so on.

Why is mining, for example, permitted to continue for 25 years after establishment of Forest Service wilderness areas? Why won't Congress intervene at Miner's Ridge to stop Kennecott Copper inside the Glacier Peak Wilderness Area? The answer in both cases is mining industry pressure on vote- and contribution-conscious members of Congress. The result is violation of wilderness of which there is so little left.

The construction of an expressway through Humboldt Redwood State Park caused such an outcry that hopefully the continuation of the expressway will by-pass two other redwood State parks farther north, both of which are within the Redwood National Park.

People over-crowding of the National Parks is acute. The density will become greater as more and more people come to the parks on one hand, and as most acreage in the parks is classified as legal wilderness on the other. Here is real environmental conflict, the only solution appearing to be both restricting visitor numbers in the parks and accommodating over-night visitors on outside surrounding lands which often are national forests or other public land.

The Mineral King controversy between recreation for winter sports and keeping a wild valley wild as well as forestalling an access road through a National Park has caused the Sierra Club to go to court with initial success. Here is a conflict between a people's varying cultural desires, one group for wilderness, the other for winter sports.

Finally there is Alaska. Must the oil of the northern slopes ruin the priceless domain under the care of the Interior Department, including the forests, wetlands, and irreplaceable habitat for wildlife? The balance of nature is delicate at best in Alaska. Here perhaps is the ultimate testing ground in the United States as to whether the American people can and will harmonize technological progress with a delicately balanced environment.

#### Meet yourself

What is being done in view of all that is happening—not only by your government, but also by you?

There is a baffling maze of Federal and State legislation, public programs, trade associations and other private groups, universities, foundations and research organizations, all either pushing one aspect or another of environmental improvement or conversely protecting a special interest.

Presently 11 Federal Departments, 16 independent agencies, 13 Congressional committees, 90 Federal programs, 26 quasi-governmental bodies, and 14 interagency committees are engaged in environmental matters.

In 1972 the United Nations is convening a world conference on the environment. 1970 is European Conservation Year. NATO has adopted a goal of improved environment. UNESCO has held a conference. London and Paris have had smoke and noise clean-up campaigns.

DDT has been banned in Sweden, Denmark and Germany. About 11 states either have restricted its use or are considering such action. Michigan has impounded the salmon from Lake Michigan because of excessive DDT in its tissue.

There are other good signs. Maryland is the first state to require undergrounding of all utility lines in new construction.

The Federal government has cut back the use of persistent pesticides. But, in a vast disregard of the public interest, six of the major chemical producers and formulators of DDT have forced delay by appeal procedures. The food manufacturers responded to the ban on cyclamates. Lack of similar response by the chemical industry to DDT proves that environmental concerns have not really gotten home.

Jet planes and autos are scheduled for partially effective emission control devices, but not until 1972. California has taken steps to try to save San Francisco Bay. Reynolds Aluminum is paying 300 dollars a ton for discarded cans.

The jets versus the Everglades is a celebrated cause, and the Congress, through the Department of Transportation appropriation act, nudged the Administration to decisive action.

Actions of industry and foundations have been limited mainly to research or public relations. As an exception, DuPont claims it has invested 130 million in anti-pollution facilities and all known noxious gases are now restrained at all plants.

One of the bright hopes is the growing student war on pollution. Senator Gaylord Nelson and Congressman McCloskey are sponsoring a National environmental teach-in on April 22 in colleges and high schools. Ralph Nader has adopted environmental improvement as a worthy goal. Students with no investments, payrolls, nor profits to bother them are adopting environment as a cause and an outlet for their ideals, energies, intelligence and enthusiasm. And well they might, for students will be around to suffer the consequences of failure.

Also, students can do something about birth control, whereas it is too late for the bald and gray heads of my generation.

When appearing before student groups, the first question is usually Viet Nam, the second is environment. Student groups are springing up at colleges and universities everywhere under a variety of names. Many are not allied to any central movement.

All power to them, but let students be so fully committed that it carries over to when their generation becomes the establishment. Let them mobilize their strength, toughen their spirits for a long, hard struggle, and be prepared for disillusionment when environment fully flowers into the full-blown political issue of cost and action.

New organizations are springing up, such as the Environmental Defense Fund, an action-oriented organization seeking redress in the courts, the Committee for Environmental Information which publishes a top-notch magazine, and the Environmental Clearing House, an ad hoc committee on the environment consisting only of members of Congress. An Environmental Institute is being sponsored by the Conservation Foundation to publish an Environmental Law Reporter. Regional groups such as the Rocky Mountain Center for Environmental Information and various State open space councils are under way.

Environmental law is emerging as a new field with several law and natural resource schools showing special interest and some sponsoring inter-disciplinary programs. Numerous court tests are under way. The active interest of the Environmental Defense Fund, the Conservation Foundation, and Resources for the Future has helped to push environmental law into prominence. Several young and aggressive lawyers are seeking and developing national reputations and careers in the field. Some established law firms are loaning an attorney to environmental clients as a gesture of pro bono publico, but only if no conflict is seen with the firm's established business or clientele.

There is little body of environmental law; precedents usually favor defendants. The environmental lawyer is often a young Turk with environmental dedication, impatient of administrative or legislative processes, and without professional natural-resource knowledge. The relatively few individuals of experience who are lawyers knowledgeable in natural-resources are mostly with public environmental agencies. Unfortunately, the young environmental lawyers have little liaison with these experienced attorneys, with consequent mutual loss.

The National government, both legislative and executive, is stirring, but is fuddled, and the pace is too slow. In past years Congress has passed numerous enactments such as the Air Quality, Clean Air, Water Pollution Control, Solid Waste Disposal, Water Resources, Land and Water Conservation Fund, Clean Waters Restoration, Federal Insecticide, Federal Food, Drug and Cosmetic, Fish and Wildlife Pesticide, and Pesticide Research Acts. Conspicuously absent is legislation on population control.

These enactments, forward-looking though they are, are piecemeal. Furthermore, the underfinancing of existing authorizations is colossal, mainly because the Administration won't recommend full authorizations and sometimes won't spend what Congress does appropriate. For example, the authorization in fiscal 1970 for water pollution control is \$1 billion. The Nixon administration recommended about \$250 million. The Congress overrode the Administration and voted \$800 million.

With over 100 environmental-related bills before the Congress, Senators Jackson and Muskie and Congressman Dingell have led the way in developing the National Environmental Policy Act of 1969. This act, among other things, will establish a Council on Environmental Quality comparable to the Council of Economic Advisors. Senator Jackson predicts:

"The law will immediately hit the Atomic Energy Commission's nuclear power program by requiring the AEC to curb thermal pollution. It will have an immediate impact on all defense programs—everything from the siting of ABM missiles to chemical and biological warfare. It will affect federally financed highway programs and every Army Corps of Engineers project."

This bill, although initially opposed by the Administration, was signed by the President in his first official act of 1970. He declared

the fight was a "now or never" task for the new decade.

In related action, bills by Senator Muskie and Mr. Fallon have passed both Houses and would establish an Office of Environmental Quality in the Executive Office of the President. The Senator has accused the Administration of being more interested in form than substance and said the new office would "reflect the national commitment we need if we are to avoid ecological disaster." The Senator also told a recent meeting of the American Association for the Advancement of Science that "man has so misused the fruits of scientific endeavor, he has threatened his own existence."

The President is reported as opposed to this additional environmental office. Regardless of the outcome, it is not unlikely the present session of the 91st Congress will create either a Joint Congressional or Senate Select Committee on the Environment.

Pending too are various reorganization bills, particularly those by Senators Case and Moss to reconstitute the Interior Department as a Department of Natural Resources and Environment. This would be a mistake, because environmental concerns are too widely dispersed throughout the Executive Branch to be concentrated in any one Department. Reshuffling of Bureaus is a cheap and easy way for the President to show the country he is doing something about the environment. But it is no substitute for money.

Last May the President by Executive Order created a coordinating Environmental Quality Council chaired by himself and with six cabinet officers and the Vice President as members. He also established a Citizens' Advisory Committee chaired by Laurance Rockefeller. The Council is staffed by the Office of Science and Technology, which is the wrong place, because the problems of environment are not primarily scientific.

So far the Council and Advisory Committee have met infrequently, done little, and created little enthusiasm. Funds were cut for staff support. Congress did not accept executive action as adequate and the future of this Council is uncertain in view of the more recent Council on Environmental Quality created by the Congress.

The President in his State of the Union message joined Congressional leaders in emphasizing environmental quality as the challenge of the '70's. But the message was largely non-specific, and also ignored population control. The real test of the President's concern will become more clear when details of the Budget Message are available, and when the dozen or more major programs are forthcoming that he promised to offer in this session.

Over the past 5 years Executive agencies have done a great deal of work on environmental matters. Reports of the National Research Council-National Academy of Sciences, the Environmental Pollution Panel of the President's Science Advisory Committee, the President's Council on Recreation and Natural Beauty, the Department of Agriculture, and the Office of Science and Technology are outstanding. The recommendations are there, but they are far from being implemented either legislatively or financially.

The HEW Commission on Pesticides and Their Relation to Environmental Health recently issued its report with 14 recommendations. These included the usual ones on cooperation, coordination, advisory committees, and standards. But the Commission also recommended that we "eliminate within two years all uses of DDT and DDD in the United States, excepting those uses essential to the preservation of human health or welfare. . . ." It remains to be seen what actually happens.

And so the students, the conservationists, and your Congress and the Administration all are moving. What are you doing as an individual?

If you are a banker or businessman, take an environmental risk, absorb some costs, cut a dividend, reduce some profits. As a citizen, stop using persistent pesticides in your yard and garden, boycott no-return bottles, get along with one car to last 8 to 10 years, equip it with an emission-control device and avoid high-powered V-8's. Be willing to pay higher utility bills and taxes. If you are young, limit the size of your family and educate yourselves and your children. Expect to pay more and get less as the price for pollution control is reflected in consumer goods.

Above all, educate your children to environmental dangers and values from the elementary level on up. Universities should respond to student demands for environmental study programs and should make an environmental course a prerequisite for every graduate.

Teach the young people to have a different sense of social and national values and priorities than the distorted ones of our generation. Teach them to look down on large families and those who pollute and defoul. Then perhaps when they are running this country, they will make peace with nature and reparations for damage.

A Gallup Poll shows that half of us believe we are spending too little on environment and most would cut defense spending to find the cash. But if not wholly at the expense of defense, what then?

Only 22 percent are willing to increase family expenses by as much as \$200 per year to save the environment. Obviously, those questioned were not thinking in terms of survival. Only 14 percent are willing to pay \$2 more per month on electric bills to reduce air and water pollution.

Too often, environmental impacts from apparently unrelated actions are not identified. New York City recently raised its bus and subway fares 50 percent. How many more commuter cars will this force into the already congested bumper-to-bumper traffic of smoggy Manhattan? One offset is to raise bridge and tunnel tolls and to charge for empty seats in cars entering Manhattan Island. A better solution might be free rapid transit at public expense in major metropolitan areas to reduce gasoline pollution. This makes as much sense as free public schools. Reforming attitudes and innovative approaches to the public business are absolutely essential.

#### POLITICS THE KEY

Statesmanship is a better word than politics. But it is clear that on national and over-riding issues, such as the environment, leadership must come from the Congress, the Executive, and the State Houses. If one doesn't lead the other must.

This is no partisan issue and the fact that different parties control the Executive and Legislative should be of no moment. Neither can duck their sobering responsibility for both sides of the equation—population stability and environmental management.

There is much we need to learn; but to say research and science hold the key to environmental quality is nonsense. Such a statement reflects either gross misunderstanding or deliberate intent to befog and confuse.

How much is enough is the real question, meaning how far do we dare push our environment downhill in order to enjoy the fruits of technological knowledge, and can we detect the point-of-no-return far enough ahead to not go over the brink of a snowballing irreversibility? It all comes down finally to a judgment balance between what technology can supply and what biology can stand. As the President said, the wonders of science must be turned to the service of man. This is why politicians and other policy

officials in all walks become the ultimate key rather than scientists and engineers.

Population and material affluence are over-drawing our natural resources and despoiling the environment. It may take a killing heat inversion along the eastern megalopolis, or some other catastrophe to shake up this Nation sufficiently to take action. Unfortunately, Americans usually react after crises rather than before.

Right now everyone is joining the environmental bandwagon. There is a plethora of pieties, messages, commissions, hearings, reports and recommendations. The issue lends itself to words, eyewash, government reshuffling, research and rhetoric.

Let us view these with skepticism. Let us watch for massive Federal and State expenditures to clean up the air and water, for corporations absorbing an important share of the social costs, for crack-downs on the major industrial polluters, for enforcement of existing laws and regulations, for real revision of National priorities, and for willingness to make personal sacrifice.

At this point, the people are ahead of the politicians who are being slowed up by private interests, jealous committees of the Congress, and the fiefdom bureaucracy of both Congress and the Executive.

The issue should be hotter on Capitol Hill and in the White House than civil rights, poverty, housing, hunger, inflation, or crime.

To paraphrase one commentator, when survival of the species is at stake, there can be no differentiation between Republican and Democrat, black and white, rich and poor, young and old.

Finally, as a reminder to yourself, may you bear forever in the recesses of your mind and on your conscience the recent words of Charles Lindbergh:

"I had become alarmed about the effects our civilization was having on continents and islands my military missions took me over—the slashed forests, the eroded mountains, the disappearing wilderness and wildlife. I believed some of the policies we were following to insure our near-future strength and survival were likely to lead to our distant-future weakness and destruction. Also I was tired of windowless briefing rooms, Pentagon corridors and the drabness of standardized air bases. I wanted to regain contact with the mystery and beauty of nature.

"After millions of years of successful evolution, human life is now deteriorating genetically and environmentally at an alarming and exponential rate. Basically, we seem to be retrograding rather than evolving. We have only to look about us to verify this fact: to see megalopolization cities, the breakdown of nature, the pollution of air, water and earth; to see crime, vice and dissatisfaction webbing like a cancer across the surface of our world.

"We know that tens of thousands of years ago, man departed from both the hazards and the security of instinct's natural selection, and that his intellectual reactions have become too powerful to permit him ever to return.

"That is why I have turned my attention from technological progress to life, from the civilized to the wild. In wildness there is a lens to the past, to the present and to the future, offered to us for the looking—a direction, a successful selection, an awareness of values that confronts us with the need for and the means of our salvation. *Let us never forget that wildness has developed life, including the human species. By comparison, our own accomplishments are trivial.*"

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:



APRIL 3, 1970.

The Honorable the SPEAKER,  
U.S. House of Representatives.

DEAR SIR: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:45 p.m. on Friday, April 3, 1970, said to contain a message from the President concerning Federal salary increases.

With kind regards, I am,  
Sincerely,

W. PAT JENNINGS,  
Clerk, U.S. House of Representatives.  
By W. RAYMOND COLLEY.

**FEDERAL EMPLOYEES' PAY INCREASE AND POSTAL REFORM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 91-298)**

The SPEAKER laid before the House the following message from the President of the United States; which was read, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed:

*To the Congress of the United States:*

Yesterday, the government negotiated a settlement with its postal employees.

This settlement could not properly be made in isolation from the needs of all Federal employees. In dealing with the special needs of the postal workers, the government representatives took into account the context of the Federal government's relations with its entire work force.

It should be noted that this negotiation took place only after the postal work stoppages had ceased.

One who works as a government employee agrees not to strike. But, concomitantly, the government has an obligation to insure each of its employees fair treatment so long as each lives up to his or her obligations.

The government is committed by law to a pay policy of comparability; that is, pay levels should correspond to those in business and industry. The agreed-upon government-wide pay increase complies with this standard.

This Administration is committed to a policy of pay-as-you-go. I believe that we have an obligation to provide revenues to meet the increased expenditures involved in this settlement. This is only good business and it is insurance against inflation.

1. I propose that the Congress enact a pay increase of 6% for all Federal employees, paid under statutory salary systems, including members of the armed forces, retroactive to the last pay period at the end of calendar 1969.

2. At the same time, I urge the Congress to take action to reform the postal service. Had this action been taken earlier, the postal work stoppage would have been averted.

The Congress must recognize the need to modernize the postal system, to improve working conditions and to give employees and management an effective medium for bargaining.

The proposed postal reform will be worked out in an agreement between the postal unions and Department representatives. The settlement provides that this work will be completed by April 10. I feel confident that a reorganization can

be agreed upon which will meet our mutual goals.

3. Immediately upon enactment of postal reform, the process of collective bargaining will begin. In recognition of improvements in postal operations, the results of such bargaining will include an increase in wages of at least 8% in addition to the government-wide increase.

4. It has also been agreed in negotiations this week that the inequities created by the need to wait 21 years to move from the entry to the top rate in a job classification should be removed by reducing this to an 8-year period.

*Postal revenues:* To pay as we go for the postal salary increase and to eliminate the current postal deficit of about \$600 million, I urge that the Congress raise first class postal rates to 10¢ for regular first class mail as soon as possible. This increase will produce added revenues of approximately \$2.3 billion.

We are going to move to bring all rates except those for the blind and non-profit organizations to levels where they will cover at least their demonstrably related costs. As a first step under this policy we are proposing measures which will increase second and third class postal revenues \$120 million in FY 71.

An adjustment in the schedule of parcel post rates will also be sought to produce \$125 million in revenues. Government mail reimbursements will be increased by \$89 million.

In all, I am proposing added postal revenues by Congressional and administrative action of \$2.6 billion. These revenues are essential to meet the salary needs of postal workers, to wipe out the postal deficit, and to contribute to the efficiency of the postal system.

*General revenues:* To pay for the 6% increase to all government workers, which will cost \$1.2 billion in fiscal 1970 and 1.3 billion additional over the \$1.2 billion already included in the fiscal 1971 budget, I propose that the Congress consider further actions which will result in some modification of our 1971 budgetary program. The 1970 additional outlays can be met from budgeted and surplus funds.

At the beginning of my Administration I made the basic decision that the Federal government must start to live within its means. The long inflation that began after 1965 had its roots in a string of unbalanced budgets capped by the \$25 billion deficit in FY 1968. To restore order in the economy the Federal government's first responsibility was to restore order in its own finances.

The tax program which I put before the Congress a year ago called for a balanced set of reforms, at the same time making provision for total revenues that would match the prospective outlays.

Prospective revenues for FY 1971 in the tax bill that finally reached my desk last December were more than \$3 billion below what my own recommendations a year ago would have provided. I expressed my grave misgivings about that revenue shortfall. I finally decided that, time having run out for the last session of the Congress, there was no alternative but to sign the bill and put before the Congress in my Budget Message a program of expenditures consistent with these reduced revenues.

That was done. It was an austere program. Important programs were sharply curtailed or entirely eliminated. A major omission was the overdue pay increases to Federal workers.

This tax bill has forced on the Federal government a level of wage outlays that is inconsistent with any reasonable estimate of wage level decisions in this session of the Congress.

Yet I cannot and will not participate in an excursion into fiscal irresponsibility. That would re-awaken skepticism about our determination to quell inflation, just when clear evidence of progress is in sight. And savings diverted into financing a deficit mean reduced funds and resources for housing, for State and local government projects, and for the capital formation essential to our on-going productivity and economic progress.

Therefore, I call upon the Congress and the Nation to face in future years the realities of our Federal budget. We must pay the bills for the wages that we vote. We must pay just wages in government. These involve more outlays than the revenues that last year's tax bill would produce.

I firmly believe that, given the facts, the American people will support the Congressmen with the courage to do what is right.

Putting the public interest first, it is right to build confidence in the integrity of the dollar, which we will do by redeeming our pledge of an anti-inflationary budget.

Putting the public interest first, it is right to insist on a course of economic stability that will lead to price stability, job stability, and a balanced use of our resources.

I propose the following additional revenue which will neither require extending the surtax nor raising income tax rates: The 1971 budget forecasts the collection of \$3.6 billion of estate and gift taxes in the coming fiscal year. I propose to accelerate collection of these taxes, which would add an estimated \$1.5 billion in receipts in fiscal 1971. As a result of the pay increases recommended in this message, I estimate that \$180 million per year will return to the government in personal income taxes.

The total of these added revenues to the fiscal 1971 budget would be about \$1.7 billion.

It will be recognized that this estate and gift tax acceleration will only provide additional revenue for one year. It will be necessary for the Congress to consider and adopt permanent revenue measures for FY 72 and following years to meet these additional wage outlays.

Within the next 10 days, legislation will be prepared to achieve the recommended wage increases, the reorganization of the Post Office Department, the postal rate changes and the 1971 gift and estate tax revenue measures described.

I cannot stress too strongly my support of early adoption of all of these interdependent and necessary actions. Each will relate to and depend upon the others. I request the Congress to act upon all, at once, to afford deserving employees an equitable pay adjustment, to provide badly needed reorganization to our postal service and to adopt the proposed pay-as-

you-go revenue program to support these needed changes.

RICHARD NIXON.

THE WHITE HOUSE, April 3, 1970.

**TELEGRAM TO SECRETARY OF NAVY FROM CONGRESSMAN DON EDWARDS OF CALIFORNIA**

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

Mr. EDWARDS of California. Mr. Speaker, I am sending today a telegram to the Secretary of the Navy, with a copy to Secretary of Defense Laird and Secretary of State Rogers. The telegram will say this:

At a time when the totalitarian and unconstitutional military regime in Greece is becoming even more repressive—witness the unconscionable arrest and imprisonment of editors who called for democracy and the courtmartial of 34 men and women from the political center, among them some of the most creative and distinguished citizens of Athens—it is an outrage that the US Chief of Naval Operations should have as his house guest this week a representative of that cruel regime. Such moral and political insensitivity damages the reputation of our military and the reputation of our nation I trust that you, the Secretary of the Navy, appreciate the serious erosion of US prestige in Greece and in Europe as a result of the long series of explicit and implicit gestures of approval of the Greek junta made by high ranking American officers.

This is the latest and one of the most serious of such unfortunate gestures. And it cries out desperately for your attention.

**PRESIDENT NIXON AND THE VETERANS' ADMINISTRATION HAVE TAKEN A GIANT STEP IN MEETING THE CHALLENGE OF THE SEVENTIES**

The SPEAKER pro tempore (Mr. ROGERS of Florida). Under a previous order of the House the gentleman from California (Mr. TEAGUE) is recognized for 5 minutes.

Mr. TEAGUE of California. Mr. Speaker, President Nixon and the Veterans' Administration have taken a giant step in meeting the challenge of the seventies for our 27 million veterans.

President Nixon announced an increase of \$50 million in the VA's medical care budget for fiscal year 1971—boosting to \$210 million more for this vital service to veterans than was contained in the 1970 budget. When the President announced the increase, he had this to say about his charge to the Administrator of VA, Donald E. Johnson:

When I appointed Donald E. Johnson to be Administrator of Veterans' Affairs last June, I directed him to make a thorough review of the veterans medical care program: to identify the problems, analyze the causes, take such immediate corrective steps as appropriate, and recommend a total medical care program appropriate for future needs. He has completed that review, and today he reported his findings.

I am pleased that the Administrator and his new management team have taken a number of immediate administrative steps to improve the quality of the veterans medical care program. However, his review shows

that additional funds are required immediately if the VA is to meet its obligations to veterans requiring medical attention.

Mr. Speaker, when the President's new team at VA took over, it found that a number of programs throughout the 166 hospital system were being curtailed because of a shortage of funds. Despite the fund shortage, by careful use of available moneys, it was still able to provide excellent medical care for veterans.

The Administrator's review of the VA medical program, as well as the survey of VA hospitals accomplished by the House Committee on Veterans' Affairs, have contributed to pinpointing the critical problems that have been developing for several years in the Veterans' Administration hospital system. The President and the Administrator have now taken steps to alleviate the situation.

The long-standing problem was intensified, Mr. Speaker, when a 1968 law required the VA to reduce its staff to the mid-1966 level, thus depriving the VA's medical care programs of several thousand workers.

Last year the President and Administrator took action to help correct the situation, by authorizing 1,500 more VA employees immediately, more than 80 percent of whom were to be assigned to VA's Department of Medicine and Surgery.

This problem was doubly severe because of the difficulty of recruiting paramedical and medical professionals in a very competitive market for their services. It sometimes is months and even years, Mr. Speaker, before adequate staffing can be secured for hospital services.

In addition to the 1,500 additional VA employees added by the President, an additional 1,700 new employees were approved for VA's medical budget for fiscal year 1971.

The number of Vietnam veterans returning to civilian life will increase the need for even more employees, a fact the President and the Administrator recognize fully and are prepared to seek.

Today, Mr. Speaker, 7 percent of VA patients are Vietnam veterans; 9 percent of the total cared for annually in outpatient clinics are Vietnam veterans. This patient load will increase sharply in the next few months and years, Mr. Speaker.

Thus, Mr. Speaker, it is doubly important and significant that the new team at VA, along with the President, and the Bureau of the Budget, are acting now to meet the needs of the future.

I am confident, Mr. Speaker, that the Congress will respond adequately to these needs.

As a preliminary step, Mr. Speaker, the President recently authorized the Administrator of VA to seek an additional \$15 million this year, the greatest portion of which will be used to wipe out the dental care backlog, a service provided for returning Vietnam veterans.

As the President pointed out, Mr. Speaker, many more of our servicemen today are surviving highly damaging wounds, because of better battlefield care and faster combat evacuation techniques. These men, thankfully, are returning to live useful lives under the

care and concern of the VA. The veterans bring an added burden to VA medicine, a fact recognized early last year by both the President and Administrator Johnson.

So, Mr. Speaker, something is being done—done today about the problem.

Much of the new money will go for a group of 23 specialized medical programs conducted by VA. These include coronary intensive care units, hemodialysis centers, organ replacement centers, and pulmonary emphysema units.

In the past few years, Mr. Speaker, VA was unable to make all of these programs available to veterans in the installations provided for them because of a lack of funds and personnel.

Happily, this is going to be corrected. The VA budget for the fiscal year beginning this July, Mr. Speaker, includes staffing for 121 additional beds in these specialized medical efforts; an increase of 1,155 nursing beds, an increase of 28 percent, in this program.

So, Mr. Speaker, the President and the new team at VA, have not been idle prior to last week's announcement expanding by \$50 million the funding for VA medicine.

This budgetary allocation represents a step into the future in the plans and programming of the medical needs of veterans. I hope it will be supported by the Congress, thus permitting the Veterans' Administration to turn to the task of modernizing its hospital services to meet the needs of the 1970's.

Mr. Speaker, I submit for the RECORD President Nixon's statement on veterans' medical care:

**STATEMENT BY THE PRESIDENT ON VETERANS' MEDICAL CARE**

For a number of years, the Veterans Administration hospital system has been experiencing increasing difficulties in providing a full range of services for the care of sick and disabled veterans. As a result of past decisions, the ability of the VA hospital system to meet future needs has been seriously impaired.

Action must be taken now to insure that eligible veterans will receive the medical care they require.

When I appointed Donald E. Johnson to be Administrator of Veterans Affairs last June, I directed him to make a thorough review of the veterans medical care program: to identify the problems, analyze the causes, take such immediate corrective steps as appropriate, and recommend a total medical care program appropriate for future needs. He has completed that review, and today, he reported his findings.

I am pleased that the Administrator and his new management team have taken a number of immediate administrative steps to improve the quality of the veterans medical care program. However, his review shows that additional funds are required immediately if the VA is to meet its obligations to veterans requiring medical attention. Therefore, I have approved an increase of \$50 million in the VA's medical care budget request for fiscal year 1971—which makes it \$210 million more than the approved appropriation for fiscal year 1970—and have authorized the VA to seek from Congress an additional appropriation of \$15 million for the remainder of this fiscal year. These requests will enable the VA to improve medical care for all eligible veterans, particularly for those suffering from battle injuries.

This Administration is committed to providing quality medical care for every eligible veteran.

## BACKGROUND OF THE PROBLEM

A 1968 law required the Veterans Administration to reduce its staff to the mid-1966 level. This deprived the VA's medical care program of several thousand workers in all categories of the health services professions at a time when the VA requirements for such personnel were growing steadily.

Last September, to meet this problem, I raised VA's personnel ceiling by 1,500, even though employment authorizations for other Federal agencies were then being reduced by 51,000. I also approved the VA's fiscal 1971 appropriations request for an additional 2,100 medical care employees.

Even more health services personnel will be required in the immediate future to meet the special problems presented by an increasing number of Vietnam Era discharges and the increasing scope and complexity of health care delivery systems.

## THE VIETNAM ERA VETERAN

Men and women with service in the Armed Forces since the onset of the Vietnam conflict are being discharged in steadily increasing numbers. The annual rate of separations grew gradually from 531,000 in calendar 1965 to 958,000 in 1969. In 1970 and 1971, the annual rate will climb well above one million.

Many of those now leaving the Service suffer from wounds received in combat and are discharged directly into VA hospitals. Currently 7% of the patients in VA hospitals and 9% of VA out-patient treatment cases are Vietnam Era veterans. These percentages are expected to rise during the next few years. Also, all Vietnam Era veterans are entitled to VA dental care in the year following separation from service. Due to the increasing discharge rate, the demands for such treatment have led to an abnormally high backlog. Additional funds are required to correct this situation.

Better battlefield care and faster evacuation of the war wounded have resulted in a high incidence of patients with multiple amputations and spinal cord injuries in VA hospitals. Special hospital centers, with more staff than usual, are required for the care and rehabilitation of these patients.

These new developments combine to impose greater than normal demands upon the professional staffs of VA hospitals and clinics and require both more personnel and an increased range of specialized skills.

## SPECIALIZED MEDICAL PROGRAMS

As medical knowledge expands, the techniques for saving lives becomes more complex, more specialized, and more expensive. For several years, the VA has identified for separate funding and control a group of 23 "Specialized Medical Programs," including Coronary/Intensive Care Units, Hemodialysis Centers, Organ Replacement Centers, and Pulmonary Emphysema Units. These innovations in VA hospitals and clinics pioneer the latest advances in diagnosis and treatment.

The VA's efforts to make these programs available throughout its hospital system have been constrained by lack of funds. For example, there is presently an insufficient number of Coronary/Intensive Care Units in the VA hospital system. Such units reduce mortality in heart attack cases by 15 to 30 percent; every eligible veteran should have access to these life-saving facilities.

Administrator Johnson also has found that the VA has not had the funds to open and operate a sufficient number of Prosthetics Treatment Centers and Spinal Cord Injury Centers for severely wounded veterans from Vietnam.

These Specialized Medical Programs are not only important to the veterans who benefit directly from them, they are also important to America because the veterans medical care program consistently has been a leader in the development of innovations of great importance to our total health delivery system.

Concern for the nation's older veterans is an integral part of the VA's specialized medical care mission. These patients will require a greater number of chronic care and nursing care beds as the veteran population continues to age.

## OTHER PROBLEMS

Administrator Johnson has identified a number of other problems affecting the veterans medical care program. Most of these have been brought on by a combination of inflationary pressures and budgetary restrictions. These include a reduction in supporting services available in VA hospitals as compared to many non-government hospitals; deferrals in the purchase of replacement equipment; stretch outs of maintenance and rehabilitation projects; and curtailment of the construction program to modernize or replace outdated VA hospitals.

The VA's potential as a clinical training resource has been neglected. Fuller reliance on the VA's system of 166 hospitals for medical education purposes would not only improve the VA's position—as a consumer of health services personnel—but would also help the entire nation meet its requirements in the health manpower area.

## THE STEPS WE ARE TAKING

Solution of many problems related to the veterans medical care program will take time—even if we had all the necessary funds immediately.

We must, however, find early solutions to the more pressing problems which directly involve patient care. These include—

The need for increased staffs to serve existing Specialized Medical Programs, especially those concerned with care of wounded Vietnam veterans;

The need to open and adequately staff and equip more centers under these programs;

The need to bring the backlog of Vietnam veteran dental care cases within normal operating levels;

The need to provide additional nursing care beds for older veterans.

The \$15 million supplemental appropriation which I have authorized would be expended in April, May and June to clear up the excessive backlog in Vietnam veterans dental claims; improve the staffing of existing Specialized Medical Programs, especially the Spinal Cord Injury Centers and the Coronary/Intensive Care Units; carry out plans for taking hemodialysis units into the homes of veterans suffering from serious kidney ailments; and help meet increased costs of needed drugs and medicines.

The VA's budget request already submitted to Congress for the fiscal year to commence in July would provide extra staff to activate 121 additional bed units for Specialized Medical Programs and to open an additional 1,155 nursing care beds, a 28% increase in this program.

The new request for \$50 million would be used to increase the staffs of VA hospitals and clinics; to improve further the staffing of the Spinal Cord Injury Centers and other important Specialized Medical Programs; to purchase seriously needed operating equipment; and to absorb rising drug and medical costs.

## OTHER STEPS TO IMPROVE MEDICAL CARE

Beyond these requirements for additional funds, a number of steps have been taken to improve the veterans medical care program.

*New Management Team*—An entirely new top management team for the VA's Department of Medicine and Surgery, headed by Dr. Marc J. Musser has been appointed. This group has the talent, the initiative, and the outlook to develop and carry out needed improvements in veterans medical care.

*Improved Management Controls*—Streamlined management controls over the widespread operations of the VA, including its system of 166 hospitals have been established. By merging the fiscal audit, internal audit and investigation services, more fre-

quent audits and faster investigations into complaints will be possible.

*Improved Management of Hospitals*—The management at each VA hospital is being evaluated, and a number of replacements in hospital directors, assistant directors, and chiefs of staff have already been made. Other personnel changes will be made as the need is demonstrated. A new program to upgrade the managerial skills of those in charge of the hospitals will make possible greater decentralization of appropriate authority to hospital directors. An executive recruitment and development program to provide for future hospital leaders will be undertaken and a program for simplification of paperwork procedures and other hospital administrative practices is underway.

*Study of Future Needs*—A comprehensive study of the future needs of the veterans medical care is continuing to insure that developing problems will be identified early and analyzed as to their significance to the program.

*Closing Health Manpower Gap*—The VA, in coordination with other interested agencies, will explore new approaches to the problem of closing the gap in the nation's critical health manpower situation. This will include studies to improve techniques of training health services personnel, improvements in health delivery systems, increased sharing of expensive and short-supply medical equipment by hospitals in the same community, and the potential for the establishment of new medical schools in conjunction with VA hospitals.

## COMMITMENTS TO FULFILL

To those who have been injured in the service of the United States, we owe a special obligation. I am determined that no American serviceman returning with injuries from Vietnam will fail to receive the immediate and total medical care he requires. This commitment will require more than dollars to redeem; it will require sound management of existing VA facilities, wise use of existing personnel and equipment, and—most importantly—a sensitivity to the needs of our veterans, personal as well as medical. Administrator Johnson and his staff have a keen appreciation of these requirements. We, as a people, have commitments to our veterans, and we shall fulfill them.

## VETERANS' LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Ohio (Mr. MILLER) is recognized for 10 minutes.

Mr. MILLER of Ohio. Mr. Speaker, today I have introduced a package of legislation designed to help the Nation's veterans. My first piece of legislation would provide for an annual adjustment in monthly monetary benefits based on changes in the Bureau of Labor Statistics' Consumer Price Index. Eighteen of my colleagues have recognized the urgent need to make veterans' benefits relevant to our Nation's economic fluctuations and have joined with me in cosponsoring this bill. My second proposal would establish a new rate scale and increased income limitations relating to payment of pension and parents' dependency and indemnity compensation.

With the ever-present threat of inflation, it is only appropriate that some action be taken to protect veteran recipients from such fluctuations in our economy. Inflation has been the real villain here. The 1960 dollar is worth only 78 cents today. Veteran benefit recipients, particularly those living on fixed incomes, are being especially hard hit. My legisla-

tive package would have the effect of not only increasing veterans' benefits by approximately 10 percent and thereby offset any loss in benefits as a result of the 15 percent social security increase but also provide that future adjustments be made to keep benefits consistent with the cost of living. It is my feeling that these Americans have fought our Nation's battles long enough and should not now also be asked to fight the war of inflation.

#### AN EFFECTIVE TOW INFANTRY WEAPON OR ANOTHER COSTLY COMPROMISE?

The SPEAKER pro tempore. Under a previous order of the House the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 20 minutes.

Mr. CHARLES H. WILSON. Mr. Speaker, on Monday March 23, the Honorable Representative from New York, Mr. SAMUEL S. STRATTON, in collaboration with the Representative from northern California, Mr. CHARLES S. GUBSER, presented on the floor of the House a rather long dissertation entitled "The Strange Case of the Army's TOW Missile, or Can Congress Prevent a Billion-Dollar Boo-Boo." As the name implies, this dissertation was an emotional plea for Members of the House to exercise leadership to eliminate duplication and waste in the Army's antitank missile program at a time when our defense resources are limited by a need for fiscal austerity. I would like to commend these gentlemen for establishing such a worthy objective for us; however, I would like to warn my colleagues of the House that, before we follow the lead of Mr. STRATTON and Mr. GUBSER, we make sure we have our facts straight.

At the time my distinguished colleagues made the remarks to which I refer, I rose to the floor and indicated strong disagreement with the conclusions to which they had come. Since then, I have taken the time to read their dissertation in detail, and I have reviewed some of the technical aspects of the TOW and Shillelagh weapon systems. After this review, I am even more convinced that these two missiles fulfill uniquely separate military requirements and that they are both a necessary part of the Army's overall plan to combat the Soviet tank threat.

In the course of this review, I have also concluded that Mr. STRATTON's and Mr. GUBSER's recommendations and floor actions of last year were based on a sincere belief that the cancellation of the TOW program would eliminate duplication and save the taxpayers' money. The House Committee on Armed Services' initial support of Mr. STRATTON's recommendation was also motivated by the same sincere belief. But, my colleagues, in retrospect, the facts did not support their recommendations then and they do not support them now.

#### THE ESSENCE OF THE ARGUMENT SUPPORTING A SHILLELAGH HAW WEAPON CONCEPT

Those who have supported the concept for using Shillelagh in both the armor and infantry antitank roles have presented the following line of logic. First, they have stated that the TOW and Shillelagh weapon systems are nearly identical

since both missiles have been designed to destroy tanks at comparable ranges. Second, they have contended that it would be a relatively simple task to convert Shillelagh to meet or exceed the requirements for which the TOW system was being developed. Finally, they have presented cost information to suggest that the Government would save \$1 billion if the infantry HAW requirements were met through the procurement of Shillelagh missiles.

Unfortunately, things are not quite as simple as this logic would imply. The facts do not support the assumptions upon which this argument is based and I believe it is important to correct these misconceptions and set the record straight once and for all.

#### A COMPARISON OF TOW AND SHILLELAGH

In 1961 the Army defined the requirements for the infantry HAW system. RFP's were sent to industry and over 15 aerospace companies responded to the Government's request for a TOW feasibility demonstration program. Hughes Aircraft Co. and two other contractors were funded to conduct a missile firing demonstration to validate the principles of a tube-launched, optically tracked, wire-guided antitank system. During the shootoff that was conducted in July 1962, the only missiles to strike the target were the Hughes TOW missiles.

During the TOW feasibility demonstration program, the Shillelagh contractor initiated a marketing campaign to have the Shillelagh missile used to fill the infantry's HAW requirement. In support of their marketing effort, two Shillelagh missiles were fired to simulate a ground mode launch.

In the fall of 1962, the Army and Defense Department conducted a detailed review of the Army's antitank requirements and the TOW and the Shillelagh firing results and concluded that an attempt to make either TOW or Shillelagh into a universal weapon to meet the needs of the infantry and the armor would represent a false economy. These user requirements were, and still are, so different that to design one missile to meet both needs would place unnecessary and unduly restrictive limitations on both users. That conclusion was valid 8 years ago and it's still valid today.

The technical basis for this conclusion is clearly reflected in Secretary Laird's statement before the Armed Services Committee when he said:

The Shillelagh missiles we are buying are designed for closed breech launching from an armored vehicle such as the Sheridan or the M60 A1E2 where recoil, muzzle blast and weight are inherently secondary considerations. The TOW heavy antitank missile in contrast is specifically designed for use on the ground by infantry troops and in helicopters.

Now, I cannot overemphasize the importance of understanding the degree to which these different user requirements have influenced the basic design of these two weapon systems.

The infantryman and helicopter do not have armor plate for protection against enemy counterfire. Key to their survival is their mobility and their ability to attack without disclosing their location. Thus from the beginning, TOW was designed to achieve minimum system

weight and launch signature. The TOW system has a guidance concept that radiates no energy toward the intended target that could disclose an impending attack. Shillelagh, on the other hand, designed solely to be fired from tanklike vehicles, radiates energy toward the intended target in order to guide the missile. This method of guidance does not unduly penalize a tank since its position is generally known by the enemy and any missile that might home on this radiated energy is not likely to penetrate the tank's armor. The same cannot be said for a helicopter or an infantryman in a foxhole.

The TOW system design reflects the infantry's need for a flexible and mobile heavy assault weapon. The TOW launcher can be assembled or disassembled in less than 30 seconds. The launcher when disassembled consists of five units, the heaviest of which is lighter than the Shillelagh missile. The TOW launcher has been designed such that it may be adapted without change to the M-113, to the jeep and to the mechanical mule. The TOW missile can be fired from any of these vehicles or from helicopters without modification. I must emphasize that this adaptability is not a contractor claim or promise but a fact that has been demonstrated with hundreds of firings, the majority of which have been performed with production hardware by Army troops.

As one probes deeper into the design concepts of the two systems, one finds many other examples where design choices have been dictated by the unique requirements of the different user. The two missile systems have different propulsion concepts, the design of which is directly traceable to the difference in the user requirements. TOW is launched with a short burning launch motor to protect the gunner or the helicopter from burning propellant products or excessive recoil. These features are not incorporated in the Shillelagh missile since the Shillelagh crew is inside the tank when a missile is launched. The TOW missile is shipped from the factory in a sealed container that protects it in the environment that the infantryman must fight. Shillelagh, on the other hand, has no such container since it spends its field life inside a tank. The TOW system is designed to consume a minimum of power since the infantryman must operate his launcher for weeks without logistic support. The Shillelagh system design has inherently high power requirements associated with its command transmitter that can be accommodated by the generators of a tank but would be unacceptable in an infantry operation.

The TOW missile is an aerodynamically controlled missile and, as a result, has an extremely high maneuver capability. This high maneuver capability is important to short- and long-range system accuracy but is critical to achieving successful missile performance from a helicopter. A high maneuver capability is fundamentally not possible with a Shillelagh missile because of its reaction jet control system. Since Shillelagh is only fired from stationary or slowly moving tanks, this does not represent a fundamental limitation to Shillelagh in the armor role. If, however, the Army avia-

tors were forced to fight with the Shillelagh missile, they would be unable to take any significant evasive action after missile launch to reduce their vulnerability from enemy counterfire.

In summary, the facts indicate that the TOW and Shillelagh systems fulfill separate requirements both of which are vital to our national defense. To argue that they duplicate one another is like saying that Minuteman is a duplication of Polaris because they both have comparable diameters and carry atomic warheads. Nevertheless, though I am fully convinced that the Shillelagh missile could never become an acceptable substitute for the TOW missile, to explore all the facets of the issue, we must understand the magnitude of the development effort that would be necessary before you could convert Shillelagh to meet the minimum HAW requirements.

**THE MAGNITUDE OF THE DEVELOPMENT TASK TO ACHIEVE AN INFANTRY OR AIRBORNE SHILLELAGH CAPABILITY**

To start with, one must develop and qualify a field container to provide environmental protection for the Shillelagh missile to enable it to survive field handling in the infantry environment. Second, we must remove the base plate of the Shillelagh missile that is designed to be compatible with the Shillelagh closed breech launcher and modify the missile to make the proper mechanical and electrical connections between it, its newly designed container, and yet-to-be developed launcher.

Internally, the Shillelagh missile must also be modified. The warhead arming sequence must be changed so that an early ground impact of the missile will not kill the launch crew or destroy the launching helicopter. The electronics of the missile must be modified to compensate for the fact that, in the infantry application, the launch tube will not be as high above the ground as it is when the missile is fired from a tank.

Though I am sure most of you are aware of this point, I must emphasize that Shillelagh, incorporating the changes I have just described, is no longer a type classified missile and will require complete retesting. It should also be noted that the missile would no longer be compatible with the closed breech Shillelagh launchers and it is not really clear what its price will be.

Now, let us review what would be necessary to develop a ground launcher for the Shillelagh missile. The first challenge that would be encountered in this area would be to develop a launcher for Shillelagh that could provide protection of the launch crew in light of the continuously burning launch motor. Such a launcher does not exist today and the difficulties associated with achieving gunner safety without undue launcher weight or recoil should not be overlooked.

Significant development effort would also be required in the guidance and control area. The existing Shillelagh guidance and control system consists of several black boxes, the gun turret telescope, a missile sensor and cabling that are integrated into the turret of a Sheridan or an M-60 vehicle.

The combined weight of these units

is over 200 pounds. Clearly, these units would have to be redesigned to achieve major weight reductions. In addition, a new gunner's telescope would have to be developed and the missile guidance tracker would have to be completely redesigned to accommodate the different launch dynamics and geometry associated with a ground launcher. The command transmitter would also require redesign. These new elements would then have to be integrated to enable a gunner to keep his crosshairs of his telescope on the intended target during and after the launch of the missile. Only after these development tasks were successfully completed would it be possible to begin an ET/ST evaluation of the new Shillelagh HAW system.

Now, I do not mean to imply that the adaptation of Shillelagh to the infantry role is beyond the state of the art. I only wish to point out that such a development effort is not an insignificant task. It will require from \$40 to \$50 million and it will take at least 4 years before we could produce a system that we could put in the field.

Now, let us consider the level of performance that might be achieved with such a system. Extensive simulations have been made of the performance of the Shillelagh missile modified in the manner described above and operating in conjunction with the newly postulated guidance and control system. These studies show that, even if all of the development objectives were met, the resulting system would provide degraded performance in many important parameters of weapon system effectiveness. To begin with, the weapon would have 10 to 20 percent less range capability than the TOW system. Against high speed moving targets, the system would have approximately 30 percent less range capability than the existing and proven TOW weapon system. The accuracy of the resulting system would be significantly less than TOW and the Shillelagh's time of flight, a parameter critical to the launch crew's survivability, would be significantly greater at all ranges. Finally, the weapon system almost certainly would be heavier than the TOW weapon system and its lethality would at best only be equal to TOW.

**THE COST OF A SHILLELAGH SYSTEM**

At this point, we have reviewed the first two elements of the arguments that have been put forth to support the use of Shillelagh in the infantry role and the facts do not support them. Put simply, the TOW and Shillelagh weapon systems do not duplicate one another and, it is not a simple task to modify Shillelagh to meet the requirements for which TOW has been designed. Now, let us review the final element of the logic offered to support the concept of a universal Shillelagh system—that is, it will save the taxpayers hundreds of millions of dollars.

Claims have been made that the TOW missile costs two to three times that of the Shillelagh missile. Here it has been a little more difficult to sort the wheat from the chaff because a vast array of unrelated comparisons have been presented in an attempt to support the claims of Shillelagh's low cost. If one wants to obtain an indication of the rela-

tive cost of fielding two different weapon systems, one better not be so naive as to make a comparison of only one portion of each weapon system. Furthermore, when one compares costs, one had better make sure that you apply the same ground rules to the elements you are comparing.

The Army, at the request of the House Committee on Armed Services, has conducted a careful review of all the costs necessary to meet the HAW initial procurement objectives assuming that an acceptable Shillelagh weapon system could be developed to meet this requirement. It has also been assumed that no major development problems could be encountered and no schedule slips beyond the schedules presently proposed would occur. The Army has then listed all elements of the cost of achieving these inventory objectives including missile costs, ground support equipment costs, training and logistic support items in such a way that both the Government and contractor costs of this effort are properly dealt with.

These were then compared to the costs of continuing the procurement of the TOW system to meet these same objectives. Let me give you an example of some of the misconceptions that are quickly refuted when such an objective analysis is done. When the price projections of the TOW and Shillelagh missiles are made to the same ground rules, the TOW missile does not cost two or three times more than the Shillelagh missile. As a matter of fact, the TOW missile cost, for the procurement quantities being considered, is essentially the same as the Shillelagh missile. If one removes the cost of the TOW container from the missile price, TOW is actually less expensive than the Shillelagh missile. The cost of the Shillelagh launcher should be approximately 10 percent greater than the cost of the TOW launcher when all elements that contribute to these costs are treated in the same manner.

Without belaboring you with the details of this cost analysis, it is sufficient to state that, when all cost elements are considered, the substitution of Shillelagh for TOW does not in fact save the taxpayer \$1 billion; it does not save them \$500 million; it does not even save them \$50 million. It would, in reality, cost the taxpayers upward of \$100 million more to change horses in the middle of the stream and reverse 8 years of careful antitank defense planning that is reflected in the present TOW program.

**SUMMARY AND CONCLUSION**

It is difficult, in retrospect, for me to understand why the House supported the recommendation of the cancellation of the TOW program last year. It is clear that we operated on misinformation and half-truths.

This year, my colleagues of the House, let us be careful not to follow the lead that has been suggested by the glib dissertation of Mr. STRATTON and Mr. GUBSER. The facts of the matter do not support the claims that have been made. The Shillelagh missile is not a universal system, and I believe that, if we were to try to make it one, we would in fact be creating the biggest of all possible booboos.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. POLLOCK (at the request of Mr. GERALD R. FORD), through April 13, on account of official business as congressional adviser for Asian Development Bank conferences.

Mr. HALPERN (at the request of Mr. GERALD R. FORD), for week of April 5, on account of official business as congressional adviser for Asian Development Bank conferences.

Mr. FULTON of Pennsylvania (at the request of Mr. GERALD R. FORD), for an indefinite period, on account of illness.

Mr. JOHNSON of Pennsylvania (at the request of Mr. GERALD R. FORD), for the week of April 6, 1970, and April 13 and 14, 1970, on account of appointment as congressional adviser to U.S. delegation to Seoul, Korea, to attend third annual meeting of the Asian Bank for Development.

Mr. BLACKBURN (at the request of Mr. GERALD R. FORD), through April 14, on account of official business as congressional adviser for Asian Development Bank conferences.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BRINKLEY, for 60 minutes, on Wednesday, April 8, 1970; to revise and extend his remarks and to include extraneous matter.

Mr. CRAMER, for 5 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. LANDGREBE), to revise and extend their remarks and include extraneous matter:)

Mr. TEAGUE of California, for 5 minutes, today.

Mr. MILLER of Ohio, for 10 minutes, today.

Mr. CHARLES H. WILSON, for 20 minutes, today, and to revise and extend his remarks and include extraneous matter.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LANDGREBE) and to include extraneous matter:)

Mr. GUBSER.

Mr. STEIGER of Wisconsin.

Mr. LANGEN.

Mr. DUNCAN in two instances.

Mr. ESCH.

Mr. DERWINSKI.

Mr. SCHADEBERG.

Mr. LUKENS.

Mr. MIZE.

Mr. EDWARDS of Alabama.

Mr. POLLOCK.

Mr. CONABLE.

Mr. VANDER JAGT.

Mr. FISH.

Mr. WYMAN.

Mr. ASHBROOK in two instances.

(The following Members (at the re-

quest of Mr. CHARLES H. WILSON) and to include extraneous matter:)

Mr. FUQUA.

Mr. DINGELL in two instances.

Mr. LONG of Maryland in 10 instances.

Mr. ULLMAN in 10 instances.

Mr. PATTEN in two instances.

Mr. PUCINSKI in six instances.

Mr. PATMAN.

Mr. BINGHAM in two instances.

Mr. HEBERT.

Mr. ALEXANDER.

Mr. ROGERS of Florida in five instances.

Mr. ANDERSON of California in two instances.

Mr. EILBERG.

## ENROLLED BILL SIGNED

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 16612. An act to amend the District of Columbia Ball Agency Act to provide additional funds for the District of Columbia Ball Agency for fiscal year 1970.

## BILLS PRESENTED TO THE PRESIDENT

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee did on April 1, 1970 present to the President, for his approval, bills of the House of the following titles:

H.R. 13448. To authorize the exchange, upon terms fully protecting the public interest, of the lands and buildings now constituting the U.S. Public Health Service hospital at New Orleans, La., for lands upon which a new United States Public Health service hospital at New Orleans, La., may be located.

H.R. 14289. To permit El Paso and Hudspeth Counties, Tex., to be placed in the mountain standard time zone.

## ADJOURNMENT

Mr. CHARLES H. WILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 52 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 7, 1970, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1876. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 17, 1969, submitting a report, together with accompanying papers and illustrations, on Arcadia Reservoir, Deep Fork River, Okla., in partial response to a resolution of the Committee on Public Works, House of Representatives, adopted June 29, 1955, and other authorities quoted in the district engineer's report (H. Doc. No. 91-299); to the Committee on Public Works and ordered to be printed, with illustrations.

1877. A letter from the Deputy Assistant Secretary, Military Assistance and Sales, Department of Defense, transmitting additional data relating to Executive Communication

No. 1850; to the Committee on Foreign Affairs.

1878. A letter from the Chairman, Federal Communications Commission, transmitting the 35th annual report of the Commission for the fiscal year ending June 30, 1969, pursuant to the provisions of law; to the Committee on Interstate and Foreign Commerce.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: Select Committee on Crime. Report on marihuana (Rept. No. 91-978). Referred to the Committee of the Whole House on the State of the Union.

Mr. GALLAGHER: Committee on Foreign Affairs. H.R. 13171. A bill to provide for Federal Government recognition of and participation in international expositions proposed to be held in the United States, and for other purposes; with an amendment (Rept. No. 91-979). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONOHUE: Committee on the Judiciary. H.R. 16417. A bill to amend title 10, United States Code, to broaden the authority of the Secretaries of the military departments to settle certain admiralty claims administratively, and for other purposes; with an amendment (Rept. No. 91-980). Referred to the Committee of the Whole House on the State of the Union.

Mr. GALLAGHER: Committee on Foreign Affairs. House Resolution 562. Resolution expressing the sense of the House of Representatives that the United States should actively participate in the 1972 United Nations Conference on Human Environment (Rept. No. 91-981). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL of Virginia:

H.R. 16741. A bill to exempt Federal Housing Administration and Veterans' Administration mortgages and loans from the interest and usury laws of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. BURTON of Utah:

H.R. 16742. A bill to extend the National Wool Act of 1954, as amended, for 3 years; to the Committee on Agriculture.

By Mr. CRAMER:

H.R. 16743. A bill to amend section 837 of title 18, United States Code, to strengthen the laws concerning illegal use, transportation, or possession of explosives and the penalties with respect thereto, and for other purposes; to the Committee on the Judiciary.

By Mr. FASCELL (for himself and Messrs. FRASER, TIERNAN, and MATSUNAGA):

H.R. 16744. A bill to provide for a training program for organized crime prosecutors, an annual conference of Federal, State, and local officials in the field of organized crime, an annual report by the Attorney General on organized crime, and for other purposes; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 16745. A bill to exempt shrimp vessels from the duty imposed on repairs made to, and repair parts and equipment purchased for, U.S. vessels in foreign countries, and for other purposes; to the Committee on Ways and Means.

By Mr. HICKS:

H.R. 16746. A bill to amend title 5, United

States Code, to extend certain retention preference, dual employment and pay, leave, and retirement benefits to employees with service-connected disabilities resulting from injury or disease incurred while under detention by an enemy of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland:

H.R. 16747. A bill to amend the Federal Water Pollution Control Act to ban polyphosphates in detergents and to establish standards and programs to abate and control water pollution by synthetic detergents; to the Committee on Public Works.

By Mr. MIKVA:

H.R. 16748. A bill to provide supplemental appropriations to fully fund the urban renewal, model cities, rent supplement, and low-income homeownership and rental housing assistance programs for the fiscal year 1970, and for other purposes including jobs in housing; to the Committee on Appropriations.

By Mr. MILLER of Ohio:

H.R. 16749. A bill to amend title 38 of the United States Code to increase the rates and income limitations relating to payment of pension and parents' dependency and indemnity compensation, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MILLER of Ohio (for himself, Mr. ANDERSON of Tennessee, Mr. ASHLEY, Mr. BUCHANAN, Mr. FRIEDEL, Mr. FLYNT, Mr. FULTON of Tennessee, Mr. GETTYS, Mr. GOLDWATER, Mr. GOODLING, Mr. HANSEN of Idaho, Mr. HECHLER of West Virginia, Mr. MIKVA, Mr. MORSE, Mr. NEDZI, Mr. O'KONSKI, Mr. RUPPE, Mr. RANDALL, Mr. WHALLEY and Mr. WYATT):

H.R. 16750. A bill to provide for annual adjustments in monthly monetary benefits administered by the Veterans' Administration, according to changes in the Consumer Price Index; to the Committee on Veterans' Affairs.

By Mr. MIZE:

H.R. 16751. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Iowa Tribe of Kansas and Nebraska and of Oklahoma in Indian Claims Commission docket No. 79-A and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PATMAN (for himself, Mr. REUSS, Mr. MOORHEAD, and Mr. GONZALEZ):

H.R. 16752. A bill to amend the Defense Production Act of 1950, and for other purposes; to the Committee on Banking and Currency.

By Mr. POLLOCK:

H.R. 16753. A bill to authorize the Secretary of the Interior to convey to the city of Anchorage, Alaska, interests of the United States in certain lands; to the Committee on Interior and Insular Affairs.

H.R. 16754. A bill to amend the Interstate Commerce Act and to extend regulation under the Interstate Commerce Act to carriers not previously regulated under this act; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Florida:

H.R. 16755. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. RUPPE:

H.R. 16756. A bill to provide for certain minimum payments to States from receipts derived from national forests located within such States; to the Committee on Agriculture.

H.R. 16757. A bill to provide for the designation of the Mackinac Bridge as part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. RYAN:

H.R. 16758. A bill authorizing the entry or parole into the United States of Cuban refugees; to the Committee on the Judiciary.

H.R. 16759. A bill authorizing the entry or parole into the United States of Cuban refugees; to the Committee on the Judiciary.

By Mr. TAYLOR:

H.R. 16760. A bill to authorize and direct the Administrator of Veterans' Affairs to accept certain land in Buncombe County, N.C., for cemetery purposes; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of California (by request):

H.R. 16761. A bill to amend title 38, United States Code, in order to authorize the Administrator to make advance educational assistance payments to certain veterans; to make improvements in chapter 37 of such title; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas (by request):

H.R. 16762. A bill to amend title 38, United States Code, in order to authorize the Administrator to make advance educational assistance payments to certain veterans; to make improvements in chapter 37 of such title; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of New Jersey:

H.R. 16763. A bill to establish a National Film Center and Archive; to the Committee on House Administration.

By Mr. WIDNALL:

H.R. 16764. A bill to authorize an increase in the resources of the International Monetary Fund and the International Bank for Reconstruction and Development, and for other purposes; to the Committee on Banking and Currency.

By Mr. WYMAN:

H.R. 16765. A bill to provide for the

acquisition of additional information with respect to the legal residence of the total population of the United States in connection with the 1970 Decennial Census of Population and Housing; to the Committee on Post Office and Civil Service.

By Mr. SAYLOR:

H.J. Res. 1154. Joint resolution authorizing the President to proclaim National Volunteer Firemen's Week from September 19, 1970, to September 26, 1970; to the Committee on the Judiciary.

By Mr. BUSH:

H. Res. 902. A resolution to express the sense of the House of Representatives with respect to travel at Government expense by Members of the House who have been defeated, resigned, or retired; to the Committee on House Administration.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON of California:

H.R. 16766. A bill for the relief of Sze Wing Tsao and his wife, Ching Kwong Chiu Tsao; to the Committee on the Judiciary.

By Mr. COUGHLIN:

H.R. 16767. A bill for the relief of Ritva Rauhala; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 16768. A bill for the relief of Mrs. Angela (Angelina) Merola Squitieri and daughter, Ida Squitieri; to the Committee on the Judiciary.

## MEMORIALS

Under clause 4 of rule XXII,

348. The SPEAKER presented a memorial of the Legislature of the State of Hawaii, relative to increasing assistance to the U.S. Department of Agriculture laboratory in Hawaii for the eradication of fruit flies; to the Committee on Agriculture.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

429. By the SPEAKER: Petition of Henry Stoner, York, Pa., relative to opposing an increase in postal rates for first class mail; to the Committee on Post Office and Civil Service.

430. Also, petition of American Textile Manufacturers Institute, Inc., Washington, D.C., relative to textile imports; to the Committee on Ways and Means.

## SENATE—Monday, April 6, 1970

(Legislative day of Friday, April 3, 1970)

The Senate, in executive session, met at 10 o'clock a.m., on the expiration of the recess, and was called to order by Hon. GEORGE MCGOVERN, a Senator from the State of South Dakota.

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

Almighty God, in whom we live and move and have our being, at the beginning of this new week and faced with crucial decisions, we seek Thy higher wisdom. Release divine energy within us. May Thy presence in us be more inti-

mate, more real, and more decisive than any outer force or influence. Make us to know that under Thy sovereignty every day is judgment day, and that "with what judgment we judge we shall be judged." Strengthen our will to obey the voice of conscience. When evening comes and our work is done, may we hear Thy voice saying, "Well done good and faithful servant."

In the name of Him who said, "whoever would be greatest among you let him be the servant of all." Amen.

## DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will read a communication to the Senate. The bill clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D.C., April 6, 1970.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. GEORGE MCGOVERN, a Senator from the State of South Dakota, to perform the duties of the Chair during my absence.  
RICHARD B. RUSSELL,  
President pro tempore.