

a program of recreational development, reforestation and conservation management, and for other purposes; to the Committee on Education and Labor.

By Mr. PETTIS:

H.R. 8807. A bill to amend the Railroad Unemployment Insurance Act to provide that the receipt of military retirement pay shall not cause benefits under that act to be diminished; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN:

H.R. 8808. A bill to equalize civil service retirement annuities and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 8809. A bill to amend section 8338, title 5, United States Code, to correct inequities applicable to those employees or members separated from service with title to deferred annuities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REID of New York:

H.R. 8810. A bill to amend title 10 of the United States Code to prohibit the discharge or release from active duty from the Armed Forces of persons who are addicted to narcotics or dangerous drugs; to the Committee on Armed Services.

H.R. 8811. A bill to expand eligibility for the treatment of addiction to narcotics by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 8812. A bill to amend title II of the Social Security Act to provide for purposes of the provisions thereof relating to deductions from benefits on account of excess earnings, there be disregarded, in certain cases, income derived from the sale of certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property; to the Committee on Ways and Means.

H.R. 8813. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. RODINO (for himself, Mr. RYAN, Mr. EILBERG, Mr. FLOWERS and Mr. SEIBERLING):

H.R. 8814. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 8815. A bill to amend the Child Nutrition Act of 1966 to make the school breakfast program permanent, and for other purposes; to the Committee on Education and Labor.

By Mr. SAYLOR (for himself, Mr. HOSMER, Mr. SKUBITZ, Mr. McCLURE, Mr. DON H. CLAUSEN, Mr. LLOYD, Mr. DELLENBACK, Mr. SEBELIUS, Mr. McKEVITT, and Mr. CORDOVA):

H.R. 8816. A bill to provide for the establishment of the Gateway National Recreation Area in the States of New York and New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SIKES:

H.R. 8817. A bill to further cooperative forestry programs administered by the Secretary of Agriculture and for other purposes; to the Committee on Agriculture.

By Mr. THOMPSON of Georgia:

H.R. 8818. A bill to amend the National Labor Relations Act to make certain secondary boycotts, regardless of motive, an unfair labor practice, and for other purposes; to the Committee on Education and Labor.

H.R. 8819. A bill to amend section 4491 of the Internal Revenue Code of 1954 to provide that the weight portion of the excise tax on the use of civil aircraft shall apply to piston-engined aircraft only if they have a maximum certificated takeoff weight of more than 4,000 pounds; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H.R. 8820. A bill for the relief of Soviet Jews; to the Committee on the Judiciary.

By Mr. WATTS:

H.R. 8821. A bill relating to the treatment of certain stock options for purposes of the 50-percent maximum tax on earned income; to the Committee on Ways and Means.

By Mr. ANDREWS of Alabama:

H.R. 8825. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1972, and for other purposes.

By Mr. BINGHAM:

H.J. Res. 669. Joint resolution to limit the authority of the President of the United States to intervene abroad or to make war in the absence of a congressional declaration of war; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H.J. Res. 670. Joint resolution authorizing the President of the United States to issue a proclamation designating the week beginning October 10, 1971, as "National Records Management Week"; to the Committee on the Judiciary.

By Mr. SATTERFIELD:

H.J. Res. 671. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SEIBERLING (for himself, Mr. HALPERN, Mr. BEGICH, Mr. GUDE, Mr. FORSYTHE, Mr. WILLIAM D. FORD, Mrs. GRASSO, Mr. MIKVA, and Mr. ANDERSON of Illinois):

H.J. Res. 672. Joint resolution authorizing the President to call an international conference to study the problems with respect to the development and use of supersonic aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.J. Res. 673. Joint resolution to proclaim the last Friday in April as Arbor Day; to the Committee on the Judiciary.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

200. By the SPEAKER: Memorial of the Senate of the Commonwealth of Massachusetts, relative to the persecution of Soviet Jews; to the Committee on Foreign Affairs.

201. Also, memorial of the Legislature of the State of Oklahoma, relative to the development of Oklahoma's water resources; to the Committee on Interior and Insular Affairs.

202. Also, memorial of the Legislature of the State of Alabama, relative to the posthumous restoration of Robert E. Lee's citizenship; to the Committee on the Judiciary.

## PRIVATE BILLS

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

By Mr. ADDABBO:

H.R. 8822. A bill for the relief of Ester Dina Burszty; to the Committee on the Judiciary.

By Mr. BROTZMAN:

H.R. 8823. A bill for the relief of Stanislav M. Voukovich; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 8824. A bill for the relief of Jesus Tagle Kangleon and his wife, Solita Alconcel Kangleon; to the Committee on the Judiciary.

## EXTENSIONS OF REMARKS

### REASON ON HIS SIDE

#### HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1971

Mr. BYRD of Virginia. Mr. President, the April 5 edition of the Richmond News Leader included an excellent editorial on the subject of the prohibition against importation of chrome ore from Rhodesia.

Chrome ore is a material vital to national defense, and the United States presently receives most of its supply from the Soviet Union. I have introduced legislation which would end the present ban on importing chrome from Rhodesia. The editorial supports their position.

I ask unanimous consent that the editorial, "Reason on His Side," be printed in the Extensions of Remarks.

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

[From the Richmond News Leader, April 5, 1971]

#### REASON ON HIS SIDE

Virginia's senior Senator, Harry F. Byrd, Jr., has a talent for zeroing in on a double standard with the precision of an expert bombardier. He believes that this nation's policy on trade with Rhodesia is one of the most yawning double standards languishing around Washington today, and in recent weeks he has been firing away at it. He has reason on his side.

Senator Byrd hopes that the Nixon Administration will drop all of the anti-Rhodesia economic sanctions that went into effect January 5, 1967. But he realizes that the lifting of those sanctions is unlikely. So his particular complaint is that the United States depends on the Soviet for chrome ore. Rhodesia is the major Free World producer of chrome ore; the only other signifi-

cant source of the ore in the entire world is the Soviet Union. Since the U.S. invoked sanctions against Rhodesia, the Soviets have taken advantage of their monopoly position to raise their price of chrome to more than twice their competitive, pre-sanction price. Consequently, money that used to go to companies in Rhodesia for \$35 a ton, now is being channeled to the Soviets at \$75 a ton.

The situation is ridiculous, and Senator Byrd knows it. So a week ago he introduced a bill to allow the importation of chrome ore from Rhodesia (a similar bill sponsored by 25 Congressmen has been introduced in the House). Under the Senator's proposal, the President could not prohibit imports of a strategic material from a Free-World country, if the same material is allowed into the U.S. from a Communist nation. Chrome ore is a strategic material. It is a necessary component of stainless steel, and it is critical in the manufacture of engines for missiles and jets.

Under present American policy, the United States is dependent on the Soviets for

chrome: Last year alone, the Soviets coined a cool \$28 million from American purchases. Even so, American industry is suffering a severe shortage of chrome—so severe that the Offices of Energy Preparedness has asked Congress for permission to sell 30 per cent of the chrome in the nation's strategic stockpile. The 3.2 million tons remaining in the stockpile would be only 100,000 tons more than the amount required to maintain the nation's emergency reserve. And Soviet chrome alone is not sufficient for American needs: According to the OEP, "there is no way to see the chromium ore needs of the United States being met without chrome ore from Rhodesia."

The rationale for the imposition of American sanctions was put succinctly by Arthur Goldberg several years ago, when he was ambassador to the UN. He said the U.S. should stop trading with Rhodesia so as not "to perpetuate the control of 6 per cent of the [Rhodesian] population over the other 94 per cent." Yet, as Senator Byrd told the Senate March 4, "Is it not a fact that in the Soviet Union the members of the Communist party, comprising about 1 per cent of the population and acting through a few leaders, control the other 99 per cent of the people of that nation of nearly 220 million?" Ah, yes; the double standard. We will trade with the Soviets, who hate us; we will refuse to trade with the Rhodesians, who do not.

The sanctions against Rhodesia have been a manifest flop. President Nixon verified their failure when he said in his recent State of the World message, "We have reaffirmed and continued to enforce the economic sanctions against Rhodesia, and we have sought ways to ensure a more universal compliance with those sanctions." But how long will the United States cling to an ineffectual boycott that makes the U.S. increasingly vulnerable to a Cold War enemy? Senator Byrd contends that the Nixon Administration should reverse its anti-Rhodesia policy because "morally, it is wrong. Legally, it is dubious. Economically, it is costly. And it [jeopardizes] the security of the United States." He is doing his best to see that the policy is reversed. Wish him luck.

#### IS OUR MONEY BEING SPENT EFFECTIVELY?

### HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. HANNA. Mr. Speaker, I believe the time has come for the Congress to give careful scrutiny to this administration's efforts to redirect our many unemployed—specifically those in aerospace engineering.

My district has received a significant amount of Federal funding over the past year, and for the hope this has given the unemployed, I and they are very thankful. We cannot, however, fail in our responsibilities to determine if these moneys have been effectively spent—are we getting a sufficient return on our investment?

Last week I wrote the President regarding what I fear to have been a waste of money in this regard. I include my letter to the President at this point and ask you, my esteemed colleagues, to judge for yourselves whether this ad-

ministration is responding to the real needs of this Nation or to its own short-term political ends.

The letter follows:

MAY 25, 1971.

President RICHARD M. NIXON,  
The White House,  
Washington, D.C.

DEAR MR. PRESIDENT: We were encouraged and many of our fine aerospace engineers were greatly heartened to learn of the cooperation between your Administration and the California State Department of Human Resources which has resulted in the opening of a school in Southern California to train unemployed engineers in the practical and fine points of pollution management.

Through a quite rigorous selection process—only one out of every four applicants was accepted—a number of engineers from District became members of the first class of 100 highly qualified engineers to enroll in the school. The curriculum—640 hours developed by the J. Frederick Marcy organization—has the capability of producing some greatly needed talent.

Now we come to the problem with this well-funded and promising program. These fine, well-qualified engineers, having graduated from this fine, well-structured school, will be fired with enthusiasm engendered by their government and motivated by their true desire to contribute to our society—but there will be no jobs.

The failure, Mr. President, of this well-intended and fully financed approach must be a matter deserving of your personal concern. We suggest that you evidence this needed concern and commitment by instructing the Environmental Protection Agency to survey immediately for potential positions for these men who have been encouraged—both by their Federal and State governments to believe they and their training would be useful.

If there is in fact no utility for this elite group, well-trained in pollution abatement and control, then nobody is in a posture to claim to have matched his rhetoric with the stark realities of our times, and our government will have slipped but one more notch in the eyes of those it is dedicated to serve.

Thanking you for your attention to this matter, I remain.

Respectfully yours,

RICHARD T. HANNA,  
Member of Congress.

Mr. Speaker, I also draw your attention to what I consider to be a highly destructive input into the policy formations of this administration: the thinking of Jack W. Carlson, Assistant Deputy Director, U.S. Office of Management and Budget.

I point out specifically Mr. Carlson's apparent lack of concern over the unemployed engineer and question his interpretation of the demands being made by the voting taxpayer in America. If, as statistics seem to indicate, one employed engineer generates seven jobs in supporting services, this 1 percent of the unemployed carries much more weight than Mr. Carlson cares to admit. And if, as I firmly believe, this Nation truly does care about its future and sincerely desires to preserve our environment then the demand for these engineers will continue, something else with which Mr. Carlson seems to disagree.

The complete article to which I have made reference follows. I ask you again to consider whether we should be satisfied with this input or whether we ought

to strive to get another—and to my mind more accurate—viewpoint to the President. The article follows:

[From the Electronic Engineer, April 1971]

#### TIME TO FACE FACTS

Jack W. Carlson, Assistant Deputy Director, U.S. Office of Management and Budget, spoke as part of the WINCON panel on the "Impact of Changing National Goals and Priorities in the Aerospace Industry." He was very tough, and very disheartening. His key point was: emphasis at the federal level is shifting. Certainly no argument there.

He noted that engineering and science are so oversupplied that if business were to return to "normal" this afternoon, some employment areas would not stabilize until 1980, if then. Mathematicians, teachers, and environmental scientists were cited specifically. Engineering is expected to stabilize by the last third of this decade.

One of the first things to do is to cut off the supply. If schools would force students to put up money for certain programs, forcing them to look realistically at cost vs. expected return, many would be discouraged.

The country is not worried about losing its highly trained teams. There is such an oversupply that putting together top rate teams is easy. There is no need to hoard engineers or capability now as there may have been in the past.

Engineers are only 1% of the unemployed. Carlson has another 99% to worry about who do not have the assets that engineers have to start with. The administration is not interested in any type of welfare to help engineers. The cost of employing them all again would be \$5-10 billion a year, which is about 25% of the expected gain in real GNP, or about 20 ssrs.

All professions set up barriers to prevent outsiders from penetrating, so it will be hard for engineers to get into other professions. Carlson thinks engineers should search diligently for jobs and expect to take "second best" jobs with lower pay. In aerospace, they have been compensated in the past by "premium" wages to make up for the uncertainty of the business. He estimates that this lower pay would be 15-25% of their earlier salary.

Nobody has any need for the level of sophistication present in DoD, believes Carlson. Companies that turn to the commercial markets should concentrate on "cruder" products. This might be easy, compared to trying to make crude things sophisticated.

I asked him about low cost government loans or grants *a la* Japan. According to him, we are doing as well selling to Japan as buying, and all will even out.

Things like data terminals and communications equipment are what he calls "derived products." They are relatively close to the marketplace and everyone can see their value. The government is more likely to sponsor science at the level where less obvious advantages or markets occur, because one cannot expect commercial industry to invest where it cannot see a direct benefit.

As far as standards for medical electronics, educational equipment, and pollution control, the government must first determine that a genuine demand for them exists, and the level of need. Then it can begin to talk about standards. I got the impression that he was not convinced that people were serious about pollution, and that sophisticated medical electronics was not a crying need, compared to basic medical care.

Carlson also confirmed that the technical dollar content of all the domestic oriented programs was a lot smaller than in aerospace or "foreign policy" programs, as he refers to them.

His comment on the SST as a favorable factor in balance of payments was interest-

ing. He noted that it would bring money into the country, but that ticket purchases to visit other parts of the world would take money out of the country in offsetting amounts, so he did not consider it an overall gain.

Carlson held on strong, despite a lot of fire. He obviously thinks in a way alien to many of us. One of the other speakers may have shown the best insight when he said, "Congressmen consistently vote their mail. If you are not doing anything to change your Congressman's mail, don't come to me with your problems." That might be a good lesson for all of us.

## ACTION TO HALT FLORIDA CANAL UNCONSTITUTIONAL

### HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BENNETT. Mr. Speaker, because the question on the halting of the construction of the Cross-Florida Barge Canal, a legally authorized and appropriated for project approved by the U.S. Congress, is so important, I include in the CONGRESSIONAL RECORD the following speech on the constitutionality of the stop order, delivered before the Jacksonville, Fla., Bar Association, April 15, 1971:

#### SPEECH OF CONGRESSMAN CHARLES E. BENNETT

(The President: "He shall take care that the laws be faithfully executed."—Section 3 of article 2 of the Constitution.)

#### THE PRESIDENT'S LEGAL BRIEF ON FLORIDA CANAL TERMINATION REVEALS THAT HE WAS MISLED ON THE LAW

The responsibility of the President of the United States is as stated in Section 3 of Article 2 of the Constitution to "take care that the laws be faithfully executed." He has the power of veto in the process of enactment or repeal of a law (Section 7 of Article I); but after a bill is signed into law and appropriations are made he cannot repeal the law himself without Congressional repealing; and the President must execute or carry out the duly enacted law. He can, of course, recommend that the law be repealed. No principle of American constitutional government is more fundamental than this to our heritage or more clearly stated in our Constitution.

The keystone of our government is its division into the three separate branches: legislative, executive and judicial. One of our founding fathers, President James Monroe expressed it well in the Federalist Papers (No. 47) when he wrote: "The accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny."

So in defining the powers of the new president our forefathers wrote into our Constitution: "He shall take care that the laws be faithfully executed."

The Cross-Florida Barge Canal was specifically authorized in 1942 by Public Law 77-675. Although its value to the defense needs of our country were recognized in its authorization, the shortage of manpower for its construction during World War II postponed the appropriations needed for its commencement. But the appropriations have been made continuously ever since 1964 and now total \$60 million; and the project is now more than a third complete.

Last year in the House Report on the appropriations bill the following statement was made: "The committee has included in the bill the \$6,000,000 including carryover funds, proposed in the budget to continue construction of the project . . . the committee does not feel that it would be warranted, in the light of the current facts available, in delaying construction of the project which was started in 1964 and is now about 30 percent complete . . . Considering, therefore, the status of the construction and the need for the project, the committee recommends that the construction work continue and that every effort continue to be made to minimize any adverse effects on the environment, ecology, and fish and wildlife in the area."

It is not proposed to discuss here the merits of the canal; but only the legality of a Presidential edict to terminate the project. The merits which amply justify the project, will be discussed in another presentation. However, the facts are that about \$50 million have been spent on this canal (1) which the Joint Chiefs of Staff supported to provide "an additional and shorter line of communication between the Gulf Coast and the East Coast" that would "reduce exposure of shipping to submarine attack" and (2) which several independent studies found to be justified for economic and job producing reasons, and (3) which many geologists and ecologists, and all Congressional public hearings, open to all points of view, gave a clean bill of health to on ecological grounds.

On January 19, 1971 the President issued a press release in which he said, "I am today ordering a halt to further construction of the Cross-Florida Barge Canal."

After repeated requests to the White House, on February 25, 1971 the White House staff furnished the following statement on the legal authority of the President to terminate the Cross-Florida Barge Canal without Congressional approval, reciting that this was the opinion of the Department of Justice.

"An appropriation of funds for a particular project or activity is ordinarily regarded as permissive in nature and not as equivalent to a direction that such projects or activity be undertaken or that such funds be spent. See 42 Ops. A. G. No. 32, p. 4 (1967); *McKay v. Central Electric Power Cooperative*, 223 F.2d 623, 625 (C.A.D.C. 1955)."

The only court decision cited to uphold the quoted conclusion was *McKay v. Central Electric Power Cooperative* (an R.E.A. Cooperative). This case does not in any way support the President's action on the canal; because, unlike the canal which was specifically authorized and specifically appropriated for, the R.E.A. contracts in the McKay case depended—solely for any specific performance on such contracts—upon the language of a general appropriations law for electrical transmission facilities, while the law made no reference whatsoever to particular projects or particular contracts. In fact, the legislative history of the law in the electrical case indicated an intent to exclude the contracts sought to be performed; but this was not relied upon in the appellate decision, but only the fact that the legislation was silent on the specific project and the specific contracts involved. The court observed that the claimants might, despite the court's ruling on specific performance of the contracts, sue the government for breach of contract in another suit.

Clearly, the above cited case is not only no authority for the President's action on the canal matter; but it is in fact authority against the President having such authority when the project involved, such as the canal, is both authorized and appropriated for by specific provision of law. This would be true

whether a suit is for specific performance or for breach of contract.

The only other authority relied upon by the Administration for its position was the 1967 opinion of Attorney General Ramsey Clark upholding the power of the President to impound Federal-Aid Highway funds before they had been obligated by approval of a specific qualifying project. This impoundment was not to end any project but only to temporarily reduce the level of spending to curb inflation. No contractual obligations of the United States were involved in any way. Clearly that decision is not analogous in any way to the President's order to terminate completely a project duly and specifically authorized and funded by legally enacted law. The Attorney General said:

"It is my conclusion that the Secretary has the power to defer the availability to the States of those funds authorized and apportioned for highway construction which have not, by the approval of a project, become the subject of a contractual obligation on the part of the Federal Government in favor of a State.

"Moreover, since the purpose of action here is not to reduce the total amount of the funds to be devoted to the Federal-Aid Highway Program but merely to slow the program for a limited period, hopefully it will have no adverse effect on the completion of the program 'as nearly as practicable' by the end of the period envisaged in 23 U.S.C. 101(b)."

The Attorney General in the above opinion stated:

"The Courts have recognized that appropriation acts of a fiscal and permissive nature and do not in themselves impose upon the executive branch an affirmative duty to expend the funds. *Hukill v. United States*, 16 C. Cl. 562, 565 (1880); *Campagna v. United States*, 26 C. Cl. 316, 317 (1891); *Lovett v. United States*, 104 C. Cl. 557, 583 (1945), affirmed on other grounds, 328 U.S. 303 (1946); *McKay v. Central Electric Power Cooperative*, 223 F. 2d 623, 625 (C.A.D.C. 1955)."

The Library of Congress Reference Service paper "Impoundment by the Executive of Funds which Congress Has Authorized It to Spend or Obligate" at page 15 observes of the above Attorney General's opinion that the cited cases do not "sustain the broad proposition for which they were cited."

In the Hukill case, above cited, the United States had enacted an appropriations law which would pay postal employees for services rendered in the South during the Civil War, under certain circumstances; and then provided that any unexpended balance would be turned over to the Treasury in two years. After the two years expired, Hukill attempted to enforce the payment terms of the appropriations law. Although holding against Hukill because he had not shown that he had not theretofore been paid for the same services by the Confederacy, the Court also held that if he had not been so previously paid he could have recovered under the above statute. In deciding this, the Supreme Court said:

"An appropriation by Congress of a given sum of money, for a named purpose, is not a designation of any particular pile of coin or roll of notes to be set aside and held for that purpose, and to be used for no other; but simply a legal authority to apply so much of any money in the Treasury to the indicated object.

"Every appropriation for the payment of a particular demand, or a class of demands, necessarily involves and includes the recognition by Congress of the legality and justice of each demand, and is equivalent to an express mandate to the Treasury officers to pay it. This recognition is not affected by any previous adverse action of Congress; for

the last expression by that body supersedes all such previous action."

The Hukill case is clearly not a case that supports as legal the action of the President in the canal matter. To the extent that it is in point, it would support the continuation of the canal under the duly enacted appropriations laws even if there were no prior authorization law. However, the canal has no deficiency in authorization and does not need to rely on the Hukill case.

The Campagna case, above cited, is a case in which a Marine Band musician sued for a salary of \$23 per month as distinguished from a rate of \$17 since the appropriations statute involved provided for "thirty musicians at forty dollars, eight at twenty-six dollars, and fifteen at twenty-three dollars per month each, nine thousand dollars." After observing that Congress was confronted with paying musicians whose pay varied because of longevity, etc., the Court held as follows:

"An appropriation is per se nothing more than the legislative authorization prescribed by the Constitution that money may be paid out at the Treasury. Frequently there is coupled with an appropriation a legislative indication that the designated amount shall be paid to a person or class of persons, and from such an appropriation a statutory right arises upon which an action may be maintained. Occasionally an appropriation act goes still further, and expressly or by necessary implication changes preexisting law so as permanently to increase or diminish the compensation of an officer, agent, or employe of the Government. (*Faris Case*, 23 Stat. L., 374)."

The above case is no authority whatsoever for the termination of any project. Insofar as there was a project in the Campagna case—the hiring of musicians—there was no interruption of it. Only the amount of wages was ruled adverse to the claimant and even this was upon an interpretation of a particular statute, as affected by legislative intent.

In the Lovett case, the only case cited above that has not already been discussed, the plaintiffs sued for their wages as employees of the U.S. Government for a period of time after November 15, 1943, Congress having enacted in July of 1943 a law which provided that no Federal funds should be expended to pay them for any services rendered after November 15, 1946, unless prior to such date the President should have appointed them "with the advice and consent of the Senate." They were never so appointed, but they served beyond the November 15 date under less formal appointments. The Court ruled that the statute did not destroy the obligation of the Government to pay for services rendered and therefore, did not prevent a judgment in favor of the plaintiffs for the wages involved even for services after the November 15 dates. In the opinion of Justice Madden in this case, the following statement was made:

"It may well be that under our Constitution, and under any constitution which might be devised for a free people, one branch of the Government could, temporarily at least, subvert the Government. The Judges might refuse to enforce legal rights or convict criminals. The President might order the Army and Navy to surrender to the enemy. Congress might refuse to raise or appropriate money to pay the President or the Justices of the Supreme Court and the other courts. But any of these imagined actions would not be taken pursuant to the Constitution, but would be acts of subversion and revolution, the exercise of mere physical power, not lawful authority. And conduct by any branch of the Government less ruinously subversive, but, so far as it goes, equally unconstitutional, is likewise an exercise of physical power rather than lawful authority."

It is clear that the authorities relied upon by the Justice Department in advising the White House, do not give any support at all to the action taken. In no such case was there specific authorization and specific appropriation for a project that was terminated; and the cases clearly deny, rather than support, the Administration's position. In fact, the decisions could not hold otherwise in view of the specific Constitutional mandate that the President "shall take care that the laws be faithfully executed." The same memorandum which revealed the Department of Justice recitation of cases above referred to also observed:

"The Department of Justice advises us that since the funds presently available for construction of the canal have been appropriated without fiscal year limitation, no further legislative action would be necessary to make such funds available for a resumption of construction. Whether a reauthorization would be necessary as a basis for future appropriations is a matter for Congress to decide."

In making the above statement, the Justice Department has in fact conceded that the President cannot repeal a law; and since the laws that authorized and appropriated for the canal still exist they must admit, if they are to be logical, that the Constitution requires these laws to be carried out by the President until they are legally repealed.

In view of the Constitutional provision which binds the President to execute and carry out the law, and in view of the fact that the Department of Justice has produced no authorities to support the President's power to terminate the canal (which it obviously could not do in the face of the Constitution), only a few leading cases will not be discussed which the Justice Department failed to mention but which clearly show that the President has no power to terminate the canal unless and until the laws providing for the project are duly repealed. The President does, of course, have the right to veto a bill; but once it is passed with Presidential consent or by another vote overriding the veto he must carry out the laws of the land. Otherwise, as Justice Madden said, above, the deed would be one of physical power rather than of lawful authority.

"Under our system of government it is the legislative branch which is to make and decide policy. The executive branch is supposed to carry out the policies declared by Congress. (31 Cong. Dig., No. 1, p. 1, at 2 (1952).) (See MacLean, President and Congress: The Conflict of Powers 61 (1955).)"

The following comments rely heavily on the excellent article by Gerald W. Davis in the October, 1964, edition of "Fordham Law Review."

Whether the Constitution in directing the President to "take care that the laws be faithfully executed" vests in him discretion as to the execution of laws was argued in *Kendall v. United States ex. rel. Stokes*, (37 U.S. (12 Pet.) 524 (1838).) Postmaster Kendall had disallowed claims of Stokes for carrying the mail. Congress passed an act directing Kendall to credit Stokes with the amount due. Kendall again refused to pay the claim, contending that only the President, under the power to see that the laws are executed could require that he pay the claims. The Supreme Court upheld a mandamus ordering the payment, holding that the President was not empowered to dispense with the operation of law upon a subordinate executive officer:

"When Congress imposes upon any executive officer any duty they may think proper, which is not repugnant to any right secured and protected by the Constitution . . . in such cases, the duty and responsibility grow out of and are subject to the control of the law,

and not to the direction of the President . . .

"To contend that the obligation imposed on the President to see the laws faithfully executed, implies a power to forbid their execution, is a novel construction of the Constitution, and entirely inadmissible."

To avert a nationwide strike of steelworkers in April, 1952, which he believed would jeopardize national defense, President Truman issued an Executive order directing the Secretary of Commerce to seize and operate most of the steel mills. According to the Government's argument in *Youngstown Sheet & Tube Co. v. Sawyer* (343 U.S. 579 (1952)), the directive was not founded on any specific statutory authority, but upon "the aggregate of the President's constitutional powers as the Nation's Chief Executive and the Commander in Chief of the Armed Forces." The Secretary of Commerce issued an order seizing the steel mills and the President promptly reported these events to Congress, but Congress took no action. It had provided other methods of dealing with such situations and had refused to authorize governmental seizures of property to settle labor disputes. The steel companies sued the Secretary and the Supreme Court rejected the broad claim of power asserted by the Chief Executive, holding that "the order could not properly be sustained as an exercise of the President's military power as Commander in Chief . . . nor . . . because of the several constitutional provisions that grant executive power to the President."

Mr. Justice Black, who delivered the opinion of the Court, noted:

"In the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that he is to be a lawmaker. The Constitution limits his functions in the lawmaking process to the recommending of laws he thinks wise and the vetoing of laws he thinks bad. And the Constitution is neither silent or equivocal about who shall make laws which the President is to execute."

"The first section of the first article says that 'All legislative Powers herein granted shall be vested in a Congress of the United States . . .' After granting many powers to the Congress, Article I goes on to provide that Congress may 'make all laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.'

"The President's order does not direct that a congressional policy be executed in a manner prescribed by Congress—it directs that a presidential policy be executed in a manner prescribed by the President . . . The power of Congress to adopt such public policies as those proclaimed by the order is beyond question . . . The Constitution does not subject this lawmaking power of Congress to presidential or military supervision or control."

"It is said that other Presidents without congressional authority have taken possession of private business enterprises in order to settle labor disputes. But even if this be true, Congress has not thereby lost its exclusive constitutional authority to make laws necessary and proper to carry out the powers vested by the Constitution 'in the Government of the United States, or any Department or Officer thereof.'"

Mr. Justice Douglas, in a concurring opinion, noted:

"The power to recommend legislation, granted to the President, serves only to emphasize that it is his function to recommend and that it is the function of the Congress to legislate. Article II, Section 3, also provides that the President 'shall take care that the laws be faithfully executed.' But . . . the

power to execute the laws starts and ends with the laws Congress has enacted."

The three dissenting Justices did not assert that the President could act contrary to a statute enacted by Congress. They argued that there was no statute which prohibited the seizure and that there was "no evidence whatever of any Presidential purpose to defy Congress or act in any way inconsistent with the legislative will."

Mr. Justice Jackson, concurring with the majority opinion, remarked on the "poverty of really useful and unambiguous authority applicable to concrete problems of executive power as they actually present themselves." He suggested that "Presidential powers are not fixed but fluctuate, depending upon their disjunction or conjunction with those of Congress." Justice Jackson then listed the situations in which a President may doubt, or others may challenge, his powers and indicated the legal consequences of the factor of relativity to the powers of Congress:

"1. When the President acts pursuant to an express or implied authorization of Congress, his authority is at its maximum, for it includes all that he possesses in his own right plus all that Congress can delegate . . . If his act is held unconstitutional under these circumstances, it usually means that the Federal Government as an undivided whole lacks power . . .

"2. When the President acts in absence of either a congressional grant or denial of authority, he can only reply upon his own independent powers, but there is a zone of twilight in which he and Congress may have concurrent authority, or in which its distribution is uncertain. Therefore, congressional inertia, indifference or quiescence may sometimes, at least as a practical matter, enable, if not invite, measures on independent presidential responsibility. In this area, any actual test of power is likely to depend on the imperatives of events and contemporary imponderables rather than on abstract theories of law.

"3. When the President takes measures incompatible with the expressed or implied will of Congress, his power is at its lowest ebb, for then he can rely only upon his own constitutional powers minus any constitutional powers of Congress over the matter. Courts can sustain exclusive presidential control in such a case only by disabling the Congress from acting upon the subject. Presidential claim to a power at once so conclusive and preclusive must be scrutinized with caution, for what is at stake is the equilibrium established by our constitutional system."

In the canal matter, the President has taken a step such as Justice Jackson describes in the third situation above, that is one incompatible with the intention of Congress in duly enacted laws. Therefore, "he can only rely upon his own constitutional powers, minus any constitutional powers of Congress."

The weight of authority is against the existence of an inherent presidential power to impound appropriated funds—Goostree. *The Power of the President To Impound Appropriated Funds: With Special Reference to Grants-In-Aid to Segregated Activities*, 11 *Am. U.L. Rev.* 32, 42 (1962).

The general theory underlying the Constitution is that Congress shall be responsible for the determination and approval of the fiscal policies of the Nation and that the executive shall be responsible for their faithful execution—Report of the President's Committee on Administrative Management at 15 (1937).

This division of authority was stated by President Wilson in a message to Congress on May 13, 1920:

"The Congress and the Executive should function within their respective spheres . . .

The Congress has the power and the right to grant or deny an appropriation, or to enact or refuse to enact a law; but once an appropriation is made or a law passed, the appropriation should be administered or the law executed by the executive branch of the Government. (Report of Pres. Comm. on Admin. Mgt. at 15.)"

Congress has the final responsibility, subject to constitutional limitations and the President's veto power, for deciding which activities are to be undertaken by the Government and the amount of money to be spent on each. The President's role is to recommend to Congress a unified and comprehensive budget and to administer the budget as finally enacted—Committee on Organization of the Executive Branch of the Government Report on Budget and Accounting in the U.S. Government at 12-13 (1955).

Although an authorization may be considered as only constituting permission to expend funds for a particular purpose, an appropriation of funds implies a directive that such funds be expended to effect the purpose indicated.

"Congress in making appropriations has the power and authority not only to designate the purpose of the appropriation, but also the terms and conditions under which the executive department of the government may expend such appropriations . . .

"The purpose of the appropriations, the terms and conditions under which said appropriations were made, is a matter solely in the hands of Congress and it is the plain and explicit duty of the executive branch of the government to comply with the same. Any attempt by the judicial branch of our government to interfere with the exclusive powers of Congress would be a plain invasion of the powers of said body conferred upon it by the Constitution of the United States. (*Spaulding v. Douglas Aircraft Co.*, 60 F. Supp. 985, 988 (S.D. Cal. 1945), aff'd, 154 F. 2d 419 (9th Cir. 1946)."

The Supreme Court has also held that when Congress makes an appropriation in terms which constitute a direction to pay a sum of money to a particular person, the officers of the Treasury cannot refuse to make the payment—see, for example, *United States v. Louisville* (169 U.S. 249 (1898)); *United States v. Price*, 116 U.S. 43 (1885); compare 22 Ops. Att'y Gen. 295 (1902).

The cases cited clearly demonstrate that the President cannot lawfully disregard a duly enacted law. It could be argued that Congress by statute has authorized the President to exercise discretion as to whether funds appropriated for a particular public works project should be expended or impounded. An examination of the statutory law gives no substance to that argument. There appears to be no statutory authority for the impounding of appropriated funds, except for purposes of economy and efficiency in executing the purposes for which the appropriation is made.

The President cannot dispense with the execution of the laws, under the duty to see that they are executed. To hold otherwise would be to confer upon him a veto power over laws duly passed and enrolled. To accord discretion to a President as to what laws should be enforced and how much, would enable him to interpose a veto retroactively.

Some may say, what can one do to see that the President carries out the Constitution? There have been no suits on recent impounding of funds for defense objectives, such as for the advanced bomber, as far as I know. There may be many reasons for this; but perhaps the most conclusive one has been the lack of standing of one to sue to enforce the Constitution in a particular case. In the matter of the Cross-Florida Barge Canal there may well be such ability to sue however; because not only has the State of

Florida entered into expensive contractual arrangements with the Federal Government on this matter, but many local real estate owners have been taxed through the years to contribute the local funds that have been expended in Florida for this canal. The Canal Authority of the State of Florida, the official body for this project in the state, has filed suit in the Federal Court in Jacksonville asking that the President's order be declared to be of no effect, illegal and constitutionally void. Other official governmental bodies involved have also entered this suit, including the Jacksonville Port Authority and perhaps other outside organizations and individuals have joined them by now.

It is sincerely to be hoped that the President will reconsider this matter and at least let the proponents of the canal be heard on the issues, which has not yet been allowed. Particularly, since the evidence is strong that the reasons for the President's action seem to have overlooked the fact that the Oklawaha can be inexpensively bypassed and that no wildlife preservation is in fact achievable by terminating the canal these being the grounds relied upon in the President's press release.

#### HOW NOT TO DEAL WITH YOUTHFUL OFFENDERS

HON. VANCE HARTKE

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1971

Mr. HARTKE. Mr. President, earlier this month my distinguished colleague from Indiana, Senator BIRCH BAYH, held 3 days of hearings in his Subcommittee to Investigate Juvenile Delinquency on the problems associated with justice for youthful offenders. The conditions he uncovered in those hearings must concern and distress us all.

A very cogent and thoughtful analysis of the disclosures of the Bayh hearings has been provided by a fine reporter for Ridder Publications, Mr. Ed Zuckerman. I ask unanimous consent that his article entitled "Juvenile Injustice," which appeared in the Gary, Ind., Post-Tribune of May 8, 1971, be printed in the Extension of Remarks.

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

#### JUVENILE INJUSTICE

(By Ed Zuckerman)

WASHINGTON.—On three successive mornings this week, Sen. Birch Bayh, D-Ind., learned about the condition of juvenile justice. Witnesses appearing before Bayh's Senate Subcommittee to Investigate Juvenile Delinquency painted a disparaging picture as they wove their testimony into a glaring indictment against juvenile justice practices.

The most chilling testimony came from witnesses who related their experiences with court and probation officials in El Paso, Tex. By comparison, later testimony concerning the condition of juvenile justice in Indiana was tame—but it was of no less consequence than the most sensational aspects described by the El Paso witnesses.

In his testimony, a Texas witness called El Paso probation officer Morris Raley an "incompetent" and cited examples of Raley's blatant excesses performed in the name of justice. Raley had been invited to appear before the subcommittee to defend himself

against the personal attacks but he refused saying he had pneumonia and his doctor would not allow him to travel.

Most of those attending the hearing did not need to listen to Raley, anyway. The night before the hearing, he was interviewed in the National Broadcasting Company documentary entitled "This Child Is Rated X" which took a critical look at juvenile correction institutions. After several former inmates of El Paso's detention home told their experiences, Raley tried to defend his methods. He was a clear loser in the comparison; he came across the video screen as some kind of Neanderthal thug.

Texas officials refused to allow NBC camera crews inside any youth correction facilities.

Indiana officials, on the other hand, permitted the crew inside their detention schools and allowed interviews with inmates.

The same Indiana officials also appeared before Bayh's subcommittee. And, in a further demonstration of cooperation, they brought along two inmates to help corroborate their contention that "most children have no business being sent to us."

The thrust of their testimony was illustrated by Sharon Rushin, a 17-year-old from Attica who has spent more than a year in the Indiana Girls School, and Sherrill Ness, a 16-year-old from Rochester who has spent almost a year in the Indiana Boys School.

Miss Rushin was sent to the girls school as a result of a curfew violation and because she drank a can of beer.

The violations notwithstanding, her most serious mistake was living in a small town. Had she committed the same infractions in Indianapolis or Gary—where juvenile courts are burdened and priority attention can only be given to the most flagrant crimes—her arrest would have been processed through what is commonly called a "station adjustment." Her parents would have been called to the police station, she would have been given a stern lecture and she would have been sent home. But her violation occurred in a small town where juvenile authorities have nothing more important to do than mete our serious punishment which large city judges would consider a waste of time.

And what about Ness? His problems began with a 75-cent theft which brought him a probationary sentence. Because he was late to school one morning, he was hauled back to court and ultimately sent to the boys school.

In the final analysis, his most serious mistake was committing a crime while still a juvenile. Had he been a few years older, his adulthood would have saved him from a half-year in a detention home. As an adult, the theft wouldn't even have been rated a felony. The most a judge would do to an adult accused of the same crime would be to assess a fine, maybe add in a few days in jail and order restitution.

Who's really to blame for the condition of juvenile justice in Indiana? Before looking for any other reason, perhaps the first-level blame should be assessed against small town juvenile judges such as those who sent Sharon and Sherrill to the correctional schools, their sentencing practices help to overcrowd the school making it impossible for school officials to adequately handle serious offenders. Because of the overcrowding, the school is forced to grant quick paroles in order to make room available for others.

So what do you say to a distressed mother or father who personally feels victimized by the system's fallibility? Do you tell them that the boy who raped their daughter last month is back on the street today because space was needed for a boy who was tardy for school?

The vicious circle can only be halted when judges begin considering juvenile offenders along equal standards. What is serious in Indianapolis should also be serious in At-

tica—but, by the same token the Attica offender should be treated no more severely than the Indianapolis offender. Once that is realized, everyone would benefit.

#### RESTORATION OF CITIZENSHIP TO GEN. ROBERT E. LEE

### HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1971

Mr. BYRD of Virginia. Mr. President, I wish to invite the attention of the Senate to a resolution adopted by the Alabama House of Representatives on April 27, 1971.

This resolution, which speaks of the dedication, compassion, and leadership of Gen. Robert E. Lee, urges the adoption of the joint resolution presently before the Congress which would restore full citizenship to General Lee.

Mr. President, I ask unanimous consent that House Joint Resolution 59 of the Alabama House of Representatives be printed in the Extensions of Remarks.

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

#### HOUSE JOINT RESOLUTION 59

Whereas, Robert E. Lee was the son of families long prominent in the history of this Nation and in its early development down through succeeding generations; and

Whereas, Robert E. Lee, being a brilliant young graduate of the United States Military Academy, served his country with honor, loyalty and devotion; and

Whereas, when destiny divided this great Nation in the War Between the States, Robert E. Lee remained loyal to his home state, the sovereign State of Virginia, only after making a soul-searching and painful decision as to where his allegiance should lie; and

Whereas, General Robert E. Lee was widely recognized as one of this country's foremost military strategists, an outstanding leader of men and a man of great gentleness and compassion; and

Whereas, after the war, General Lee held no rancor against the Union but devoted his final years to the betterment of life by promoting high ideals and principals of strength through higher education at Washington College in Lexington, Virginia, where he served as that institution's president from 1865 to 1870; and

Whereas, Robert E. Lee so dedicated himself to the strengthening of spirit and purposes of this fine educational institution that its name was later appropriately changed to Washington and Lee University; and

Whereas, Senator Harry Byrd has introduced a resolution in the United States Senate to restore posthumously the citizenship of Robert E. Lee which he lost when he joined the Confederacy; and

Whereas, Robert E. Lee in 1865 had immediately informed General Ulysses S. Grant of his desire to comply with President Andrew Johnson's offer of amnesty as soon as it was extended, and had forwarded his application therefor; and

Whereas, Lee's oath of allegiance duly executed, signed and notarized was to lie buried in the Nation's archives for more than a century after it was given by Secretary of State Seward to a friend as a souvenir; and

Whereas, President Andrew Johnson, on December 25, 1868, issued a proclamation which granted full pardon and amnesty unconditionally and without reservation to all persons who participated in the Civil War; and

Whereas, our distinguished Speaker, G. Sage Lyons, has directly shared in the heritage of Robert E. Lee, having been graduated from that exceptionally fine institution of learning, now therefore,

Be it resolved by the Legislature of Alabama, both Houses thereof concurring, That we most earnestly urge the immediate adoption of Senator Byrd's resolution to restore posthumously the citizenship of the great American, Robert E. Lee.

Resolved further, That copies of this resolution be sent to the President of the United States, to the Speaker of the House, Representative Carl Albert of Oklahoma, to Senator Harry F. Byrd and to the Honorable Robert Huntley, President of Washington and Lee University.

I hereby certify that the above resolution was adopted by the Legislature of Alabama April 27, 1971.

JOHN W. PEMBERTON, Clerk.

#### WHAT IS WORRYING SMALL BUSINESSMEN

### HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. CHAMBERLAIN. Mr. Speaker, the time is long past for the Congress to take effective action to ease the financial plight of the small businessman in America. More than ever before the small businessman is becoming trapped by a myriad of economic forces—mushrooming tax bills at all levels of government, increasing labor costs, sky-high interest rates and tight money, lagging sales, greater governmental controls and interference, and inflation itself—forces which threaten the economic foundations upon which so much of our stability depends. We are not dealing in the abstract—we are talking about the corner druggist, the local bakery shop owner, the dry cleaner, the automobile dealer, the small contractor—the people who provide the services and the jobs so essential to every community in America, big or small.

As I have pointed out before, in recognition of this problem I have reintroduced legislation (H.R. 3489) which would allow a limited income tax deduction for profits reinvested in a business. This proposal has received the strong endorsement of the National Federation of Independent Business, and would assist our small entrepreneurs who while providing half of the Nation's employment opportunities are presently deprived of the various channels of relief available to big business.

Because of the urgency of this problem and to call it to the special attention of my colleagues in the House, I include in the RECORD a cogent article from the May 31, 1971, issue of U.S. News & World Report, which reviews the problem in the

clearest of terms and underlines the pressing need for corrective action:

**WHAT IS WORRYING SMALL BUSINESSMEN**

WASHINGTON.—Small businessmen who gathered here to discuss their problems feel they are being squeezed more and more by forces over which they have no control.

**Inflation.**

Scarcity of reliable labor in an era of unemployment.

**High and rising taxes.**

**High and rising wages.**

The mounting burden of governmental-generated paper work.

**Tactics of big business and big labor.**

Inability to convince men in high places that these problems are both real and urgent.

The Federal Government reports that there are about 5,275,000 small businesses. The official definition of "small" varies widely, depending on the line or type of activity. But the total amounts to 95 per cent of all business concerns in the U.S. The chart on this page puts the role of small business in perspective.

Some 1,500 men and women from these firms met on May 17-19 under the sponsorship of the National Federation of Independent Business.

In talks with staff members of "U.S. News & World Report," these businessmen detailed some of their thinking.

One common theme was the need to present a united front.

"We cannot fragment," said Bob Hayward, who owns a pharmacy in Royal Oak, Mich. "Our biggest single problem may be to present a single voice on our own behalf. Independent businessmen have to hang together or we can't continue to exist."

Clarence E. Peters of the Haynes Milling Company, Portland, Ind., put it this way:

"Even though there are so many of us, we feel we are a minority group. We want to be heard in legislative quarters."

**"LOST IN THE CROWD"**

Robert E. Henry, who heads R. E. Henry General Contractors in San Antonio, Tex., said he doesn't feel purposely ignored by his congressional representatives, "but they are under so much pressure from other factors—big business and big labor—that our voice gets lost in the crowd."

Big business, almost as much as the Government, was a target for the grumbling of the independent operators.

Said Marshall Brewster, whose Brewster Foods is a food processor at Reseda, in California's San Fernando Valley: "For his own self-preservation, the small businessman—more than ever before—must form a good strong alliance against big business, to prevent being swallowed up by big business."

Ernest L. Gibson of Gibson's Pharmacy, Oroville, Calif., made these comments on the problem:

"With money hard to come by, our competitive position is deteriorating. Looking at the business climate from the small operator's point of view, our days are getting shorter because of mergers. Larger firms are taking over."

Most of the small businessmen who came to Washington said they were currently prospering, with trade, in many instances, better than they had expected. They also admitted many who stayed home were in less fortunate circumstances. And collectively they worried about the future.

William L. Humphreys, of Northern Neck Office Equipment, Inc., Kilmarnock, Va., said his profits were up. But he added:

"My chief concern is inflation. We have to pay more for merchandise and more for freight and more for taxes and more for labor

and more for delivery. So we have to do more business just to maintain the same amount of profit."

**"MORE EXEMPTIONS"**

Taxes, for these men, are an ever-present problem.

"Taxes have gone up so much," said Carl Preer Hinson, who runs a women's specialty shop in Plant City, Fla., "that by now the small businessman barely gets by, since all that comes out of your profits. We need more exemptions, or something, so that we have more money to operate on."

Along with others, Mr. Hinson viewed with alarm the continuing rise in Social Security taxes. "I go along with the idea," he said, "but we still have to carry half the load."

And Mr. Peters of Portland, Ind., said of Social Security: "The costs are snowballing so much faster than was ever anticipated that they are becoming burdensome for the small employer."

It is not only the amount of taxes that concerns many of these men, but the paper work that goes with them.

"The terrific load of tax reports we have to fill out is our biggest burden," commented Willis Bucher, who operates B&L Auto Service in a suburb of Toledo, Ohio. "Ten years ago we were probably making out half the tax reports we do for the same number of employees today."

Frank Zacchera of Suburban Sanitation Service, Avon, Conn., said he feels that big business gets a better tax break than he does, in part because "I can't afford to hire a full-time tax man; if I could, I'd probably get a better shake."

Government-inspired paper work received constant criticism. This report came from Ernest R. Schofield of the Regional Construction Company, Sudbury, Mass.:

"We do a lot of Government contract work. I have two people in my office doing nothing but Government reports. And since my firm does less than a million dollars a year in business, you can see how bad it is."

Milton M. Kinate of Forrest Milk Products, Forrest, Ill., said, "There is so much that we don't have the personnel to handle it." He added: "Paper work seems to drown many small business people."

And George C. Bates, who operates the Bremerton Business College, Bremerton, Wash., noted: "It takes so much time to handle the forms required by the federal and State governments that the cost to the public must be higher because of it."

Earl Allen, Jr., of Allen Realty, Minot, N.D., estimated that paper work had swelled 800 per cent in the 25 years he has been in business and said, "Somehow, we have to get this thing turned around."

Welfare programs, unemployment compensation and proposals to raise the minimum wage—Congress is considering a hike from \$1.60 hourly to \$2—all came in for a share of criticism.

**"I CAN'T GET PEOPLE"**

Mr. Henry, the San Antonio contractor, observed:

"With all of this unemployment we're supposed to be having, it's awfully hard to hire people to work. The Government is making it very easy not to work, what with welfare, food stamps and the other giveaway programs. People just drop out of the work force. I certainly can't get people at the minimum wage."

Floyd O. Crawford, the owner of Crawford's Enterprises, a petroleum-maintenance and construction firm based in Baton Rouge, La., said, "I can't get people to work for me at any price, and this includes laborers and all kinds of workers." He continued:

"I have crews working in four different States. Each job takes maybe a week to two

weeks. When we go into an area we try to hire local people, if possible. But when they hear how short a period, they aren't interested. The shortness of it upsets their unemployment compensation or their welfare payments."

Vernon C. Cox of A. F. Speed Company, painting subcontractors in Birmingham, Ala., complained of what he called "compulsory Government" and said, "I need the latitude to employ people who can perform at a price I can afford."

August Koch of Dundalk Florist, Baltimore, Md., said an increase in the minimum wage will boost his payroll by \$23,000 a year.

Charles Appling, Calvert Coal Company, Pikesville, Md., maintained that "wages now aren't realistic with potential productivity."

**"WE CAN'T AFFORD IT"**

John R. Klee, who operates the Automatic Rug Cleaning Company, Inc., in Rochester, N.Y., said:

"Wages should depend on production. A lot of people—older people, handicapped people, kids—should have jobs today, but we can't afford it."

For some of the businessmen discussing minimum wages, it was the principle, rather than the amount, that was of most concern.

Normon E. Hornsby, a wholesale distributor of auto parts in Alexander City, Ala., put it this way:

"An increase wouldn't affect me too much, because I already pay above the minimum. But I'm against the Government saying I have to pay that wage."

**SHARED PROBLEMS**

The Washington conference made no effort to reach a consensus. Nor did it follow the usual convention pattern of adopting sources of resolutions.

But the businessmen and women who attended learned one thing without question: Whatever their own problem, there are many others who share it.

**BADILLO BACKS BLACK CAUCUS PROGRAM**

**HON. HERMAN BADILLO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BADILLO. Mr. Speaker, I wish to call the attention of my colleagues to the recent statement by the distinguished gentleman from Michigan (Mr. DRGG) on behalf of the congressional black caucus in response to President Nixon's apology for his administration's failure to deal with problems facing black Americans, the poor and the young.

The black caucus has done the U.S. Congress and the American people a great service by challenging the administration to respond to the highly innovative and far-reaching set of recommendations it presented to the President on March 25. The barrenness and banality of the 100-odd page recitation of past promises and present nonpolicies provides conclusive evidence that Mr. Nixon and his appointees do not intend to take any new or effective action in this field.

The administration claims to be concerned about job opportunities, yet unemployment in the inner city soars even while the administration opposed legis-

lation creating a new program of public service jobs and its leaders in the House form an alliance with southern conservatives to emasculate a bill giving the Equal Employment Opportunity Commission cease-and-desist powers.

The administration claims to be concerned about poverty and welfare, but its family assistance plan is so inadequate as to be merely a caricature of real welfare reform. The administration's opposition to increasing the minimum wage to \$2 or \$2.25 an hour this year and its ill-disguised attempt to kill the VISTA program put all the brave rhetoric in a different perspective.

Rhetoric, too, is all we have from the administration when it comes to school desegregation. Its emergency school aid bill is little more than a \$1.5 billion bribe to induce southern school districts to undertake what the courts have already ordered. I challenge the President to back up the charge of hypocrisy he leveled at the North from the safety of an Alabama speech platform. I challenge him to ask Congress to enact legislation Senator Ribicoff and I have introduced to achieve school integration nationally.

The statement by the black caucus makes a very telling and very chilling point: This administration does not even understand the critical problems facing minorities in this country much less have the resolution to design and implement the sweeping and costly reform program that is needed to solve these problems. We cannot hope to progress in this field until the decisionmakers downtown come into the 20th century.

It is inconceivable to me, Mr. Speaker, how this administration can continue to be so unresponsive on issues of such major importance. President Nixon seems to be pursuing a calculated policy of massive resistance to using the power of the Federal Government to improve the lot of minority groups in the country.

I commend and congratulate the black caucus for forcing the administration to go on record on policy questions it so dearly wants to avoid as it courts the South and the suburbs in preparation for 1972. But the groups that are now being overlooked are growing daily in political consciousness and unity. They will constitute a powerful, aroused, and demanding voting bloc in 1972 if something is not done soon.

I pledge to work with my colleagues in the black caucus to enact the constructive proposals already put forward and to cooperate with them in formulating legislative programs to attack other pressing problems now being ignored. Our most important mission is to fill the vacuum left by the present administration until new leadership more attuned to the needs and aspirations of the mass of the people can be raised to positions of power in 1972. I know that Members of both political parties motivated by principle and not partisanship will join with us.

I urge all my colleagues in the Congress to read very carefully the thoughtful statement by the black caucus

which I insert in the RECORD at this point:

MAY 24, 1971.

Representative CHARLES C. DIGGS, JR.,  
Chairman, The Congressional Black Caucus,  
Washington, D.C.:

Expressing "deep disappointment" generally with President Nixon's reply to their recommendations of March 25, the Congressional Black Caucus charged today that the Nixon Administration lacks a sense of understanding, urgency, and commitment in dealing with the critical problems facing Black Americans, the poor and the young.

In responding to the President's report, which was released last Wednesday, the Black Caucus said, "We were initially heartened by the evidence offered by the report itself that the President had taken our March 25th meeting with him sufficiently serious enough to respond to our concerns. But in reality (the President's) document constitutes less a response than a reply, couched predominately in the form of bureaucratic reports intent on justifying the status quo."

The Black Caucus went on to say, "Time and again, throughout the 100-odd pages, the Administration has shut off the possibility of new and, we believe, promising initiatives. Too often it proposes no genuine alternatives at all. Instead, government officials have devised tortuous and sometimes disingenuous explanations for shortcomings of existing policies and programs affecting minorities, the poor and the cities."

Although disappointed with the President's response in general, the Black Caucus said there were "some indications of forward movement" in the President's report. These "indications" include, the Caucus said, the President's request for an extra \$64.3 million to put disadvantaged teenagers to work, the Administrator's declared intention to request an additional \$15 million for Black colleges and universities for fiscal year 1972, and the Administration's response to the recommendations made by the Black Caucus on the drug crisis.

However, the Black Caucus concluded in its report that, "The predominate thrust of the Administration's reply places one central fact in harsh perspective: National decision-makers do not define the critical problems facing Blacks, the poor, our youth and our nation in ways which may result in their resolution and are not yet prepared to commit the necessary power and resources to achieve their own stated goals."

In touching upon its future course of action, the Caucus said, "We intend to go forward resolutely in seeking implementation of the recommendations we have already made and in formulating and seeking action on others which we and others will be able to advance more precisely in the months ahead."

Asserting that they would not be obscured "by partisan blinders where the interests of our constituencies and our ability to serve them effectively are concerned, the Caucus said they have held meetings with the House Democratic and Republican leadership and are scheduled for a meeting with the Senate Republican leadership to discuss their legislative recommendations.

The Caucus response said that they have not begun shaping issues and strategies for 1972, but stated, "Standing on the threshold of this summer and what may be for many families a bleak winter beyond, we cannot permit ourselves the luxury of thinking and acting only in terms of 1972. If the country does some of the things it should and must, we would hope to have a less polarized and less inequitably balanced society by 1972—as well as some significant increase in the membership of the Congressional Black Caucus."

The Caucus warned that "the days of taking Black and poor voters for granted is over." The Black lawmakers stressed that "the legislative and executive branches of government particularly must be more accountable to the most neglected of our citizens than they have been in the past. As elected officials, we expect to be held no less accountable."

Calling upon the organizations and leaders of Black and other minorities to join them "in making the country and its political leaders aware that a new political and social consciousness is beginning to stir in the land," the Black Congressmen said they hope to effect coalitions of interest with those who share their deepest concerns.

In its report, the Black Caucus described the following areas of substantial disagreement with the President's response: Revenue Sharing, Housing, Employment, Welfare Reform and Civil Rights.

#### DOUBLE-STANDARD TRADE POLICY

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1971

Mr. BYRD of Virginia. Mr. President, the May 8 edition of the *Canton, Ohio, Repository* included an excellent editorial on the subject of U.S. trade policy toward Rhodesia.

The United States has in effect a ban on all trade with Rhodesia. I have introduced legislation, S. 1404 which would remove the prohibition against importation of chrome ore, a strategic commodity from Rhodesia.

I ask unanimous consent that the text of the editorial, "Double-Standard Trade Policy," be printed in the *Extensions of Remarks*.

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

#### DOUBLE-STANDARD TRADE POLICY

On President Nixon's trip to Romania some time ago he spoke in favor of trade with this Communist country, despite our philosophical differences. He further pointed out that the United States has no intention of interfering in the domestic policy of other countries.

When we look at our policy toward Rhodesia, it would appear that our diplomacy operates on a double standard. Despite the recognition that chromium is vital to national defense, the United States elects to pay twice the price formerly paid and at the same time rely on the Russians for a strategic material.

A bill has recently been introduced in the Senate by Sen. Byrd of Virginia to amend the United Nations Participation Act of 1945 by preventing the President from imposing sanctions involving strategic and critical materials against any free world country as long as like material is being imported from any Communist country.

In 1970 the United States imported 3 million tons of chromium ore, this product being the principal Soviet export item to this country.

In addition to our reliance on our natural adversary for chromium, the price of this metal, some of which is allegedly mined in Rhodesia, was increased from \$30 to \$50 a ton.

It is high time that the United States fol-



lows a policy of self-interest rather than being led by the nose by the United Nations.

### SCARCITY OF SUMMER JOBS ADDS TO UNEMPLOYMENT PROBLEM

#### HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. CARTER. Mr. Speaker, efforts to ease the unemployment problem in our Nation today will suffer additional setbacks as more and more young people leave school for the summer.

During the coming months, these young people will be looking for employment which, in many instances, they must find if they are to continue their education. I believe it is essential that we provide employment for high school and college students.

We should also emphasize more than ever job training and job placement for Vietnam veterans. I trust that more effort will be made toward providing job opportunities for all of our young people.

I include this article from the Louisville Courier-Journal for consideration:

#### THE SCARCITY OF SUMMER WORK: AN ILL WIND FOR KIDS AND CITIES

When family men are being laid off in mid-career and brand new PhDs are walking from the commencement line directly into the unemployment line, news that teenagers can't find summer jobs is the stuff yawns are made of. You might as well put banner headlines on the weather forecast.

But, as flood and hurricane victims know, weather forecasts sometimes portend ominous things. And so can job forecasts.

After the riotous summer of 1967, when more than 100 American cities suffered outbreaks of violence and burning, city officials and ghetto-dwellers alike cited the absence of employment opportunity for their children as a major cause. A year later, Louisville endured a three-day ordeal of civil disorder. One cause: too many idle, bored youths standing on street corners to nowhere.

This is not to suggest that every out-of-work teen-ager is a brick-thrower or that the disorders wouldn't have occurred if all the kids had been working. The complaints and their causes during those years were myriad. But thousands of idle young thrown for the summer onto the streets that are restless all year anyway . . . It's a straw to strain the back of the hardest camel. It's a catalyst which, unlike its chemical counterpart, becomes part and parcel of the volatile mixture it enters.

Within another 11 days Louisville and Jefferson County schools will have dismissed 100,000 job-seeking teen-agers for the summer. The Rev. Charles Roppel, executive director of the Louisville-Jefferson County Youth Commission, estimates that 20,000 of these young people are from low-income families and need jobs to stay in school or to "make any kind of positive contribution to the community." And 20,000 is the number of wage-paying jobs that the various youth employment agencies expect to materialize in the area. It's unlikely that needy youths will get them all.

#### OUTLOOK GROWS BLEAKER

Even among those whose problem is idleness, not money, the competition is keen.

Local hospitals, camps and agencies that employ volunteers are finding more potential helpers than they can use.

It's a national problem, and not a new one. Last summer, the youth unemployment rate was 15.7 per cent, compared to 12.8 per cent in 1969. In January, it was 17.8 per cent, compared to 13.6 per cent in January 1970. And for non-white youths, it was 31.7 per cent, compared with 16.2 per cent among whites. The Bureau of Labor Statistics says these figures understate the problem because hundreds of thousands of young people were discouraged from even seeking work by the bleak job outlook.

The Bureau also predicts that the unemployment rate will be at least as high this summer as last summer, probably higher. The National Alliance of Businessmen, a joint effort by private business and the government to hire the poor, set a goal of 200,000 jobs last year and found 142,000. This year, its goal is 150,000, and a spokesman says it'll be lucky to find 100,000, because of adult demands for jobs.

Government's attitude toward these bitter facts has been particularly discouraging. In March and April, urban coalition leaders and mayors of the nation's largest cities met with President Nixon to warn him that the total effect of the economic slowdown, revenue shortages by local governments and unemployment "have created an extremely volatile climate in our cities." Senator Jacob Javits and 13 other senators asked Mr. Nixon to request \$144 million extra to supplement the \$164 million already appropriated for the Neighborhood Youth Corps summer-job program. But Mr. Nixon requested only \$64 million extra—for an additional 100,000 NYC jobs—and even that hasn't yet been passed by Congress.

#### WHERE IS THE MONEY?

Mr. Nixon also disbanded the President's Council on Youth Opportunities, which had been effective in spurring the federal agencies and city-wide job coordinators to make more openings available. Also, there's less government money available this year to provide transportation for those youths who are lucky enough to land jobs.

There's no scarcity of work to be done. There are rats to be killed, drainage ditches to be cleared. City parks are littered faster than regular work crews can clean them. Ditto state parks. Ditto national parks. Ditto streets and roadsides. But the money is scarce, unless you want to fight a war or build an airplane.

He who has raised the bed pan to such glorious heights in his rhetoric about welfare should now lead our Congress and our local governments in a conscientious search for bed pans, for there are many who are willing to carry them. And those who constantly urge our young to "work within the system" should try harder to find, or create, places for them within that system.

### CONGRATULATIONS TO THE PRESIDENT FOR HIS CONTINUED LEADERSHIP IN SUPPORT OF THE ARTS

#### HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. HUNGATE. Mr. Speaker, I congratulate the President on continued leadership in support of the arts. I understand that he has requested that the appropriation for the coming fiscal year

be doubled and it should be noted that the current fiscal year's appropriation represents a doubling of the previous year's appropriation.

I urge the Congress to back the President wholeheartedly on this issue and call attention to the following item from the Associated Press wire:

WASHINGTON.—Spokesmen for the Nixon administration said today the White House is firmly committed to Federal support of the arts and will step up its efforts in the field.

"The administration is going to firmly and continuously back these programs," said Miss Nancy Hanks, chairman of the National Endowment for the Arts. She forecast "a slow change that is going to be dramatic in its effects."

Miss Hanks spoke at a news briefing attended also by a White House staff member who specified that his name not be used.

"The President has made known to officials having responsibility in the area his very deep conviction of the role of artists and artistic institutions in the national life," this man said.

It was announced that President Nixon will speak tomorrow at the annual convention of the associated councils of the arts, a New York based organization whose members include members of State and local arts councils and other organizations in the field.

The White House source said that, as far as he knows, this is "the first time a president has gone out of the White House to speak of the state of the arts." He said the tentative decision to do so was made at a conference in early April at which Nixon spoke of the coming years leading up to the Nation's bicentennial as "an unparalleled and critically important opportunity to revive the national spirit."

Nixon has asked Congress to appropriate \$30 million in the fiscal year beginning July 1 for arts endowment grants to organizations and individuals in the fine and performing arts. That is double the amount voted this year, which itself was double that available the year before.

### LEST WE FORGET

#### HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. MILLER of Ohio. Mr. Speaker, in a land of progress and prosperity, it is often easy to assume an "out of sight, out of mind" attitude about matters which are not consistently brought to our attention.

The fact exists that today more than 1,550 American servicemen are listed as prisoners or missing in Southeast Asia. The wives, children, and parents of these men haven't forgotten, and I would hope that my colleagues in Congress and our countrymen across America will not neglect the fact that all men are not free for as long as one of our number is enslaved.

I insert the name of one of the captured:

Lt. Comdr. John George Graf, U.S. Navy, 181318, Kaneohe, Oahu, Hawaii. Married. Officially listed as a prisoner November 15, 1969. As of today, Lieuten-

ant Commander Graf has been held captive in Southeast Asia for 563 days.

#### THE GROWING IMPACT OF PAYROLL TAXES ON MIDDLE INCOMES

**HON. BARBER B. CONABLE, JR.**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. CONABLE. Mr. Speaker, among the myths that have been overnourished in our congressional environment is the mistaken view that we can take our social security system for granted, continuing to give indiscriminate and unplanned benefit increases without accountability to the taxpaying workingman. The social security system is a cornerstone in the retirement plans of more than 70 million Americans, and its soundness of predictability must be protected from the inevitable reaction from aroused wage earners if it is not wisely administered. The payroll tax is regressive, and it needs our attention and study before the growing pressures on it lead us to foolish steps destructive to the credibility of Government and the confidence of the workingman. I am submitting herewith a thoughtful analysis of tax policies and tax politics by David Broder, in a recent Washington Post article, which I believe merits the attention of all my colleagues, and of the Nation as a whole:

#### DEAFENING SILENCE FROM THE POLITICIANS— THE GROWING IMPACT OF PAYROLL TAXES ON MIDDLE INCOMES

(By David S. Broder)

Among the many publicly unexplored issues buried in H.R. 1, the welfare reform and social security bill devised by Chairman Wilbur Mills (D-Ark.) and the House Ways and Means Committee, is a tax increase on middle-income families that will almost double the size of the second-biggest bite on their paychecks in the next six years.

Under the bill, the Social Security tax rate will rise in three steps from the present 5.2 per cent to 7.4 per cent in 1977. The wage base for Social Security taxes will increase from the present \$7,800 to \$10,200 next year, with the result that the payroll tax for a man making a bit less than \$200 a week will rise from \$405 to \$755 a year.

By contrast, that same autoworker, supporting a wife and two children and taking only his standard deductions, will have an income tax bill of \$1052 this year, decreasing to \$995 with next year's scheduled income tax reductions.

What this example indicates is that payroll taxes are becoming an increasingly important part of our revenue system—yet one which has largely escaped debate, either in political campaigns or in the tax-writing Ways and Means Committee.

Unbeknownst to most Americans, payroll taxes now constitute the second largest source of federal funds—and the fastest-growing. Payroll taxes provide more income to the treasury than corporate income taxes or any other federal taxes except the individual income tax. And the 1972 budget estimates that between last year and next, payroll taxes alone will rise \$12.3 billion, while individual and corporate income taxes combined will grow by only \$7.2 billion.

What this means is that we are becoming increasingly dependent for federal finances on the payroll tax, a tax that is not progressive, that has little relationship to ability to pay, and whose burden hits hardest on low- and middle-income wage-earners.

That this can happen without a murmur of debate or political controversy indicates just how insensitive to real pocketbook issues the Washington politicians have become, particularly those Democrats who control Congress and parade as the champions of the average man.

The impact of payroll taxation has been amply documented in the studies of such Brookings Institution specialists as Alice M. Rivlin and Joseph A. Pechman. It appears also in the report of the administration's advisory council on social security. But it is almost as if there were a conspiracy of silence by politicians to keep the taxpayers and the voters unaware of these issues.

In part, the Brookings studies suggest, the social security tax system has been protected from debate by two carefully cultivated myths. One is the notion that it is a "social insurance" system, in which an individual's contributions (taxes) are held in trust for him and returned, with interest, as retirement benefits.

In fact, it is not. It is, rather, a system of transfer payments to currently retired people, financed almost entirely by taxes on the working generation. There is nothing wrong with this, in principle, but it is not what people think it is.

The second myth is that the employer pays half the social security tax. In a literal sense, he does, but, as the Brookings studies demonstrate, the whole tax really falls on wages and the wage-earner, because the amount the employer pays in social security taxes he would otherwise be putting into the paycheck.

This is worth emphasizing. When the Social Security system began 35 years ago, the tax rate was one per cent each on employee and employer on the first \$3,000 of annual earnings. With the new bill, the combined rate rises to almost 15 per cent of the payroll on wages up to the \$10,000 level.

That tax is levied regardless of the number of dependents or legitimate deductions the earner has. It gives no real consideration to his ability to pay.

This year, as the Brookings analysts have noted, a family with a husband earning \$7,000 and a wife earning \$5,000 will pay \$624 in payroll taxes (5.2 per cent). A family with the identical income from one wage earner would be taxed only \$405.60 (3.4 per cent).

That is one inequity. Another is pointed up in the advisory council study. When the social security system began in the 1930s, the \$3,000 wage base included all the earnings of all but three per cent of the workers. The wage tax, in those days, was, in effect, the same tax on everyone.

But in recent years, Mills and his committee have been reluctant to push the wage-base ceiling up as fast as inflation and earnings have increased. Today, somewhere between 20 and 25 per cent of the wage-earners make more than the wage-base limit. These well-off workers get a real break on social security taxes. A \$23,400-a-year man, for example, gets just as big retirement benefits as a \$7,800-a-year man, but the effective payroll tax rate on his income is just one-third of the lower-salaried man's.

There are ways in which these inequities could be remedied. Proposals have been made for years to shift a portion of social security financing onto the progressive income tax and off the regressive payroll tax.

Without going that far, there could be a system of deductions or income tax credits

that would help the low-income wage earner who now is hit hardest by payroll taxes. But Congress, under Democratic control, has done exactly the opposite in recent years, cutting income taxes and raising payroll taxes, and thereby making the whole federal tax system more regressive. According to participants in this year's Ways and Means sessions, the question of social security taxes did not receive any extended discussion. If Mills is successful, as usual, in obtaining a closed rule for the bill, there will be no meaningful opportunity for presenting amendments to it on the House floor.

This example—and it is only one of many—suggests the price that is being paid for letting vital questions of economic policy be settled in the politically insulated, tightly controlled environment of the Ways and Means Committee's closed sessions. Too many members of Congress have become accustomed to letting Wilbur Mills do their thinking and decision-making on difficult questions.

But it also indicates something else: the peculiar insensitivity of the leading Democratic politicians, including the presidential aspirants, to the economic issues. Discussing the inequities of payroll taxing may not attract as much praise at Georgetown cocktail parties as a ringing denunciation of the bombing in Laos or the tactics of the Washington police. A candidate who took a serious look at our tax system might even suffer a sudden shortage of campaign contributors. But there are issues that can be raised, wrongs that can be righted, and votes that can be earned by the politician who will deign to consider matters that matter to wage-earners.

#### PELLY QUESTIONNAIRE

**HON. THOMAS M. PELLY**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. PELLY. Mr. Speaker, my staff has just completed a tabulation of more than 20,000 responses which I received from 166,000 questionnaires sent to each of the 166,000 postal patrons in the First Congressional District of Washington State, which I have the honor to represent.

The results of the replies to this questionnaire follow:

1. Do you approve or disapprove of the way Richard Nixon is handling his job as President? Approve, 53.52 percent; disapprove, 43.55 percent; no opinion, 2.93 percent.

2. Do you approve or disapprove of the way President Nixon is handling the Vietnam situation? Approve, 53.36 percent; disapprove, 43.53 percent; no opinion, 1.11 percent.

3. A proposal has been made in Congress to require the U.S. Government to bring home all U.S. troops before the end of this year. Would you favor the withdrawal of all U.S. troops by the end of 1971 instead of backing the President's withdrawal schedule? Yes, 44.98 percent; no, 53.54 percent; no opinion, 1.48 percent.

Mr. Speaker, with the answers to these three questions came a great many comments of my constituents on other issues, and from additional views, I obtained a rather comprehensive idea of the people I represent. There were many expressions of appreciation for the op-

portunity to communicate with me; and likewise, I was grateful to large numbers of individuals who took the time and trouble to give me the benefit of their views.

ADDRESS OF SECRETARY OF COMMERCE MAURICE H. STANS

### HON. JOHN W. BYRNES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BYRNES of Wisconsin. Mr. Speaker, at this point in the RECORD I include the remarks made yesterday by Secretary of Commerce Maurice H. Stans, before the 40th annual Conference of the International Wool Textile Organization:

ADDRESS BY HON. MAURICE H. STANS

May I first say that I am doubly pleased by this opportunity today to open the 40th Annual Conference of the International Wool Textile Organization.

First, it is a great honor to bring you the greetings of the President of the United States, who extends to you his best wishes that your meetings will be pleasant and fruitful.

Second, it is a great pleasure personally for me to welcome you officially to Washington, and to thank you for the hospitality which many of your countries have extended to me.

We are always especially pleased to greet our visitors from other nations—and we invite you to see and enjoy as much as possible of our capital city and this country during your time with us.

#### SUBJECTS

Wool is one of those few commodities that has been common to most of mankind throughout most of history, and I know this Organization has served your industry and your countries and your customers exceedingly well over these past 40 years.

At the outset, however, I must disclaim any significant knowledge of the international wool industry or its problems today, so in these remarks I will not attempt to offer a preview of the course of your meeting.

Instead, it seems more appropriate that I should address you on a broad scale. So I propose to review for you two significant subjects that will be of general interest to you—first, the state of the U.S. economy; and second, the evolving United States position in world trade.

Both of these are matters in which all of our countries have a common interest.

#### U.S. ECONOMY

Concerning the condition of our American economy, let me reassure you. It is strong and healthy. The fiscal and monetary policies which President Nixon has pursued very carefully and diligently are restoring the nation's steady economic growth, which was seriously imperiled by national policies that prevailed throughout much of the 1960's.

As a result of the President's expansionary program, the evidence is now clear that the slowdown of 1970 has given way to a major upswing in 1971.

The composite index of leading business indicators has now risen for six straight months in a row.

Personal income is at an all-time high.

The Gross National Product reached a record level in the first quarter.

Housing starts are up substantially, and this is helping other industries as well.

Retail sales are moving up.

Credit is available at lower interest rates.

Stock market prices are 42 percent above the level of a year ago.

Businessmen are increasing their capital spending.

Meanwhile, the rate of inflation has dropped substantially, with the increase in our consumer prices down from a rate of about 7 percent in early 1969 to around 3 percent today.

Significantly reducing the rate of inflation will be of great help to us in improving our balance of payments position, and this is a matter to which we are addressing serious attention.

So all of these indications give clear, firm evidence that we are well underway with a healthy, sustainable economic expansion. The slowing process last year was deliberate in order to bring inflation under control, and the United States will soon have its domestic affairs in order.

#### TURNING POINT

Now for our trade policies:

Against that economic background, you are holding your first meeting here in Washington at a very significant time in the history of world trade:

The Common Market stands on the brink of unprecedented expansion as the world's largest trading bloc;

Japan has achieved such phenomenal success that she is now the third largest economy of the world.

The United States, no longer the only world superpower, finds its market position seriously deteriorating.

Faced by these facts, the United States is in the process of making some fundamental reappraisals of its trade policies.

Today, in reviewing these conditions I would like to deviate from the usual course by giving you, first, my conclusions on what these circumstances portend for all of us, and then come back to some of the specific issues involved.

#### U.S. POSITION

For its part, the United States will continue to be governed in world trade by our fundamental commitment to the principles of fair and open commerce.

Ours is the freest and most open market in the world. There are fewer restrictions on selling or investing here than anywhere else on earth.

The United States is not going to withdraw from the international economy into the discredited shell of economic isolationism.

No country which seeks fair and reciprocal trade policies among the world's trading nations, as we do, could believe that trade is a one-way street.

No country committed to removing non-tariff barriers around the world, as we are, could expect to live behind its own barricades at the borders.

No country engaged in export expansion, as we are, could abandon the highways of international commerce.

We need access to overseas markets just as other nations need access to ours. There is no such thing as "going it alone" in the interdependent world of today.

#### SIX POINTS

Having cited these six points about our own commitment and our own philosophy, let me suggest an equal number—equally valid—for other nations of the world to consider:

First, none of the countries or blocs of nations hoping to profit in today's trade world can hide behind fortified protectionist positions. We cannot have open world commerce among closed blocs of nations.

Second, the United States cannot be expected to practice open trade and free investment unless other nations do the same. The rules of international commerce must be fairly applied by all countries.

Third, American goods cannot be foreclosed from foreign markets by the deliberate discriminations of other countries, at a time when they are growing in competitive ability while our own relative position is declining.

Fourth, the cooperation of all nations must accelerate in the common effort to bring down the non-tariff barriers to trade which blockade so many avenues of international commerce.

Fifth, we need to reconsider the role of the GATT in international commerce, seeking both a strengthening of its rules and greater adherence to them by all member nations.

Sixth, the only way to achieve freer trade is through fair trade under true reciprocity.

#### THREE PROPOSALS

For its part, the United States is taking several significant steps to fulfill the six points of its commitment.

Two years ago I first called upon our major trading allies to join us in a renewed commitment to the four freedoms of economic cooperation—freedom to travel, freedom to trade, freedom to invest, and freedom to exchange technology.

Toward the fulfillment of those ideals I have proposed that we deal with the problems of non-tariff barriers on the basis of an "Open Table" principle, examining them together and openly in the same reciprocal manner as was done so effectively with tariffs in 1962. This means that all conditions affecting trade, written and unwritten, must be brought into the open and dealt with under reciprocal principles.

It is gratifying to report that some progress is being made in this direction—but it is frustratingly slow and incomplete.

More recently I have proposed that other countries and we begin to look ahead to an international agreement to assure the free flow of investment capital across the borders of the world, and to guarantee that the rules governing the use of capital and its earnings not be changed after it has gone to work in any country.

#### PRESIDENT'S ACTIONS

Beyond these proposals, President Nixon has taken several specific actions—and has proposed more—to achieve freer trade for all of us, in a context of fairer trade conditions for the United States:

He appointed the Williams Commission more than a year ago to make a thorough study of U.S. trade policies and programs; it will soon report its findings and recommendations.

The President recently created a new Council on International Economic Policy to devise long-term policies and programs, recognizing at the White House level for the first time in our history that matters of international commerce and finance must rank along with domestic concerns, diplomatic considerations and military interests as matters of the highest national priority.

Toward the expansion of two-way trade he has committed the United States to the concept of tariff preferences for the developing nations; and he has asked the Congress for authority to negotiate limited tariff reductions in other circumstances.

He has liberalized our trade with Eastern Europe, and has taken an historic initiative toward the same goal with Mainland China.

He has encouraged the most successful export expansion program in American history, and his request for expanded export credit is moving well through the Congress.

Finally, the President has proposed competitive tax incentives for American industry, and his Administration seeks a review of our anti-trust policies insofar as they limit or affect our position in the trading world of today.

#### TEXTILE PROBLEM

Beyond all of these steps, which we are able to pursue internally, there are three fundamental issues of concern to us involving our economic relations with other nations of the world.

Foremost of interest to you is the matter of how the United States will resolve the growing problem of textile imports.

This problem is particularly acute for the American wool textile industry. Imports now account for 28 percent of the total U.S. market for wool products—wool textile output in this country has declined 25 percent in the last year alone—and this is now truly a depressed industry.

The impact of imports on the textile and apparel industry as a whole has been severe: Over 100,000 jobs were lost in the last year, and 549 plants closed in the past two years. Imports of man-made fiber products from Japan alone were up 77 percent in the first four months of this year.

In the absence of international agreements to deal with this problem, President Nixon stated last March that he strongly supports the moderate textile legislation now pending before Congress.

In view of the growth of imports and the damage done to American industry and employment, a solution to this very vexing problem with which we have wrestled for the past two and one-half years is essential.

#### DISCRIMINATIONS

As the second matter of deep concern to us, we are troubled over the many non-tariff barriers to commerce that have been constructed across borders throughout the world.

In one way or another, American business and American products have been placed in competitive jeopardy over the past decade or less by a wide variety of unpublished regulations, administrative rules, tax discriminations, import restrictions, export subsidies and preferential trading agreements.

Using these discriminations, some of our major trading partners are continuing to do business in violation of the rules of the GATT.

Some of the rules of international trade are not being fairly applied by all the trading nations of the world.

We have been expected to put up with restrictions on American products and investments which others do not want us to impose upon them.

We do not seek special advantages from nations with which we do business. But we do seek and expect the end of these barricades to fair competition, so that our two-way trade with the rest of the world may continue to expand.

#### INVESTMENTS

Third, we have a deepening concern for the growing insecurity that faces investment capital in many parts of the world as it flows across the boundaries of nations.

This is not a concern of the United States alone. Hostile attitudes toward investments affect all the nations that permit their capital to be invested abroad, and they jeopardize the future of every developing country that needs more capital than it can create domestically.

The Department of Commerce recently completed a study which shows that in the year 1970 there were some 200 actions by foreign governments that were contrary to the

interests of American and other businesses in their countries, mostly in the field of investment.

Certainly, this is not conducive to a healthy economic atmosphere throughout the world. Capital will go where it is welcome, where it is secure, and where there is the least danger—the least restraint—on investments and earnings.

In many of the countries where foreign investments have been most severely jeopardized, the need for capital is greatest. Some will not be able to generate internally as much as half of their own capital needs to meet the goals and aspirations of their own people.

They cannot hope to rise out of need into the family of productive nations if they impose undue restrictions on the investments they must have, or if they change the rules under which capital operates once it has been brought in.

On the other hand, some brilliant examples of success are beginning to appear in countries where capital has been treated safely, where it has been welcomed without notable restrictions, and where it has not been subject to change in the rules of the game.

The fundamental point to be recognized by every country—investor and invested—is this:

In today's world there is really no longer any such thing as "foreign capital." Capital from any one country, put to work in another, accompanied by technology and productivity, immediately becomes local capital. It produces local products, it employs local people, it pays local taxes, and it generates new local capital. That is how progress is created.

The United States has known this fact, and has benefited from it, from its very beginning. Capital from other countries created the foundations of this nation's amazing prosperity, and it has never been restricted. Even today we encourage others to invest here and others are doing so, with complete freedom to repatriate capital and earnings at all times.

This is the climate we hope will be achieved in all the world, for the benefit of all countries.

#### NEW APPROACH

The time may be approaching when these circumstances that I have described will require a meeting of the nations of the world in a new forum for an historic conference on matters of trade and investment.

As I have indicated, in light of all these conditions the United States already is reevaluating its own trade policies within its traditional commitments and principles.

In light of those same conditions, the time has come for other nations to reevaluate their policies as well.

#### RECIPROCITY

No country has a trade problem unto itself. The issues between us cannot be reduced to a simple choice between free trade and protectionism—either for the United States or for others.

#### CONCLUSION

Business everywhere is out-growing national boundaries.

Trade and investment are the means of establishing ties that can survive temporary political differences.

Trade and investment have shown their great capacity to rise above other barriers to friendship and hold men together in common interest.

Today an economic bond is developing throughout the world in which international business has become man's greatest hope to tie together all the nations of the earth, in abundance and in peace.

WILLIAM S. CARLSON

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. ASHLEY. Mr. Speaker, recently the Ohio Society of Washington, D.C., was privileged to pay tribute to William S. Carlson, president of the University of Toledo, and to hear a splendid address from this distinguished educator.

A university president of note, Dr. Carlson is also a highly respected author and an authority on Greenland and the Arctic.

Because I know that Dr. Carlson's address will be of wide interest, I am taking this opportunity to submit it for the RECORD:

#### ADDRESS BY WILLIAM S. CARLSON

A college president must be prepared to make some kind of intelligent response to a number of questions that he knows will be tossed at him. He hears them at dinner parties, at board meetings, on the street, at Rotary Club or in the barber shop. Here are some samples:

Is it true that most professors are atheists or communists or both?

How come your basketball team didn't win last week?

When are you gonna tear down the temporary buildings? (This TU alumni will understand?)

Why can't I find a parking place?

Why don't you fire every professor who wears a beard?

Why does it cost so much to attend college?

But the one that is heard most often is: "What's the matter with kids today?"

Not only is that the title of a clever song, but it's one of the oldest questions asked by man. I don't know if Adam asked it of Eve (they certainly had a juvenile delinquency problem) but I do know that it is recorded in ancient writings of both Greece and Egypt.

Here is a quotation as an example: "They (meaning young people) have exalted notions, because they have not yet been humbled by life or learnt its necessary limitations; moreover their hopeful disposition makes them think themselves equal to great things—and that means having exalted notions. They would always rather do noble deeds than useful ones; their lives are regulated more by moral feelings than by reasoning—all their mistakes are in the direction of doing things excessively and vehemently. They overdo everything—they love too much, hate too much, and the same with everything else."

This was written in the fourth century BC by Aristotle.

The question was being asked back when many of us were of college age. Perhaps there are some here who would confess to contributing to the picture of flaming youth—coonskin coat, bell bottom trousers, slicked-down hair, bootleg hooch in a flask, ukeles and the Stutz-Bearcat roadster. John Held captured these wild ones in his drawings, especially in that swinging magazine, *College Humor*. Today, to readers accustomed to *Playboy*, these are subjects of nostalgia rather than of concern. For of course we've grown up and settled down and have conveniently forgotten that sometimes we were the despair of parents, pastors, school principals, and occasionally of the local police.

And we nod in agreement with Adlai

Stevenson's remarks when he addressed the students of Princeton: "What a man knows at 50 that he did not know at 20 boils down to something like this: the knowledge he has acquired with age is not the knowledge of formulas, or forms of words, but of people, places, actions—a knowledge not gained by words but by touch, sight, sound, victories, failures, sleeplessness, devotion, love—the human experiences and emotions of this earth; and perhaps, too, a little faith and a little reverence for the things you cannot see."

Yes, we'd agree with these comments for he was talking in terms we understand, but not necessarily in terms the 20-year-old can understand or will accept.

But the old question is asked more widely and insistently now than ever before: "What's the matter with college students today?" The question comes from baffled parents, from frustrated deans of men and deans of women, from editorial writers, from prospective employers and, it seems to me, from a good-sized segment of the public.

Often in the quiet of my study, I ask the question myself. Why shouldn't I, since my business is education and I feel keenly the dual responsibility I have toward these young people and toward society as a whole? This really tears one asunder, because at times it seems that the two are so completely at odds. If youth doesn't trust anyone over 30, and society in turn reacts against anyone under 30 (to pick a figure that emerged out of Berkeley) the outlook is pretty grim. And in our pessimistic moments we are likely to agree with TIME's article which says, "The Youth Cult misleads them into thinking that license is freedom, that untutored whims are tastes, and that ever-jittering motions are deeds."

Is it really this bad? I don't think so. In fact, there are many who see signs of hope amidst this ferment. They contrast it with the apathetic generation of a few years back, and make a good case for preferring activism, even sometimes misdirected, to indifference.

Samuel B. Gould, my successor as president of the State University of New York, now retired, said in his 1966 commencement address at Alfred University:

"Every generation of youth has felt alienated from the world around it, and always for different reasons relating to the contemporary scene. Demonstrations to end wars are not the exclusive creation of this generation, although the techniques of demonstrating have changed. . . .

"The trend toward activism by students must be met with a corresponding trend toward student preparation of the most intelligent and constructive kind of activism. . . .

This is echoed by former Chancellor Franklin Murphy of UCLA, who says:

"I see no alternative to student involvement and reasonable—I wish to emphasize reasonable—student activism if one wants to train something other than mechanical morons."

The former vice president for Student Affairs at The University of Michigan, Richard L. Cutler, three years ago said that at that time there were perhaps fifty hard-core, dedicated and consistent protesters on the campus at Ann Arbor. (I doubt that the number has changed appreciably.) Cutler defined a student activist as a young person of serious turn of mind who wants to change things in his world NOW. The most violent of the extremists, who disrupt our campuses, are not students—a fact you should bear in mind.

In somewhat larger numbers but still a small minority are those who would destroy the university unless it capitulates to all their demands. These are the members of SDS—Students for a Democratic Society—a national organization of the new left whose totalitarian tactics, abuse, harassment and obscene vilification remind us of the Nazi

bully boys of the 30's. They have no influence on the TU campus because our students recognize them for the phonies they are.

The principal problem arises because these activists feel alienated from the process of decision and consequently they are loud in their criticisms and complaints about the "system," the "administration," the "establishment." That they may not yet be well qualified to participate in such decisions makes no difference to them. They are concerned with the fact that decisions made by members of an older generation affect them and their lives—in matters of war and peace, of mass killing, of spending the nation's wealth, in education, in race relations, and in many areas of personal rights.

In a series about the "Youthquake," the Los Angeles Times reminded us that half of all Americans are under 25. No wonder the rest of us in the other half are worried. In earlier times the activists—black sheep we called them in those days—had an outlet for their rebellion. They simply ran away from home. Now they stay and make it their chief order of business to annoy their elders.

These annoyances include loud protests in a number of areas. For example, on a national scale we find that favorite topics are Viet Nam, the draft, the bomb and the race question and all its ramifications. It was interest in the last one which helped develop marches, sit-ins and the offspring of the latter—teach-ins. In these and other matters of concern students are reflecting the doubts of many adults as well—the only difference being that most adults would hesitate to express their feelings as openly as do the younger people.

In the area of their personal lives, the youth express their feelings about free speech in its many manifestations including the dirty speech movement, LSD and the drug question, sexual freedom, and unconventional dress and personal appearance.

A university finds all these to some degree, plus mounting cries about dormitory rules, especially as to hours and visitors of the opposite sex; the old doctrine of *in loco parentis*; complaints about what is taught and how it is taught; questions about university discipline and academic freedom for students, and the administration of the institution itself.

At this point I might say that when an alumnus visits his alma mater his most violent reaction is likely to be set off by the dress and personal appearance of some of the students he sees. On our own campus it was possible for many years to forbid girls to wear slacks and men to wear Bermuda shorts in classrooms or the library. (The other day I had an anonymous note from a female employee asking if we had a ruling against wearing a pantsuit to work). Such restrictions, whether or not they ever made sense, are just not enforceable today in any except the most strict of private institutions. The woman shopper who arrives at the supermarket with her hair in curlers and wearing short shorts and sandals showing dirty feet is not unusual. It may hardly come as a surprise if her daughter sees nothing out of line in dressing for school in dungarees and sneakers. But, thank goodness, the great majority of students still are clean and attired in good taste. The only difficulty is that the non-conformists are so conspicuous. That's why the public relations officer at The University of Michigan says they try to keep alumni out of the basement of the Michigan Union. One look at the couple dozen beatniks who congregate there and the old grad is convinced that the entire institution has gone to pot.

As to campus protest movements, Roy Lieuallen, chancellor of the Oregon State System of Higher Education, notes that institutions can even take some pride in stu-

dent protests IF they are expressed through effective and orderly channels. This of course is in contrast to deliberate violations of established law—and of good taste.

He notes a number of campus-generated sources of unrest:

1. The growth of institutions, especially the rate of this growth. All of us suffer pains as we try to adjust to the needs of ever-increasing numbers of students and faculty members.

2. The growth of graduate instruction. This means more faculty attention at the upper levels so that the undergraduate may get short-changed.

3. The increase in research. Again, since successful research is a royal road to status, promotion, fame and financial reward, the faculty member may emphasize this in preference to teaching. Once more the student feels he is being gypped.

4. The very nature of education itself, which MUST encourage students to be critical. Dr. Cutler of Michigan has pointed out that a university must tolerate doubt, skepticism and the questioning mind, even non-conformity. It cannot determine arbitrarily on matters of politics, custom or ideology without stifling the very thing it exists to encourage.

Even at Berkeley nobody ever said that more than 10 per cent could be called problem children. What about the other 90 per cent?

Of course part of the frustration of the rebels is that they cannot understand why this 90 per cent won't follow their lead. They interpret this to mean that the latter are stupid or apathetic and thus to be viewed with scorn. But no potential follower is going to sign up with a "leader" who sneers at him, so it's a hopeless situation unless the protesters can latch onto a cause that the masses will embrace.

Nevertheless it is true that the exhibitionists seek, and get, plenty of attention. I doubt that any group on our own campus invites a controversial speaker or plans a protest without first getting in touch with newspapers, radio and TV. In fact, it is common for us to learn of such plans by this means—we get calls to inquire about time, place and "what are you going to do about it?"

And speaking of exhibitionists, UCLA had an organization with the attention-getting name of the League for Voluntary Parenthood and Sexual Liberty. The university found that this formidable threat to peace, security, the sanctity of motherhood and the American way of life had exactly *six* members among the 25,000 students.

Now for an answer to the original question: "What's the matter with young people today?" Perhaps at least we can arrive at a partial answer from these observations:

Youth are the product—yes, even the victims—of the society we have created for them.

The affluence of our nation eases the pressure to concentrate on learning how to make a living. Thus there is more time for the young man or woman to look at other aspects of life. And what they see does not always please them.

Their education, not only formal education but what they learn by observation, makes it impossible to hide from them the mistakes, the shortcomings and the hypocrisy of society.

The proportions of hell-raisers among people probably is not much different than it ever was. However, nowadays there are more ways, and more effective ways, in which they can express their protests.

Permissive child-rearing has contributed to producing a generation of youths who are more brash and less respectful of their elders—not behind their backs, but right to their faces.

The church has not been able to maintain the moral influence it once exercised over the young.

We ought to keep in mind, too, that nothing attracts attention as quickly as something different. This is the basis of much of the news—not how good, not how worthy—but how different. (A sure way for any senior citizen to get his picture in the paper is to marry a 20-year-old girl. Of course recent events may indicate a new trend so that it may become necessary to marry someone your own age in order to qualify as newsworthy.) But back to the point. To be different WILL attract attention, and it makes precious little difference whether you are good and are right or whether you are bad and are wrong. The latter is likely to get more space.

Despite all this, if one looks at youth without allowing himself to become distracted by what happens on the fringe, he will find heartening evidence of stability, of morality and of seriousness of purpose among the great majority. I believe this is true, and it had better be. For the fate of our nation and the world hangs on this premise.

**UNITED STATES MUST PURSUE HUMANITARIAN EFFORTS TO ASSIST JEWS LIVING IN THE SOVIET UNION**

**HON. BROCK ADAMS**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. ADAMS. Mr. Speaker, the Leningrad trials demonstrate to me that the Soviet Union is determined to suppress and punish Jewish protests. Twenty-five members of the Jewish faith have now been convicted in the show trials.

Although the oppression of Jewish people in the Soviet Union has been conducted for decades, it has only been reported in the Western press spasmodically. The Leningrad trials have brought this oppression to international attention. Many people are shocked to read these stories of discrimination and persecution. They are shocked by the reality that a people who have suffered so much within the span of our own memories should still be suffering from such oppression.

There are doubts about the authenticity of the pleas for there is evidence that witnesses have been testifying under duress. I also have questions about the equity of the sentences asked by the prosecution. The nature of the trials and Soviet society prevent us from knowing exactly all the circumstances surrounding the charges and the conduct of the trials.

Justice demands that these trials be open and the defendants be assured of their rights as guaranteed by the United Nations Declaration of Human Rights.

For many Jews living in the Soviet Union their main desire is to leave Russia, but they are denied that opportunity. In order to help provide this opportunity, I joined with many of my colleagues in sponsoring H.R. 7887 which would authorize 30,000 special visas for Soviet Jews who are permitted to leave the Soviet Union and wish to come to the States. This bill is intended to challenge the Soviet Union to permit those Jews

who wish to leave to do so. It is important that we demonstrate our friendship at this crucial time.

Let us lift up our voices to demand that Soviet Jews be given the right to worship freely, the right to determine their own destinies and the right to emigrate if they so desire. Let us hope and pray our protests will create such pressure that Soviet Jews will be granted their basic human rights.

**DRUG ABUSE AND ADDICTION AMONG MEMBERS OF OUR ARMED FORCES**

**HON. OGDEN R. REID**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. REID of New York. Mr. Speaker, I am today introducing two bills to meet the increasingly staggering problem of drug abuse and addiction among members of our Armed Forces and our veterans.

The skyrocketing incidence of drug usage by active duty servicemen, especially in Southeast Asia, has only recently become known. The easy availability and cheap price of drugs, coupled with the stress of a combat environment and the boredom of rear-line inactivity, have combined to turn a substantial percentage of our servicemen into experimenters, regular users, and addicts of drugs.

In recent months, great emphasis has been placed by the Department of Defense upon the treatment and rehabilitation of drug addicts in the service. Such an effort is badly needed and is an altogether appropriate approach to the problem. It is my understanding that the Defense Department will have developed a comprehensive plan by the end of this week for the rehabilitation of servicemen who are drug addicts, and I am glad the administration is moving to do something about this serious problem.

One aspect of the Armed Forces drug problem, however, has been largely neglected. That is the harm to the general community brought about by the release of a drug addict from active duty into civilian life, and the difficulty encountered by many veterans in getting treatment for addiction once they are thrust into the civilian population.

It is estimated that as many as 30,000 American servicemen in South Vietnam are presently addicted to drugs. This figure may be conservative, and it is probably growing. Moreover, it does not include whatever number of servicemen stationed in the United States and other foreign countries who may also be addicts. If all these were to reach the end of their tours of enlistment tomorrow, they would be discharged into the civilian community as confirmed addicts. It takes little imagination to see the enormous adverse social consequences that could well ensue.

In order to insure that servicemen who become addicted to drugs while in the service are not returned to civilian life as addicts, I am introducing legislation to require the Armed Forces to certify

every dischargee to be free of drug addiction before releasing him from active duty. A medical examination of each serviceman about to be discharged would be required. If such an examination revealed that a man was addicted to drugs, the service would have to retain him on active duty until such time as his addiction were cured. By this means literally thousands of drug addicts, including those whose addiction may have previously been undetected, would be screened and channeled to treatment instead of being turned out among the civilian community still suffering from addiction. This system would insure that these drug addicts would remain in a controlled environment where the addict is identified and treatment is possible, rather than be placed into a community where treatment is not mandatory and, indeed, where the addict might never be detected. Further, servicemen who know they will not be discharged if they are addicted may be induced to discipline themselves so as to avoid becoming addicted in the first place. This system is designed to benefit both the addict himself, by insuring that he receives necessary treatment from competent medical sources, and the community at large, by stemming the flow of service-generated drug addicts from the Armed Forces to our towns and cities. The Armed Forces have a clear responsibility to treat individuals who are addicted to drugs, because it is in the Armed Forces, and particularly in Southeast Asia, that these men are being exposed to drugs.

As a complementary measure, I am also introducing legislation to expand the scope of treatment of drug addicts among the veterans of our country. The incidence of drug addiction among young veterans appears to be at least as high as it is among active duty servicemen. The Veterans' Administration estimates that 25 percent of all narcotics addicts in the country are veterans. That amounts to upwards of 50,000 veterans. At the same time, as the VA recognizes, the crushing load on non-VA facilities causes substantial numbers of drug addicts to wait months for necessary treatment, and many never receive any kind of treatment at all.

Although non-VA facilities are inadequate to treat all drug addicts, many thousands of whom are veterans, the law presently bars many veterans from receiving VA medical treatment for narcotics addiction. No veteran who has been discharged under "dishonorable" conditions is eligible. Yet in 1970 the Army awarded a total of 2,295 undesirable, bad conduct, and dishonorable discharges for drug abuse offenses alone. Here are 2,300 potential or actual addicts disqualified from medical treatment. Also disqualified are the many additional thousands of veterans who have been discharged under dishonorable conditions for reasons unrelated to drug abuse.

A second disqualifier under present law is the requirement that a disability be "service connected" in order for the veteran to be eligible for initial outpatient medical care. Drug addiction is invariably not service connected as that term is defined by statute. Thus even thousands of honorably discharged veterans who be-

come addicted to drugs are largely unable to receive necessary treatment.

Such a policy makes no sense at a time when drug addiction is a pervasive and destructive illness in our society. To deny a person access to medical treatment—treatment beneficial not only to the individual but also very much so to the community—is self-defeating and unenlightened.

Accordingly I am proposing that veterans who are addicted to drugs be made eligible for treatment at VA facilities for such addiction, regardless of the character or the circumstances of their discharge from the Armed Forces, and regardless of whether or not the addiction is deemed to be service connected. Such veterans would not thereby become eligible for any other benefits to which they are otherwise not entitled by existing law. It is not my intention or desire to open all benefits to veterans discharged other than honorably, but only to make treatment for drug addiction available to all veterans without limitation.

We have to recognize that drug addiction is a serious medical illness—and one which has disastrous social consequences. A policy which deliberately denies addicts access to available treatment facilities is anachronistic in the extreme.

Enactment of the two bills I am introducing today will go a long way toward the detection and treatment of drug addicts among our military and veteran ranks. I urge my colleagues to give them immediate and serious attention.

#### PROGRESS AT SALT

### HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. GUDE. Mr. Speaker, the President's announcement of progress in the SALT negotiations is great news for the American people. The decision announced in Washington and Moscow to concentrate on curbing ABM's and to limit offensive strategic weapons has moved the SALT negotiations off dead center.

This welcome development follows on the heels of new initiatives to limit American and Soviet troop levels in Europe. I have felt for many years that American troop commitments could be trimmed, and that our NATO allies should assume more of the burden of providing manpower in Europe. The balance-of-payments situation is aggravated by the continued presence of such a large contingent of American troops.

I support the President's goal of negotiating mutual troop reductions in Europe, in consultation with our NATO allies. The administration's response to the Soviet proposal to reduce troop levels, like the response to the crack in the Chinese Wall, shows that the President is ready to pursue lines of negotiation that were considered closed not many years ago. All of these actions will arouse fierce opposition in some quarters, and certainly none is free of risk. But I be-

lieve the majority of Americans will be behind the President in the hard negotiations that lie ahead.

#### LEGISLATION ON TEACHING ETHICAL AND MORAL VALUES

### HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BENNETT. Mr. Speaker, there is a great need in America today for broad instruction in the development of a man's moral and ethical values. Such a program can be developed in the elementary and secondary schools of our Nation and the Federal Government can give stimulus to this through the grant procedure.

Today, I am introducing a bill to accomplish this with 12 cosponsors.

The teaching of ethics and instruction in moral values are a proper function of our schools, especially in view of Supreme Court rulings prohibiting prayer and Bible reading in public schools. Educational programs of this nature and textbooks for such have already been developed in some school systems in the Nation.

The curriculum and academic instruction in morals and ethics could take the form of assembly programs or individual classes. Lessons on courage, heroism, and good works developed from actual stories and biographies of great men and women could be the teaching avenue.

Programs on the growth of the freedom of worship—how it became part of our Constitution; on patriotism—how brave men fought to preserve our freedom; on good citizenship—why is it important to obey the law and on the objective history of religion, which the Supreme Court has approved, could all be topics of classroom discussion.

FBI Director J. Edgar Hoover has said that we have as a society failed our youth by failing "to teach them the meaning of discipline, restraint, self-respect, and respect for law and order and the rights of others." The teaching of moral and ethical standards belongs in the home, church, and school.

The juvenile crime rate is growing at a much faster rate than the overall crime rate and this is an indication of failure to teach our children the difference between good and bad. The latest figures show that arrests of juveniles for serious crimes increased 90 percent in 1969 over 1960, while the population in the juvenile age group, 10 to 17, increased only 22 percent.

If we are to reverse the rising crime rate, costing the Nation \$27 billion annually, then we must concentrate on the problem where it hurts the most: Our young people.

The legislation we have introduced will attack the problem at the root and through strong classroom teaching of moral and ethical values our young people will be better able to cope with the challenge of right and wrong.

The cosponsors are: Mr. ROBERT L. F. SIKES of Florida, Mr. EDWARD A. GAR-

MATZ of Maryland, Mr. FRANK M. CLARK of Pennsylvania, Mr. SEYMOUR HALPERN of New York, Mr. CLAUDE PEPPER of Florida, Mr. TOM BEVILL of Alabama, Mr. DAN KUYKENDALL of Tennessee, Mr. BILL NICHOLS of Alabama, Mr. JOHN R. RARICK of Louisiana, Mr. JAMES R. MANN of South Carolina, Mr. G. WILLIAM WHITEHURST of Virginia, and Mr. RALPH H. METCALFE of Illinois.

The bill follows:

H.R. 8782

A bill to provide federal grants to assist elementary and secondary schools to carry on programs to teach moral and ethical principles

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VIII of the Elementary and Secondary Education Act of 1970 is amended by adding at the end thereof the following new section:

"GRANTS FOR TEACHING MORAL AND ETHICAL PRINCIPLES

"SEC. 807. (a) The Commissioner shall make grants to State educational agencies to assist them in establishing and carrying out programs under which students attending public elementary and secondary schools will be provided instruction in moral and ethical principles. The content and nature of such instruction shall conform to general standards prescribed by such State agencies.

"(b) For the purpose of carrying out this section, there is authorized to be appropriated \$5,000,000 for fiscal year ending June 30, 1972, and each of the two succeeding fiscal years."

SEC. 2. Section 422 of the General Education Provision Act is amended by inserting after "the Elementary & Secondary Education Act of 1970" the following: "(other than section 810)".

#### FTC GUIDELINES FOR COMPLIANCE WITH THE FAIR CREDIT REPORTING ACT

### HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mrs. SULLIVAN. Mr. Speaker, last week, at pages 16973-16978 of the CONGRESSIONAL RECORD of May 25, I included as part of my remarks on the Fair Credit Reporting Act of 1970 the official guidelines issued by the Federal Reserve Board and other financial institution regulatory agencies for compliance by regulated thrift institutions with the new law which went into effect on April 25, 1971.

As I noted at the time, the statute itself—title VI of Public Law 91-508, creating a new title VI of the Consumer Credit Protection Act of 1968—does not authorize the regulatory agencies to issue regulations which would have the force and effect of law. As manager of the legislation in the House, as the author of the principal House bill on fair credit reporting, and as chairman of the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency which conducted extensive hearings on this legislation, I consider this omission a serious deficiency in the Fair Credit Reporting Act, and I suspect that the industries affected by the law will eventually concede that their determined

opposition to the attempts of a majority of the House conferees to include authority to issue binding regulations was a mistake.

In any event, the Federal Reserve, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Home Loan Bank Board were able to agree on a comprehensive set of guidelines which spell out to thrift institutions the steps they should take in the handling of consumer reports and investigative consumer reports in order to avoid actions which the regulatory agencies would regard as violations of the act, and these guidelines, as I said, were included in last Tuesday's RECORD.

FEDERAL TRADE COMMISSION HAS MAJOR BURDEN OF ENFORCEMENT

The four financial institution regulatory agencies named are responsible for enforcement of the Fair Credit Reporting Act as it applies respectively to State banks which are members of the Federal Reserve System, to national banks, to State banks not members of the Federal Reserve System which are insured by the FDIC, and to insured savings and loans. These financial institutions are covered by the Fair Credit Reporting Act primarily as users of credit bureau information as prospective creditors, or as employers, or in some instances as insurers, but there are also situations in which a financial institution could be held to be a consumer reporting agency, particularly if it relays to a prospective creditor, insurer or employer information about an individual which the bank or savings and loan obtained from an outside source. The guidelines issued last week will enable the thrift institutions to guard themselves against being in the position of acting as consumer reporting agencies subject to the very extensive requirements of the act as they apply to credit bureaus, investigative agencies, and similar firms.

Most of the enforcement responsibilities of the act, however, fall upon the Federal Trade Commission, which has jurisdiction over all of the credit bureaus and investigative firms which originate consumer reports, and over the bulk of private firms which use credit reports in determining eligibility for credit, insurance, or employment.

The Federal Trade Commission has now made public its own set of guidelines for compliance with the Act. I have been assured by the FTC that in developing its guidelines it worked closely with the Federal Reserve and other financial institution regulatory agencies to iron out potential differences in interpretations so that a bank following the Federal Reserve guidelines would not be given instructions differing from those given by the FTC to a firm under its jurisdiction.

FEDERAL TRADE COMMISSION GUIDELINES

Since the jurisdiction of the FTC is so much broader than that of any other agency in administering and enforcing the Fair Credit Reporting Act, the FTC guidelines of course reflect its added areas of responsibility. Therefore, Mr. Speaker, I think the Members of Congress will be interested in having available, through the CONGRESSIONAL RECORD,

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the provisions of the FTC guidelines as they affect all consumer reporting agencies, nearly all insurers, and most creditors and employers.

The FTC guidelines appear to me to be carefully constructed and extremely helpful to the business firms which are regulated under the new law. In case of any difficulty in applying the standards, a businessman subject to FTC jurisdiction can obtain further information and guidance on the Fair Credit Reporting Act by contacting the nearest FTC office. The FTC guidelines are as follows:

COMPLIANCE WITH THE FAIR CREDIT REPORTING ACT

PURPOSE AND SCOPE OF THIS PAMPHLET

This discussion is published by the Commission's Division of Special Projects, Bureau of Consumer Protection, to coincide with the effective date of the Fair Credit Reporting Act, primarily to meet the demands for information received from many businesses affected by the statute. This pamphlet is a codification of the letters of informal staff advice rendered by the Division during the period since enactment of this legislation (November 1970-April 1971). The comments represent the staff's view of what is required by the Act, to assist the business community in understanding how the law is being interpreted by the Commission's staff.

This discussion should not be construed as representing substantive rules that have the force or effect of statutory provisions, nor should these views be considered as in any way binding upon the Commission.

I. Introduction: What is the Fair Credit Reporting Act?

The Fair Credit Reporting Act (P.L. 91-508, 84 Stat. 1127-1136, 15 U.S.C. 1601 *et seq.*) is Title VI of the Consumer Credit Protection Act of 1968; it was enacted October 26, 1970 and is effective April 25, 1971.

The Fair Credit Reporting Act (sometimes referred to as FCRA) is the first Federal regulation of the consumer reporting industry. Its basic purpose is to insure that consumer reporting agencies exercise their grave responsibilities with fairness, impartiality, and a respect for the consumer's right to privacy. The law requires consumer reporting agencies to adopt reasonable procedures for providing information to credit grantors, insurers, employers and others in a manner that is fair and equitable to the consumer with regard to confidentiality, accuracy, and the proper use of such information.

The FCRA is primarily designed to regulate the consumer reporting industry and place disclosure obligations on users of consumer reports. For the most part, the consumer reporting industry is comprised of credit bureaus, investigative reporting companies and other organizations whose business is the gathering and reporting of information about consumers for use by others in making a decision concerning whether to grant credit, underwrite insurance or employ the subject of such reports.

Users of consumer reports must inform consumers when adverse action (such as denial of credit, insurance or employment) is taken on the basis of such reports, and the users must identify the consumer reporting agency making the report.

While the FCRA establishes a statutory code of conduct for the consumer reporting industry, a business which collects its own information is not regulated as a consumer reporting agency. Moreover, information which is reported by one business to another is not considered to be a consumer report when that information is the reporting company's own experience (for example, "My records reflect that Mr. Jones was late on 8 of 12 payments"). However, when a businessman reports information other than his

own experience, that will usually constitute a consumer report within the meaning of the FCRA (for example, "I have no file on Mr. Jones, but I know that he has a poor record of payment at the bank").

The information need not be derogatory to constitute a consumer report. Any information, good or bad, written or oral, that bears on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living will be a consumer report if it is:

(a) Used or expected to be used, or

(b) Collected in whole or in part

for the purpose of considering the consumer's eligibility for consumer credit, insurance, employment, or other authorized business purposes. In the succeeding section, a "consumer report" is discussed in detail.

While the Act generally has no application unless the information is reported by a "consumer reporting agency", that term will be broadly construed to apply to any person or organization that gathers and reports information on consumers for the purposes discussed in the next section (Part II).

Special rules apply to the type of consumer reports that involve personal interviews with third persons who may have knowledge about the consumer's character, general reputation, personal characteristics or mode of living. These are referred to as an "investigative consumer report" and as a rule the consumer is entitled to be informed when he may be the subject of such a report.

These are the general rules of the Fair Credit Reporting Act. Subsequent sections will explain in more detail the obligations of the reporting industry and the users of consumer reports.

II. Compliance obligations of the reporting industry

A. What is a Consumer Report?

The definition of a consumer report is one of the most important found in the law. It may be any written or oral communication that bears on a consumer's credit standing, credit capacity, character, general reputation, personal characteristics or mode of living. Further, it must be either used or expected to be used or it must have been collected in whole or in part for a purpose listed below (often referred to as the "permissible purposes" of consumer reports):

1. Credit or insurance to be used primarily for personal, family or household purposes.

This section serves as a limiting factor on such reports. Thus, if the purpose for which the information is collected and for which the report is obtained is to extend business credit to an individual or a sole proprietorship, the information would not be a consumer report and the Act would not apply. If the credit or insurance is to be extended to some form of business organization such as a partnership or corporation, again, the Act would not apply. This discussion of the application of the Act to business reports is amplified in Question 3, Part V.

2. Employment purposes.

This means not only applying for a job, but the evaluation for promotion, reassignment or retention on a job which an employee already holds. Information collected for employment purposes is subject to the Act, and may be reported only on the applicant for employment (or in some cases, the employee), and not on third persons such as the applicant's friends, relations or associates.

3. Other purposes authorized under section 604.

(a) A report may be issued to a person whom the reporting agency has reason to believe intends to use the report and information in connection with a credit transaction with the subject of the report, including the review of the status of an account or to help in the collection of an account. Thus, a credit bureau may issue a report to a collection agency or to a com-



pany that is trying to locate a debtor ("skip tracing").

(b) Governmental agencies are permitted to obtain consumer reports for one of the above-mentioned purposes or if the government is required by law to consider a consumer's financial responsibility or status before granting a license or other benefit. If the government agency cannot demonstrate such need for consumer reports, the consumer reporting agency cannot release such reports to the government body. An example of justifiable need would be when the State Department of Insurance and Banking is required to consider a consumer's financial responsibility before issuing a loan broker's license. However, a governmental survey or economic study would not be a permissible purpose and a court order or written permission of the consumer would be required. It is the reporting agency's responsibility to see that the government agency is furnished consumer reports only for a purpose listed in Part II of this discussion, and to obtain certification that the agency will use the information for no other purpose. Otherwise, compliance with the government agency's request would be limited to furnishing identifying information under Section 608, which will be discussed subsequently.

(c) Reports may be issued to a person who has a legitimate business need for the information in connection with a business transaction for personal, family, or household purposes involving the consumer. The legitimate business need category does not include purposes such as marketing research, an attorney investigating prospective jurors, "protective bulletins" and blacklists.

Investigative consumer reports.

This term is used to identify a type of consumer report which contains virtually any subjective information. There are two key factors which make an ordinary consumer report into an investigative consumer report. First, it must be information on a consumer's character, general reputation, personal characteristics or mode of living. Second, it must be obtained by personal interviews with neighbors, friends, associates, or others who may have such knowledge. If a consumer reporting agency contacts a previous employer and goes beyond verifying the fact that the consumer worked there, such as making inquiries relating to work habits and other subjective matters, then the reporting agency is compiling an investigative consumer report. The mere calling of a neighbor to find out where someone works would not be sufficient to constitute an investigative report. However, if, in addition, the neighbor volunteered subjective information which was placed in the report, it would become an investigative consumer report and the rules applicable to such reports will come into play.

B. What is a Consumer Reporting Agency?

This term covers anyone who might render a "consumer report", as defined previously. Obviously, this covers all credit bureaus and others whose business is to create and disseminate such reports. However, there are many others who may from time to time function as consumer reporting agencies and, to the extent that they issue consumer reports, they will be covered by the Act. For example, some banks and finance companies have engaged in the practice of giving out credit information other than that which they have developed from their own ledgers. To the extent that they give out information and experience gained from other creditors, such banks and finance companies would be functioning as consumer reporting agencies and would be required to comply with the terms of the Act. As indicated earlier, giving out a firm's own ledger experience does not make it a consumer reporting agency or the information a consumer report. In order to be a consumer reporting agency, the firm must engage "in

whole or in part" in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties. When a firm gives its own credit experience on a consumer to a credit bureau, that information does not constitute a consumer report.

In many cities cooperative loan exchanges are established whereby a single information office is maintained which records applications for loans, including the name of the finance company, the name of the consumer and the amount of credit requested or extended. When another finance company calls for this information, it is clear that this is a consumer report, the loan exchange is a consumer reporting agency, and it must comply with all applicable requirements of the law. The law does not stipulate what kind of information qualifies as a consumer report, only that it must have a bearing on the consumer's credit worthiness, credit standing or credit capacity. Even though the loan exchange may not necessarily give the paying record of the consumer, the fact that it identifies sources and/or amounts of other loans is enough to qualify it as a consumer reporting agency.

It should be noted that persons who compile reports on individuals for employment purposes are also covered by the Act. Accordingly, private detectives, detective agencies, and other personnel reporting entities are consumer reporting agencies when they prepare and furnish reports to be used in connection with hiring, promotion, retention (including an employee suspected of dishonesty), or reassignment of an individual. Therefore, compilers of blacklists of potential employees are also consumer reporting agencies (and see the discussion of this subject in Question 5, Part V).

Other groups which may find themselves covered by the definition are collection agencies and collection departments of credit bureaus. The same test applies to them as to a credit bureau, loan exchange or detective agency. Often a collection agency will offer to clear its active and paid up files on a consumer free of charge as an added incentive to a client for placing accounts with the agency. When a collection agency does this, it is acting in the capacity of a consumer reporting agency and must conform to the requirements of the law.

C. What are the requirements of compliance by reporting agencies?

1. Reporting for permissible purposes.

A report can be transmitted only for a "permissible purpose" (listed in subsection A above) and for no other purpose. A reporting agency or requesting party cannot contend that the law does not apply because the report will be used for some purpose other than credit, insurance or employment and, therefore, it is not a "consumer report". The law applies because the information was collected by the agency for one or more of the permissible purposes and, therefore, it is not available except for those purposes. The two exceptions to this are reports which are given pursuant to court order, and furnishing a report in accordance with the subject's written instructions.

In order to comply with the "permissible purposes" section, reporting agencies are required to take all steps necessary to insure that its consumer reports are given to those who will use them for permissible purposes only. This would include having written agreements with their customers not to seek reports except for permissible purposes. Identification procedures for those who seek reports should also be stringently enforced. After identification, a user of reports must certify (either by initial contract or upon each request) the purpose for which they are requested and that the information will not be used for any other purpose. While such certification need not be a notarized

statement, there should be a contract or notation in the reporting agency's files which indicates that the question was asked and just what the answer was.

Reporting agencies must take care not to set up agreements with fictitious creditors. Some verification such as an on-site visit to the prospective user's place of business will be needed if the agency is not familiar with the party with whom it is dealing. Further, checking references of the prospective user such as a banker or other business-house should be employed. It is important to note that every reporting agency should have some system by which it verifies that it is dealing with a legitimate business having a "permissible purpose" for the information reported.

2. Accuracy.

It is a requirement of the Act that every reporting agency set up reasonable procedures to assure the accuracy of the material contained in the reports. The law does not specify the precise procedures a reporting agency must follow. These may vary depending on the size of the agency and the type and volume of reports that it issues. One of the most significant compliance procedures to assure accuracy will be the training of new personnel and the retraining of current employees from time to time. Even isolated instances of error should be followed up and procedures adjusted in order to correct the cause of the error.

The obligation to assure accuracy applies to all aspects of the handling of consumer information. Thus, not only must the accuracy of information and the reliability of sources be determined at the time information is gathered, but procedures should be employed to assure that data is properly recorded and reproduced when reports are prepared. The requirement in the law that steps be taken to promote accuracy also requires periodic reevaluation of data to determine whether it has become obsolete or misleading with the passage of time. In a similar vein, care should be taken to indicate the context or purpose for which certain information originally was collected to minimize the risk that it will be inaccurately interpreted when used for a different purpose or in a different context than the one in which it originally was generated.

Consumer reporting agencies employing automatic data processing equipment, particularly agencies that transmit information over distance by any mechanical means, must exercise special care to assure that the data is accurately converted into a machine-readable format and that it is not distorted as a result of machine malfunction or transmission failure. Procedures also must be adopted that will provide security for such systems in order to reduce the possibility that computerized consumer information will be stolen or altered, either by authorized or unauthorized users of the information system.

Whenever possible, adverse information should be verified by more than one source. Further, in our view, practices such as maintaining quotas on the development of "protective" or adverse information by investigators, and recording the percentage of cases in which an investigator has recommended that the applicant be denied, should be discouraged. Such practices are clearly inconsistent with the Act's policy of accurate credit reporting because they tend to put pressure on the investigator to write as many adverse reports as possible.

3. Keeping the file current.

Consumer reporting companies are required to see to it that their files are current. Upon discovery, stale information should be deleted from reports. The Act spells out the length of time during which adverse information may be reported. After the expiration of the specified time period, such information should be deleted. The reporting

of information that should have been deleted is a violation of the Act.

#### Bankruptcies:

Bankruptcies which occurred more than fourteen years prior to the report cannot be reported by a credit reporting agency. The formation. Consumer reporting agencies with fourteen years begins when the bankruptcy Referee or other competent court adjudicates the consumer bankrupt. It should be noted that in the staff's view wage earner plans under Chapter 13 of the Bankruptcy Act should not be considered bankruptcies for purposes of this part of the Act.

#### Suits and judgments:

These may be reported for seven years from the date of entry or until the Statute of limitations (if any) expires, which ever is the longer period.

#### Tax liens:

Paid tax liens may be reported for seven years from the date of payment.

#### Accounts placed for collection:

After seven years, such accounts, along with those charged to profit and loss, should be deleted. There is, of course, some question as to when the seven year period begins to run. One reasonable interpretation is that it should be the date of the last transaction on the account, either a charge or a payment.

#### Records of arrest, conviction, etc.:

Records of arrest, indictment or conviction of crime cannot be reported when they exceed by seven years date of disposition, release or parole. It would appear that if the communication of the record itself is prohibited, communication of the record through another source is also prohibited. Thus, obtaining the fact of the arrest, etc., from a contemporaneous newspaper article, or even from an interview, would subvert the purpose of the Act and is also within the subsection.

#### Other adverse information:

Any other adverse information, more than seven years old, should be deleted from consumer reports.

Agencies should be encouraged to keep and dispense only fresh information. If there is any question about the Statute of Limitations, or about whether information is obsolete, prudence would dictate deletion of such from the consumer's report.

It should be noted that the above provisions with regard to obsolete information need not apply in the case of a credit report to be used in connection with:

- A credit transaction involving a principal amount of \$50,000 or more;
- The underwriting of life insurance in a face amount of \$50,000 or more; or
- The employment of an individual at an annual salary which at the time equals or exceeds \$20,000.

If information is preserved for the category of \$50,000 or more transactions exclusively, there must be procedural safeguards to avoid its use in impermissible transactions. Thus, it should be filed separately, and the separate file should be callable only after a procedure requiring an internal management decision that one of the conditions in Section 605(b) is met.

#### 4. Disclosures to consumers.

##### (a) Access to file

Any consumer who offers proper identification to a consumer reporting agency and requests disclosure of what is in the agency's file on him, shall be told clearly and accurately everything that is in his file including sources of the information (except as noted in the paragraph below). The Act uses the term "nature and substance" of the information because Congress recognized that in some cases the coded information or "common language" information (for example, the term "1-4" means past due installment contract) if given verbatim would be meaningless to the consumer. It puts the burden on the reporting agency to explain each item in the file. A mere summary of the informa-

tion will not comply with the Act. Everything in the file, no matter how or where it is stored, must be disclosed to the consumer when he makes a proper request for such information. Consumer reporting agencies with offices in more than one location must disclose all of the information on a consumer on file in any and all of their offices. The consumer need not be shown the file itself and the consumer has no right to physically possess or receive a copy of the report.

There are two exceptions to the requirement of full disclosure, the first of which is medical information included in the consumer's file. This need not be disclosed to the consumer by the reporting agency. Medical information includes records from physicians and medical facilities, and does not include comments on a consumer's health by non-medical personnel. Also the sources of "investigative information" need not be disclosed in a consumer interview. However, if there is a law suit by a consumer under this Act, the sources of investigative information shall be available to the consumer under the appropriate legal procedures in the court in which the action is brought.

Reporting agencies must disclose to the consumer the names of any parties who have received employment reports within the past two years and the names of others who have received reports for any other purposes within the past six months from the date of the interview. No sources of information or recipients of reports need be named which were in the file prior to the effective date of the Act, April 25, 1971. However, if the information is still in the credit reporting agency's file on April 25, 1971, it must be treated in compliance with this section.

When a consumer requests an interview with a credit reporting agency, the interview should be set up during normal business hours and on reasonable notice. Unusual or restrictive hours would be considered a violation of the Act. If the consumer cannot come to the office during normal business hours, the reporting agency should specifically inform him that he may have a telephone interview. Nothing in the Act prohibits interviews after normal business hours if that is mutually agreeable to consumer reporting agency and the consumer.

While the consumer is required to give reasonable notice of his desire for an interview, this should not be used as a means of making it difficult for the consumer to obtain information to which he is entitled.

If the consumer appears in person, he must furnish proper identification. If he takes advantage of his right to have the information by telephone, he should have previously made a written request with proper identification and the toll charge for the telephone call, if any, should be paid by the consumer.

The consumer reporting agency should have trained personnel to explain to the consumer any information furnished to him in accordance with the Act. The consumer may be accompanied by another person of his choosing. The agency may require the consumer to furnish a written statement which grants the reporting agency permission to discuss the consumer's file in front of the other party.

(b) Procedure in the case of disputed accuracy.

If a consumer questions the accuracy or believes more should be said about an item of information in the credit reporting agency's file, the agency is required within a reasonable period of time to reinvestigate that information and record the current status in the consumer's file. In conducting a reinvestigation an agency must make a good faith effort to determine the accuracy of the investigation. As a minimum, this would include checking back with the original sources of the disputed information and informing such sources of the nature of the consumer dispute. While the term "reasonable period of time" is not specific, it would be appropriate for the agency to reinvestigate the matter

immediately unless there is some good reason for delay. Further, the reinvestigation must be pursued conscientiously and completed within a reasonable time.

There is an exception to the requirement of reinvestigation, if the agency has reasonable grounds to believe that the dispute by the consumer is frivolous or irrelevant. This exception should not be used by agencies as a means of avoiding reinvestigation. Further, the fact that there is contradictory information in a consumer's file does not by itself constitute grounds for the agency's believing the dispute is frivolous or irrelevant. The appropriate approach for an agency is to assume that the consumer's complaint is bona fide unless there is clear and convincing indication to the contrary.

If after reinvestigation the information is found to be inaccurate, the agency shall promptly delete it from its files. If it cannot be reverified, it must be deleted.

Reinvestigation and verification may require more than returning to the original source, asking the same question, and receiving the same answer. One method of reinvestigating and verifying would be to contact additional sources. Another method, if the original sources must be used, would be to explain that the original statement has been disputed and state the consumer's side, and then ask whether the sources would repeat it, qualify it, or accept the consumer's explanation. It would appear that, in such instances, it is only fair, both to the sources and the consumer, to warn the sources that their names could be discovered if litigation should ensue.

Of course, any sources volunteered by the consumer should be contacted, and any facts provided by him should also be verified in the reinvestigation.

If after reinvestigation the consumer believes his side of the dispute needs further clarification, he has the right to file a brief statement explaining the dispute. If the reporting agency helps the consumer write a clear summary of the dispute, such statement may be limited to 100 words. In subsequent consumer reports, if there is a disputed item, the agency must not only clearly note that the item is disputed but must also provide either the consumer's statement, an accurate codification of the nature of the dispute, or a clear summary of the dispute for the recipient of the report. While the agency need not do this if it believes that the dispute is frivolous or irrelevant, this should not be treated as a loophole.

In the event the reinvestigation results in deleted information or in the case of a disputed item, the reporting agency must clearly explain to the consumer that he has a right to request the agency to inform anyone who received the deleted or disputed information of the deletion or the explanatory statement, if the person received the report for employment purposes within the past two years or for any other purpose within the past six months. The agency must inform the consumer of his right to make this request at the time of deletion or at the time the statement regarding the dispute is placed in the file.

##### (c) Charges for disclosure.

Under certain conditions, the agency has the right to charge the consumer a fee for making disclosures to him. An agency may not charge the consumer for an interview or for the notification of previous recipients if the consumer has been denied credit for some other adverse action was taken within thirty days, either wholly or partly as a result of a report from a reporting agency. In addition, the agency may not charge him for the interview or notification if he has received a notice from a debt collection agency or department affiliated with the reporting agency, within the previous thirty days, that the consumer's credit rating may be or has been adversely affected.

Except in these circumstances, the Act provides that the consumer reporting agency may make a reasonable charge for the disclosure so long as that charge is stated to the consumer prior to the interview. Additionally, if the consumer requests transmission of notifications, statements, summaries or codifications to persons designated by the consumer, the charge shall be indicated to the consumer prior to furnishing such information and shall not exceed the charge that the consumer reporting agency would impose on a recipient of a consumer report. No charge may be made by an agency for notifying persons of the deletion of information which is found to be inaccurate or which can no longer be verified.

5. Restrictions on investigative consumer reports.

When a report is prepared that contains investigative information, adverse information from that report cannot be used again unless the adverse information has been verified again in the process of making the second report (unless the adverse information is not more than three months old). Adverse public record information is exempted from this prohibition. Thus, if in a previous report there was included adverse comment made by a neighbor, it may not be used in a subsequent report unless it is rechecked or had been received within the prior three months.

6. Reporting public record information for employment purposes.

If any agency includes in an employment report matters of public record which are likely to have an adverse effect upon a consumer's ability to obtain employment (or to be retained or promoted) the reporting agency must comply with one of the two following alternatives:

(a) At the time an agency reports adverse public record information, the agency must notify the consumer that it is including that information in the report and it must give the consumer the name and address of the employer (or prospective employer) to whom the information is being reported, or

(b) The agency must maintain strict procedures designed to insure that such public record information is complete and up to date. For example, items of public record relating to arrests, indictments, convictions, suits, tax liens and outstanding judgments are up to date if the *current* public record status of the item (at the time of that report) is reported.

#### DISCLOSURE TO GOVERNMENTAL AGENCIES

We have discussed previously the right of government agencies to obtain consumer reports when the purpose for which they are to be used is one of those listed as permissible under the Act. When files are requested for *any other reason*, governmental agencies are limited to obtaining identifying information. Such identifying information includes the name, address, former address(es), place(s) of employment or former place(s) of employment of the subjects. Nothing else may be disclosed to a governmental agency unless the governmental agency's purpose falls within the permissible purposes requirement. For instance, if a government representative is looking for a fugitive from justice or examining an income tax return, then Section 608 would apply because these are not one of the permissible purposes of consumer reports. On the other hand, if the government agency has a lien against the taxpayer and wants to know from the credit record whether the man can pay, this is a permissible purpose and a full credit report may be given.

This points up the importance of having each government agency representative complete a form on which he certifies the specific purpose of the report he is requesting, that it will be used for no other purpose, and that it will not be given to any other agency.

Based on that form, the reporting agency then can make a determination as to whether a full report will be given or identifying information only. The burden is on the reporting agency to make this determination and to be prepared to justify the giving of a report in the event its actions are questioned. If a full report is needed by a government agency for a non-permissible purpose, the government agency can seek a court order or obtain the consumer's written permission for release of the report. The government agency's own administrative subpoena would not qualify as a court order.

#### III. Compliance Obligations of Users of Consumer Reports.

##### A. The general rule.

As indicated at the outset of this discussion, the Fair Credit Reporting Act imposes obligations on persons who obtain credit information and other types of personal information from a consumer reporting agency before making a decision to extend credit, offer to underwrite insurance, or offer employment to a consumer. Basically, the obligation takes the form of disclosures which, depending on the circumstances and the nature of the information obtained, must be made at certain points in the credit, insurance, or employment granting or denial process.

B. Adverse action on the basis of a "consumer report".

The Act provides that (a) whenever credit or insurance for personal, family, or household purposes involving a consumer is denied or the charge therefor is increased, or (b) whenever employment (including "employment purposes" as defined in Section 603(h)) involving a consumer is denied, either wholly or partly because of information contained in a "consumer report" from a "consumer reporting agency", the user of the consumer report shall so advise the consumer of that fact and shall supply him with the name and address of the consumer reporting agency making the report. The information in the report need not be adverse to trigger this requirement, so long as the user's action is due in whole or in part to the information in the report.

Compliance with the foregoing requirement may be achieved by a form letter which informs the consumer that credit, insurance or employment has been denied or the charge, increased because of information received from a specified consumer reporting agency. The letter must of course set forth the name and address of the agency making the report. Although the Act does not specify that disclosure must be made in writing, this procedure is strongly recommended because it provides the user with the best form of evidence that he has taken reasonable steps to comply with the Act's requirements. It is recommended that copies of such disclosures provided to consumers be retained for two years since that is the applicable statute of limitations for most civil liability actions which may arise under the statute.

C. Adverse action taken on the basis of information other than a "consumer report".

The Act provides that whenever *credit* (not insurance or employment) for personal, family, or household purposes is denied or the charge for such credit is increased, either wholly or partly because of information obtained from a source *other* than a consumer reporting agency bearing upon the consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, the user of such information must (1) communicate the adverse action to the consumer and (2) clearly and accurately disclose to the consumer his right to make written request for disclosure of the information that resulted in such adverse action. If the consumer makes such a request within 60 days of being notified of the adverse action, the user of the information must,

within a reasonable period of time, disclose the nature of the adverse information to the consumer.

In our view, compliance with this requirement would be met by a form letter which informs the consumer that credit has been denied (or the cost increased), and that he has the right to obtain a statement setting forth the reason for such adverse action if he makes written request for such reason within 60 days of receipt of the letter. When a consumer does make such a request, he need not be told the *source* of the information (by name), although he may be so informed, but the law contemplates that he will receive the information itself plus sufficient identifying information concerning the source to permit him to verify the accuracy of the information. A sample "nature of information" disclosure letter which meets this requirement may be found in the appendix at p. 1. There is no reason why a creditor could not disclose the nature of the information at the time of informing the consumer that credit has been denied. The statute does not specify such a procedure, but for those creditors who choose to do so, there is no objection to it.

D. The user of investigative consumer reports.

The Act provides that a person may not procure or cause an investigative consumer report to be prepared unless he clearly and accurately discloses to the consumer the fact that a report, including information as to the consumer's character, general reputation, personal characteristics and mode of living, as applicable, may be made. The disclosure must be made clearly and conspicuously in writing and, while not required, it should be in a form which the consumer may retain. It must be made not later than three days after the date on which the report was requested. However, this disclosure may be made in the application for credit, insurance, or employment so long as it is not obscured by other language in the application.

The disclosure should contain three things. First, it should inform the consumer that an "investigative report" or "investigative consumer report" may be requested. Second, it should disclose what is meant by this term, that is, interviews with neighbors, friends, associate, etc. to determine the applicant's general reputation, personal characteristics and mode of living. Third, it must inform him that he has the right to make a written request, within a reasonable period of time, for a complete and accurate statement as to the nature and scope of the investigation which is being requested. Further, if the consumer requests such further information, it must be provided to him not later than five days after his request is received.

The staff of the Commission has developed a sample form of disclosure which in its view meets the investigative report notification requirements discussed above. The sample form appears in the Appendix at p. 2. Since the additional disclosures required by Section 606(b) must be tailored to fit the particular situation, it was not practical to formulate a sample disclosure. In our view, however, the Act contemplates that the consumer who requests such additional information will receive a complete and accurate description of the questions asked and disclosure of the number and types of persons interviewed and the name and address of the investigating agency. Providing the consumer with a blank copy of any standardized form used to transmit the information from agency to user would comply with this requirement of the Act. It is not necessary to provide the consumer with a copy of the completed report, nor reveal the names of the sources of information.

It is important to note that the requirement of disclosure that an investigational report may be made does *not* apply to any employment purpose (hiring, retention, pro-

motion, etc.) for which the subject has not applied. This disclosure requirement only applies to an investigative consumer report for employment purposes which is requested in connection with employment, promotion or reassignment for which the employee has specifically applied.

If an employer, regularly, or on a random basis, has such reports prepared as part of his personnel procedures for evaluating his employee, no pre-report notification under Section 606(a) of the Act need be made. However, should adverse action be taken, either wholly or partly as a result of information obtained in any consumer report, disclosure to the employee must be made that the adverse action is being taken because of the report and the reporting agency must be fully identified.

One further point bears mention in connection with the use of investigative consumer reports. Any creditor, insurer, or employer who uses his own staff to conduct the investigation in connection with a consumer's request for credit, insurance, or employment is not obtaining a "consumer report" when he does so. The Act limits "consumer reports" to communication of information to *third parties*. An employee reporting to his employer is not reporting to a third party. Accordingly, any such report would be exempt from the statutory requirements. However, in our view it is clear that when one person or legal entity investigates a consumer and reports to another unrelated entity, it is reporting to a "third party" and therefore it is a consumer reporting agency and the recipient is a user (with the attendant user's disclosure obligations).

E. Exceptions to the definition of consumer reports.

Since users of consumer reports and investigative consumer reports have certain obligations imposed by the Act in connection with their use of such reports, it is important at this point to note the exceptions to the term "consumer report".

#### 1. Reporting your own experience.

The term "consumer report" does not include any report composed entirely of information as to transactions and experiences between the consumer and the person making the report. This exception was designed to cover so-called trade experience furnished by a creditor to other creditors of the consumer. It also covers verification of past and present employers, salary, and other items included by the consumer on his application for credit.

It is important to note that the exception to the definition of "consumer report" which encompasses trade reference information is limited to "transactions and experiences" between the person contacted for information and the consumer, of which that person has first hand knowledge. For example, if retailer A calls retailer B and asks for ledger experience with Mr. Smith, the reporting by retailer B of Mr. Smith's payment record with him would not be a consumer report. If, however, retailer B informs the inquirer that Mr. Smith pays his account with him properly, but has defaulted in his obligation to bank C, retailer B is making a consumer report, and all of the statutory obligations arising from the consumer report discussed in Part II herein would apply to retailer B. Accordingly, creditors, employers, and others who regularly supply personal information on consumers to others must take care to limit that information to transactions and experiences of which they have first hand knowledge—based on their own experience with the consumer involved.

#### 2. Authorization for a credit transaction.

A second exception to the term "consumer report" is any authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device. The foregoing exception was intended to exempt the communication of a decision by a credit card issuer with respect

to a charge, made at the request of a merchant or other person who has been asked to honor a credit card by a customer. While the statute uses the language "authorize or approve," which indicates that only an affirmative decision by the card issuer is exempt from the term consumer report, the legislative history indicates that both approvals of specific extensions of credit and denials of credit were intended to be covered by this exception. The Senate report on S. 823 indicates that Congress envisioned the relationship between cardholder and card issuer to be an ongoing one in which the cardholder would always be informed as to the reasons for the denial of a specific charge. Therefore, Congress saw no need for the requirements of the Act to apply to credit card authorization or denial situation once a card has been issued and is in use, although Section 615 would still impose an obligation on the credit card issuer to notify the consumer of any reliance upon a consumer report in determining the denial. Accordingly, the Act imposes no obligation on the card issuer or the merchant when authorization of a purchase on a credit card is either granted or denied based on "in-house" information not obtained in a consumer report or from a third party.

3. The financial institution as a purchaser of dealer paper.

The third exception to the term "consumer report" covers the common situation in which a dealer or merchant attempts to obtain credit for his customer from an outside source (a finance company, for instance). The statute provides that the communication of the decision by the financial institution regarding the transaction is not a "consumer report" if the retailer informs the customer of the name and address of the bank, finance company, or other financial institution to which the application or contract is offered and the bank, finance company, or other institution makes the disclosures required by Section 615 of the Act.

Anytime a dealer calls the financial institution before credit is extended to inquire whether it will either extend credit directly to his customer or purchase the retail contract, and the financial institution denies the credit or increases the cost even partially because of a credit report on the consumer, or because of other information from outside sources, the dealer and the financial institution must each make disclosures to the consumer as indicated below to keep the financial institution from becoming a consumer reporting agency.

Whenever the request to purchase such consumer credit is made, the dealer must advise the consumer of the name and address of the financial institution. If the financial institution denies credit or increases its cost it must follow the normal procedures of a user of information from outside sources. That is, if its decision was based on a report from a consumer reporting agency, the financial institution must give the consumer the name and address of the agency. If its decision was based on information from a third party, which is not a consumer reporting agency, the financial institution must disclose to the consumer his right to make a written request within 60 days for disclosure of the nature of the information.

If the decision to deny credit or increase its cost is based on the financial institution's prior experience with the consumer or its general credit policy (for example, size of downpayment or maturity required) it would not need to make any disclosure to the consumer. However, a denial requiring disclosures occurs when any condition is imposed on the dealer contract on the basis of information from an outside source. This may include increasing the discount or dealer reserve or taking the paper with recourse. It may also include requiring a

higher downpayment, shorter maturity, a co-signer or guarantor.

Since both the dealer and the financial institution will usually wish to avoid being the recipient and communicator, respectively, of a consumer report, the question arises as to what steps each may take to insure that the other performs his obligation. In our view, reasonable steps to comply with the notice requirement of Section 603(d)(3)(C) would include both an agreement between dealer and financial institution regarding the obligations of each under the Act and random checks by the institution with consumers to ascertain whether they were notified by the dealer. An example of such an agreement which is considered appropriate is found in the Appendix at p. 3.

#### IV. Summary: The consumer's rights created by the Fair Credit Reporting Act

The FCRA amends the Consumer Credit Protection Act of 1968 by adding a sixth Title. The basic purpose of the law is to protect consumers from inaccurate or obsolete information in a report which is used as a factor in determining an individual's eligibility for credit, insurance or employment. It does not apply to reports utilized for business, commercial, or professional purposes. It does not limit the kind of information that can be gathered, nor require reporting of "relevant" information, and it does not give consumers the right to possess physically their file or to receive a copy of it.

The new law attempts to balance the need of those who extend credit, insurance or employment to have quick and inexpensive access to the facts necessary to make a sound business decision, and the consumer's right to know of and correct erroneous information being disseminated about him. The legislation was drafted to facilitate the free flow of information about a consumer, while at the same time affording the consumer the opportunity to rectify any errors causing him unwarranted difficulties.

The major rights created by this law are as follows:

#### Notification of adverse action.

The consumer is given the right to be told the name and address of the consumer reporting agency when he is rejected for credit, insurance or employment at the time of such denial (§ 615(a)). In this manner, he will be made aware of the existence of any adverse information and can avail himself of the right to correct any erroneous information in his file. If credit is denied because of information from some other source, the Act gives the consumer the right to learn the nature and substance of the information directly from the prospective creditor.

#### Access to information in a credit file.

The consumer has the right to access to his file to learn the nature and substance of the information in the file at the consumer reporting agency, whether or not adverse action has been taken. All information in the file is available to him, with the exception of medical information and the sources of investigative information, which can only be obtained through discovery procedures of a court. The term "nature and substance of all information" means only that the individual need not be permitted to physically handle his file or receive a copy of his file. The Act does not prohibit the agency from doing either if it desires to do so. The consumer has the right to be accompanied by one other person of his choice when his file is discussed.

#### Sources and recipients of information.

The consumer has the right to be told the sources of information in his file (non-investigative sources) and who has received reports on him during the preceding six months for credit or insurance purposes and the preceding two years for employment purposes.

#### Confidentiality.

The consumer has the right to have the information in his file kept confidential and reported only for credit, employment, insurance, government license or benefit, or other legitimate business purpose; and otherwise to have information in his file that goes beyond identification kept from governmental agencies unless disclosure is ordered by court.

#### Reinvestigation of disputed entries.

The law requires that consumer reporting agencies reinvestigate within a reasonable time disputed items of information and correct these if found to be inaccurate (§ 611). Inaccurate or unverifiable information must be deleted from his report. If the dispute is not resolved, the reporting agency must note the existence of the dispute and enclose in the consumer's file a brief statement of the consumer's version of the dispute.

#### Advance notification of investigative consumer reports.

The law requires those that procure or cause to be prepared investigative reports (those that involve interviews with friends, neighbors, or any other person), as distinguished from credit reports, to inform the consumer in writing (a) that such an investigation may be made, or, if already ordered, will be made and (b) that the consumer has the right to make written request for a complete and accurate disclosure of the nature and scope of the investigation, which could be accomplished by disclosure of the items or questions which the investigation will cover, the types and number of sources, and name and address of the agency involved. This advance notice will not apply if the report is for employment for which the subject has not applied. In addition, adverse investigative information (except public record information) must be reverified before it can be included in any report made after three months (§614).

#### Care and accuracy.

There is the general requirement that consumer reporting agencies provide only reports requested for certain legitimate business purposes (§ 604) and that they maintain reasonable procedures to assure that recipients of the reports are authorized to receive them and to assure that reported information is not obsolete (§ 607). These procedures must also be maintained to assure maximum possible accuracy of all consumer reports.

#### Elimination of obsolete data; adverse public record information.

Reporting agencies have an option to follow one of two procedures: the agency must either notify the consumer when adverse public record information (such as suits, tax liens, arrests, indictments, convictions, bankruptcies, judgments) is being reported to a potential employer, or it must maintain strict procedures to verify the current status of such public record items (§ 613). As a rule, information may not be reported if older than seven years (there are a few exceptions such as bankruptcy, 14 years) and suits and judgments on which the limit is seven years or the governing statute of limitations, whichever is the longer period (§ 605).

#### Obtaining information in a file by false pretenses.

The law provides criminal penalties for obtaining information on a consumer from consumer reporting agencies under false pretenses (§ 619) and for providing information to someone unauthorized to receive it (§ 620).

#### Legal recourse.

The private enforcement provisions of the FCRA permit the consumer to bring civil suit for willful noncompliance with the Act with no ceiling on the amount of punitive damages (§ 616). The consumer may also sue for negligent noncompliance for actual damages sustained by him (§ 617). Attor-

ney's fees, as determined by the court, will be allowed for both forms of action.

A two year statute of limitations from the date liability arises is provided for civil suits (§ 618). However, where the defendant has willfully misrepresented information required by the law to be disclosed to a consumer, and that information is material to the establishment of the defendant's liability, the statute does not begin to run until discovery of such misrepresentation.

Suit may be brought in any appropriate U.S. District Court without regard to the amount in controversy, or in any other court of competent jurisdiction (§ 618).

A consumer reporting agency any user of information, or any person who supplies information will not be subject to a consumer's civil action for defamation or invasion of privacy based upon information disclosed to a consumer pursuant to the Act, unless the information is false and furnished with malice or willful intent to injure such consumer or furnished negligently in noncompliance with the Act. However, if the consumer also obtains the information independently of the agency disclosures, such actions may be brought.

#### Administrative enforcement.

Compliance is enforced by the FTC with respect to consumer reporting agencies, users of reports, and all others involved who are not regulated by another Federal agency (§ 621(a)). The Commission can use its cease-and-desist power and any other procedural, investigative and enforcement powers which it has under the FTC Act to secure compliance, irrespective of commerce or any other jurisdictional tests in the FTC Act. Compliance on the part of financial institutions is delegated to those Federal agencies that exercise existing enforcement jurisdiction over such businesses (§ 621(b)).

#### V. Some frequently asked questions about the Fair Credit Reporting Act

1. *Question:* Is a lender's exchange which merely collects information, such as amount of loan, etc., regarding loans outstanding, and provides this information to its members on a non-profit basis, a consumer reporting agency?

*Answer:* Yes. Section 603(f) defines "consumer reporting agency" to include any person which "... on a cooperative non-profit basis regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports". Accordingly, any exchange or pool which collects information which might bear on a decision to grant credit or insurance for personal, family or household use, or employment, and disseminates this information to its members or other third parties is a consumer reporting agency.

2. *Question:* Is a motor vehicle report issued by a state agency a "consumer report"?

*Answer:* Yes, under the circumstances in which such a state motor vehicle report contains information which bears on the "personal characteristics" of the consumer, (i.e., when the report refers to an arrest for drunk driving). Under those circumstances, such reports issued by a Department of Motor Vehicles are "consumer reports", and the agency is a "consumer reporting agency" when it issues such reports.

3. *Question:* Is a report on an individual obtained in connection with the extension of business credit or writing of business insurance a "consumer report"?

*Answer:* No. While Section 604(e) of the Act makes a report obtained by a person who has a legitimate business need for information on a consumer in connection with a business transaction involving the consumer a "consumer report", other Sections

of the Act and its legislative history clearly indicate that only reports obtained in connection with employment, credit, or insurance for personal, family, or household purposes were intended to be covered. Accordingly, if a report is obtained on an individual for the purpose of determining his eligibility for business credit or insurance, it is not a "consumer report".

However, when the information contained in the report was originally collected in whole or in part for consumer purposes, it is a consumer report and it may not be subsequently furnished in a business credit or business insurance report.

4. *Question:* Are "claims reports", "adjustment reports" or other reports obtained by an insurer in connection with an insurance claim a consumer report?

*Answer:* No, not at the time it is obtained. A report on a consumer obtained by an insurance company in connection with a claim against it, is not used to determine a consumer's "eligibility" for insurance, (Section 603(d)(1)) or in connection with the "underwriting of insurance involving the consumer" (Section 604(3)(c)). Neither is such a report obtained in connection with "a business transaction involving the consumer" (Section 604(e)), at the time it is obtained. Accordingly, such a claims report is not a "consumer report". Conversely, it would be improper to use information originally collected in whole or in part for consumer purposes in a claims or adjustment report, since such reports are not "in connection with a business transaction involving the consumer".

If, however, a claims report is obtained, and later used in connection with a decision to cancel, to refuse to renew, or to increase the premium charged for personal insurance for the consumer (or to take similar action in respect to specific benefits such as disability income benefits and workmen's compensation benefits provided under such policy), it is a "consumer report" when so used, and the applicable disclosures under Section 615(a) would have to be made.

5. *Question:* Many trade associations and other organizations issue "protective bulletins", lists of consumers who have issued bad checks or who for some other reason may not be credit worthy, and lists of persons whose alleged personal characteristics or affiliations disqualify them for employment. Under FCRA, are such lists considered "consumer reports" and, if so, may they be distributed?

*Answer:* Yes, they are consumer reports; no, they may not be distributed. The purposes for which a consumer report may be distributed are set out in Section 603(d) and 604 of the Act. Both Sections require that a report must be "used or expected to be used or collected ... as a factor in establishing the consumer's eligibility for" certain things such as consumer credit or insurance; or, "to a person which ... intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished. ..." (Emphasis supplied) Since these lists, which are in effect a series of consumer reports, contain information on consumers who may never have a transaction with the recipient of the list, the distribution of such lists is prohibited.

6. *Question:* May a consumer reporting agency furnish a consumer report to another consumer reporting agency for the purpose of selling such report to a subscriber?

*Answer:* Yes. Assuming that the consumer reporting agency seeking the report has had a request for a report on the subject of the report from one of its subscribers, it would have a permissible purpose for obtaining it under Section 604(E) of the Act. Accordingly, there would be no bar to an agency furnishing such a report.

7. *Question:* Does a mortgage banker or

financial institution become a consumer reporting agency by transmitting a consumer report or information obtained from outside sources to another party involved in the same transaction?

*Answer:* No. The mortgage banker or financial institution would not become a consumer reporting agency since it is a joint user of the same information with the other party involved in the same transaction. For example, a financial institution does not become a consumer reporting agency by transmitting such information to an insurer or guarantor (as in the case of FHA, VA, private insurers or insured student loan programs), or to a participating financial institution in connection with the same transaction, or to a collection agency in connection with its efforts to collect on the transaction.

APPENDIX

*I. Sample (nature of information) disclosure required of users under section 615(b) of the FCRA.*

Mr. HARRY DOE,  
Anytown, USA.

DEAR Mr. DOE: In response to your request for a statement of our reasons for turning down your recent application for credit, our records reveal that your application was not approved because:

Your employer informed us that you were a part-time rather than full-time employee.

or

A department store in this city told us that you were several months behind on your payments.

or

The local branch office of a finance company informed us that it had turned your account with them over to a collection agency.

or

A bank in this city told us that your checking account was consistently overdrawn.

We appreciate your patronage, and invite you to shop with us on a cash basis.

Very truly yours,

RICHARD ROE,  
Credit Manager.

*II. Acceptable disclosure of investigative consumer reports under §606(a)(1)*

[This is to inform you that as part of our procedure for processing your (initial insurance) (renewal insurance) (credit) (employment) application] [when a separate notice is used]

or

[In making this application (for insurance) (for credit) (for employment) (when disclosed in the application\*) it is understood that] an investigation may be made whereby information is obtained through personal interviews with your neighbors, friends, or others with whom you are acquainted. This inquiry includes information as to your character, general reputation, personal characteristics and mode of living. You have the right to make a written request within a reasonable period of time to receive additional, detailed information about the nature and scope of this investigation.

*III. Appendix 603(d)(3)(C) contract*  
ABC FINANCE COMPANY.

DEALER NAME & ADDRESS.

GENTLEMEN: Pursuant to provisions of the Fair Credit Reporting Act (Public Law #91-508—Title VI of the Consumer Credit Protection Act) and in connection with retail installment sales transactions submitted to us for purchase, the law and this agreement requires you to notify each prospective purchaser of our name and local branch ad-

\*Disclosure incorporated in an insurance or employment application, or other document must be clear, conspicuous, separately stated, and placed so as likely to be read.

dress when such purchase is intended for personal, family or household use.

This letter constitutes your representation and warranty to us that you will fully comply with the foregoing requirement.

Kindly confirm and acknowledge this understanding by signing the duplicate copy of this agreement which should be returned to us in the enclosed business reply envelope for which no postage is required.

Thank you for your cooperation.

\_\_\_\_\_  
Manager.

Agreed: \_\_\_\_\_

EQUAL TREATMENT FOR PUERTO RICO

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BADILLO. Mr. Speaker, on several occasions I have called to our colleagues' attention the fact that American citizens in Puerto Rico are being discriminated against and that these 2.7 million men, women, and children are not receiving their full and fair share of Federal assistance.

Aside from being specifically excluded by statute from a number of Federal programs, Puerto Rico is the victim of discrimination in more subtle ways, such as the imposition of unrealistic and arbitrary ceilings or outmoded formulas based on the low average per capita income of the island. Not only have American citizens in Puerto Rico been treated as second-class citizens for countless years but this situation is being perpetuated through ill-conceived legislative and executive programs. The welfare program—family assistance and aid to the aged, blind, and disabled—of H.R. 1, for example, provides that Puerto Rico will only participate to the extent of 55 percent as that of the 50 States.

There is no sound reason why Puerto Rico should not be treated the same as one of the States and reforms must be made now. In my speech of May 4 I called upon our colleagues in both bodies to see to it that Puerto Rico is included and equitably treated in every piece of legislation coming before the Congress.

I am delighted to report that the distinguished Governor of Puerto Rico—the Honorable Luis A. Ferré—has joined in this effort to end the present discrimination and to achieve full equality with the mainland. In a recent conference with the President, Governor Ferré urged that the island be given a full share of available funds and that Puerto Rico receive equal treatment as soon as possible.

I am especially pleased that Governor Ferré has raised this issue with the President as he is the chief spokesman for the Commonwealth. Furthermore, as he is affiliated with the Republican Party, Governor Ferré's participation in this important undertaking clearly makes it bipartisan and, I am hopeful, it will lead to even broader bipartisan support for meaningful and effective reforms.

Mr. Speaker, last weekend a front

page article appeared in the San Juan Star regarding the Governor's meeting with the President and his call for equality. I am anxious to share with our colleagues the Governor's message and I present herewith, for inclusion in the RECORD, excerpts from the San Juan Star article:

[From the San Juan Star, May 29, 1971]

FERRÉ ASKS FULL SHARE OF U.S. AID FOR PUERTO RICO—NIXON TOLD "PUERTO RICO NEEDS LIKE STATES"

(By Ed Konstant)

WASHINGTON.—President Nixon was asked Friday by Gov. Ferré to help end the "discrimination" against Puerto Rico in federal aid programs by giving it a full share of available funds.

Ferre's strongest request to date for "equal treatment" with the states was made during a 25-minute meeting between the two at the White House. Ferré also talked with Nixon about his plan to create a North-South Center of "understanding" in Puerto Rico and the Commonwealth's desire to maintain a flexible minimum wage policy on the island.

"I think he was very understanding," Ferré said of his conversation with Nixon. "His comments made me feel he appreciated them." However, when asked whether he received any commitments from Nixon, he replied:

"Presidents never make commitments."

The Governor was accompanied by his daughter Rosario Ferré De Trigo when he arrived at the White House for his appointment with the President. His daughter was also with him on his last meeting there with Nixon in 1969, through the two men have talked briefly in between, most recently at the Republican governors conference in Williamsburg, VA. Nixon walked down the path with the Governor and his daughter to their waiting limousine as they left the executive mansion at 11:25 a.m. They chatted and laughed, pausing halfway as photographers clicked away and newsmen sought to catch an earful of the conversation.

Just before reaching the limousine, the Governor invited the President to make a visit to Puerto Rico. But Nixon was non-committal, noting that he frequently made trips to Florida and the Bahamas.

Ferre made a point of stressing the natural attractions of El Convento Beach near Fajardo. Calling it the "most beautiful" place in the world, the governor told his host, "you'll love it." Nixon, he said later, received the invitation "courteously" but would not commit himself.

Meeting with newsmen later at his press conference, Ferré said he told the President setting a limit on appropriations for Puerto Rico is "not really fair" because the Commonwealth has the "same needs as the states." There should be no discrimination between them, he added, regardless of the fact that Puerto Rico does not contribute to the federal treasury.

Ferre cited the proposed welfare reform legislation in Congress as an example. To deny Puerto Rico full participation, he said, only helps to perpetuate widespread poverty on the island. It was similar to comments made several days ago by Rep. Herman Badillo, D-N.Y., though less vehement.

The Governor said the 58 per cent share Puerto Rico would get under proposed welfare reform was akin to treating cancer patients in New York and other states, but giving the victim in Puerto Rico only "half cancer treatment."

"The present administration has done well to get us a higher percentage," the Governor explained. "But we feel that is not enough and that Puerto Rico should have equal treatment as soon as possible."

The Governor added that he told the President he feels the United States "should

focus" more of its attention on South America and that a North-South Center could make Puerto Rico the link between both continents and foster a "better understanding between the two cultures."

#### ADDED REASONS FOR NEW ENGLAND HYDRO POWER

### HON. WILLIAM D. HATHAWAY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. HATHAWAY. Mr. Speaker, in the past several days, there have been a number of incisive articles in the Nation's press which combine to point up the need for development by the Federal Government of a source of hydroelectric power in New England, such as was authorized by Congress in 1965 in the form of the proposed Dickey-Lincoln School power project in northern Maine. That project has since been funded in the amount of \$2.2 million, with about \$1.5 million still required before preconstruction planning can be completed and actual building of the facility gotten underway. Last week, I requested that the House Appropriations Subcommittee of Public Works include \$800,000 for continued preconstruction planning funds for the project in the fiscal 1972 public works appropriations bill.

In the past, the argument for the introduction of hydroelectric power to New England has generally centered on the power-reliability, nonpolluting, and reduced-cost aspects of such a source. But as the following articles suggest, the argument is gaining the force of new considerations. The first of these, suggested by Tom O'Toole in the Washington Post, Joyce Egginton in the Los Angeles Times, and the May 28 edition of the Rural Electric Newsletter, is that this country cannot afford to place too much reliance on nuclear power as the solution to our critical need for sources of electric energy. The second, detailed in an article by Robert L. Miller in the Bangor, Maine, Daily News, points to the prospect of massive hydroelectric-power development in Canada, and the consequent irony of paying our northern neighbor considerably more for a product we could provide ourselves at little cost.

The articles referred to follow:

#### A-PLANTS FACE DELAYS AFTER FAILURE IN TESTS

(By Thomas O'Toole)

At least five and as many as 56 atomic power plants being built in the United States face construction and operation delays as the result of tests showing possibly defective designs in their nuclear-fueled reactors.

The five plants alone represent an investment of more than \$1 billion and an electric power output of more than four million kilowatts, enough to light up a city the size of Chicago. Long delays in these plants could trigger power crises in Florida, New York and Michigan, where they are being built.

Far more serious is the impact long delays might have on 51 more plants being built or about to be built; these account for more than 42 million kilowatts of planned power and an investment of over \$10 billion in

more than 20 states. Lengthy delays in their construction could trigger a nationwide power shortage.

The delays were caused by six straight failures of laboratory-sized atomic reactors to cool themselves down in emergencies called "loss of coolant" failures. Each time, the emergency procedure for cooling down the hot nuclear cores backfired in tests, causing the simulated reactors to close themselves down.

"These tests were not fair models of real reactors," one Atomic Energy Commission official said. "Nevertheless, we have to be concerned by the failures and the outside possibility that we might have a fundamental problem in design."

The chances of basic design problems are slim, AEC officials said. But if the emergency coolant designs don't work it would affect the nuclear plants being built and the 16 plants already in operation.

If the designs prove defective, plants operating today might have to be closed while the designs were being corrected.

"We have told five utilities they can expect licensing delays on five nuclear power plants," an official of the TEC's regulatory staff said yesterday.

"These five were chosen because they were all at a juncture where some action had to be taken. They had to be told they could not meet their deadlines."

The five utilities are Consolidated Edison Co. and Long Island Light Co., in New York, Florida Power & Light Co., and Detroit Edison Co. and Consumers Power Co. in Michigan. The Con Ed, Florida P&L and Consumers Power plants are ready to begin producing electricity; the other two are about to begin construction.

The length of the operation and construction delays is anybody's guess. One AEC official said the five utilities can expect delays of at least one month and probably three months.

The tests that turned up the loss-of-coolant failures were what engineers call "blowdown" tests. They were conducted on semi-scale reactor mockups at the National Reactor Testing Station in Idaho Falls, Idaho.

In the tests, engineers pretended that a water-cooled reactor under pressure had suddenly lost its cooling water at the same time that it suffered a "blowdown," which is a rupture in the piping that carries the coolant through the reactor.

The tests showed that when emergency water was flooded in through the piping to cool down the core, it did not get to the core because pressurized steam built up and wouldn't let it in.

"The tests seemed to indicate," one source said, "that there is a possibility the steam pressure within the vessel could prevent the core cooling water from entering the vessel. It appeared as if the core cooling water was being forced out of a break in the recirculation loop."

Engineers noted that the test results don't prove a design defect, since the tests were carried out on a model vastly different from a full-scale reactor. Only one prime coolant loop is used in the model, whereas four are used on real reactors.

Nonetheless, the test results were viewed as serious in the most conservative AEC circles.

"If you get a loss of coolant and then a loss of emergency coolant in a real accident," one official said, "your reactor core would overheat and probably melt under temperatures in excess of 5,000 degrees."

"The core would probably crumble," he went on, "and although you've got 10 or 12 feet of reinforced concrete under the core it might melt through all that. There would be steam explosions and there is a possibility of the reactor bursting. Nobody knows for sure what would happen."

#### SCIENTIST WARNS OF LIVING NEAR NUCLEAR REACTOR

(By Joyce Egginton)

NEW YORK.—Anyone born within a 50 mile radius of a nuclear reactor, particularly a reactor of the boiling water type, has a less-than-normal chance of surviving the first year of life, an expert in radiation physics told a public hearing in New York State.

This opinion, backed by statistical evidence, was advanced by Ernest J. Sternglass, professor of radiology at Pittsburgh University, in opposition to a proposal to build a huge reactor on Long Island Sound, 50 miles from New York City.

During the past six months Sternglass, helped by a small team of research assistants, has been investigating the effects of escaping radioactive gases and liquids from nuclear reactors. In 11 out of the 12 reactors investigated he claims to have found "a perfect correlation" between increases in infant mortality and increase in the escape of radioactive substances. (The 12th, in a sparsely-populated area of Massachusetts, is regarded as an unusually "clean" reactor.)

The relationship between the two sets of statistics has never been looked at before, says Sternglass. The Atomic Energy Commission and similar authorities in other western countries have always set their permissible limits for escaping gases according to the known tolerance of adults.

But, he asserts, radiation levels hundreds of times below these limits can be deadly to the human embryo. He urges that the building of all new reactors cease immediately and that existing ones be either put out of action or fitted with devices to trap all the gaseous emissions.

"The technology for doing this has existed for 15 years, but it has not been applied to reactors because it is very costly and was thought unnecessary," Sternglass maintains.

Sternglass caused considerable controversy almost two years ago when he announced his theory that radioactive fallout from atomic tests had caused genetic damage to humans. He claimed then that there was a direct relationship between formerly inexplicable rises in the incidence of infant mortality and infant leukemia in certain areas and the path of the fall-out from major nuclear tests, before the 1963 test ban.

These peaks in infant mortality sometimes persisted until five years after the fall-out, Sternglass said, suggesting genetic damage to parents before their children were even conceived.

Sternglass has been criticized for these conclusions by nuclear scientists, and particularly by the Atomic Energy Commission.

But so far, no one has been able to disprove them and there has been a small but growing body of support for him among American scientists. He is continuing his research on radiation hazards, helped by a team of enthusiastic students at Pittsburgh University.

"It had not occurred to me that there were any serious hazards from nuclear reactors until last year, when I read the AEC statistics of how much radioactive gas is coming out of the stacks and into the rivers," Sternglass said in an interview. "Before that, for the whole of my professional life, I was convinced that since it is possible to make the air in a nuclear submarine safe for men to breathe for three months, nuclear reactors were made equally safe for the surrounding population. But then I started to check the facts."

He and his assistants began by visiting Dresden, Ill. 45 miles south-west of Chicago. The Dresden reactor, located in an area of dense population, began leaking in 1961 and did so at an increasing rate until 1966, Sternglass determined from official statistics. He also found a corresponding rise in the inci-

dence of infant mortality, from 24 to 25.5 per thousand live births, for the same period, tapering off beyond the 5-mile radius. Most of the babies died in the first few days of life from respiratory diseases and general immaturity.

"The most significant piece of evidence is that in Grundy County, where the plant is situated, the births of premature babies rose by 140 per cent between 1964 and 1966," Sternglass said. By 1968 the Dresden area's excess of infant mortality over a comparable area in the Middle West—Ohio, which had much the same infant mortality rate before the reactor started—was such that 4,000 more babies had died in the neighborhood of the reactor.

Sternglass believes that most, perhaps all, of the 4,000 deaths are directly attributable to nuclear leakages, although these fell well within the AEC's acceptable limits.

These limits, based upon the reliable amounts of X-rays that can be used upon adults "misrepresent the biological hazards," Sternglass maintains. They also fail to take into account the way in which radioactive material may be recycled in local food supplies and water.

He believes that the hazards increase with proximity to the reactor. "At five miles distance it is ten times worse than it is 50 miles away. People living really close to a plant are suffering without knowing it."

The Sternglass team found that Dresden was not an isolated case. There was a comparable increase in infant mortality near 10 other U.S. reactors visited.

Sternglass feels that the pressurized water reactors are safer than the boiling water variety, although the hazards are still considerable. The 19 nuclear power plants which existed in the United States at the end of 1970 are fairly equally divided between the two. Eleven more are scheduled to be completed this year, mostly to generate electricity.

#### N-PLANT PROBLEMS ADD TO POWER CRISIS

Design problems in several large nuclear power plants could trigger power crises in Florida, New York and Michigan.

The Atomic Energy Commission said Wednesday it is reviewing a technical problem which could cause delay in making five atomic power plants operational in those states. The AEC said there is an outside chance that if the problem proves to be of sufficient importance, some of the 21 plants now operating might have to close down temporarily.

Far more serious is the impact long delays might have on 51 more plants being built or about to be built. These account for more than 42-million kilowatts of planned power and delays would cause further shortages of power all across the nation.

The delays in the five plants now undergoing licensing procedures were caused by six straight failures of laboratory sized atomic reactors to cool themselves down in emergencies called "loss of coolant" failures.

An AEC official said that the five utilities can expect licensing delays on the power plants of at least a month and probably three months.

The five plants are the Palisades plant operated by Consumers Power Co. of Michigan, Enrico Fermi plant by Detroit Edison of Michigan; Consolidated Edison of New York's Indian Point; the Shoreham operated by the Long Island Lighting Co., Long Island, N.Y.; and the Turkey Point plant of Florida Power and Light.

#### QUEBEC WOULD DAM 10 RIVERS FOR POWER

(By Robert L. Miller)

TORONTO.—While urban Americans are dusting off their air conditioners and steeling themselves for the inevitable power "brown-outs" this summer, Quebec Premier Robert

Bourassa is making long-range plans to come to the rescue.

Hydro-Quebec, a province-owned utility, already has agreed to provide extra power to New York's mighty and sometimes maligned Consolidated Edison during the peak summer months of electricity consumption.

But that's for this year. In the years ahead, according to every known study, the U.S. shortage of energy—particularly hydroelectric power—is going to become more acute. If New York needs emergency help in 1971, what in the world will it do in 1981?

Premier Bourassa says he has the answer, and he has announced that his government will go ahead with an almost-fantastic plan to harness the wild rivers running through Northern Quebec into James Bay in the sub-Arctic.

Bourassa's James Bay project is so huge that the premier doesn't even know what it will cost, although he estimated a total outlay of from \$5 billion to \$6 billion.

Involved in the plan, whose final details have not been revealed, is the damming of no fewer than 10 rivers and the diversion of five others. The 10-year development will require construction of hundreds of millions of dollars worth of roads and other facilities in what is now virtual wilderness.

The James Bay plan dwarfs the giant Labrador hydro project at Churchill Falls, where \$800 million has been earmarked to generate electricity ultimately intended for New England.

According to insiders in Montreal, fundamental to the James Bay project is a deal—volume and price-per-kilowatt are yet to be finalized—between Hydro Quebec and Con Ed, under which the New York utility will buy huge quantities of power over something like two decades.

It is also understood that Con Ed has agreed to help Quebec raise capital in the New York money market. On his recent trip to Europe, Bourassa sounded out potential investors in the James Bay scheme and reportedly closed deals with West German banks and Compagnie Generale d'Electricite, France's largest manufacturer of electrical equipment.

If Bourassa, Hydro-Quebec and the northern rivers can manage to keep Mr. and Mrs. America's air conditioner operating during the summer heat waves, they will earn considerable gratitude in the United States. But Bourassa is a Quebec politician, and it is home approval that he needs.

Behind the James Bay deal, and even behind the timing of its announcement are three separate but inter-related stories of potentially large political importance in Canada.

First, Bourassa revealed his intentions at a celebration marking the first anniversary of his election as head of the Quebec government—an election in which he beat back the challenge of the separatist Parti Quebecois, largely with the help of a slogan promising 100,000 new jobs in 1971.

Today Bourassa says that the 100,000-jobs slogan was symbolic of a goal rather than a flat promise. Sadly, the jobs picture in Quebec is bleaker now than it was a year ago, thanks largely to federal anti-inflation policies and to continuing investor uneasiness following last fall's terrorist crisis.

Bourassa is concerned over his failure in the employment field, and in discussing the James Bay power project, his aides talk grandly of 146,000 new jobs including 20,000 construction openings. One thing is certain, and Bourassa knows it; somehow, he has to improve dramatically the employment picture before the next election. Otherwise, the separatists could be formidable at the polls.

Second, the Hydro-Quebec scheme presumably will proceed before any conclusions are reached in the continuing Canadian-U.S. discussions over the wisdom of developing

what Washington now likes to call a "continental approach" to energy policy. The facts are, simply, that the United States is running short of energy; Canada has colossal reserves and obviously must somehow supply the U.S. demand. The questions are how and at what price the supplies will be made available. So far the federal government in Ottawa has not laid down a policy. With Hydro-Quebec going ahead with the James Bay plan, the thinkers in Ottawa may be spurred to an earlier decision.

Finally, although Bourassa has shown himself to be a fierce Quebec "nationalist" in cultural and constitutional affairs, he has been anything but nationalistic when it comes to money. At a time when many Canadian politicians are issuing solemn warnings about the perils of more foreign investment, Bourassa has been taking the opposite course. He stresses that Quebec wants all the development money it can get.

Canada's economic nationalists can be expected to criticize the James Bay plan. Besides their concern about the vast sums of foreign capital required, the nationalists also worry about what they call the sellout of Canada's resources, including hydro power. The James Bay project is expected to generate four times as much power as greater Montreal consumes today. Those 15 northern rivers are flowing right now, and have been since the last Ice Age. At the moment, the 15 combined wouldn't light a 10-watt bulb and they won't until somebody harnesses them. It is the same thing with the rest of the resources which make the nationalists so proud. They have no value until they're developed.

DR. LEWIS NOBLES

HON. CHARLES H. GRIFFIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. GRIFFIN. Mr. Speaker, on April 16, 1971, Mississippi College president, Dr. Lewis Nobles, gave an address at a dinner of Phi Delta Kappa.

Dr. Nobles expressed with great clarity and eloquence the need for discipline in all walks of life as a worthy and necessary attribute for successful and meaningful living in an orderly society.

I commend Dr. Nobles' thoughts to the attention of my colleagues:

ADDRESS BY DR. LEWIS NOBLES

I have had the privilege of spending most of my adult life in the field of higher education working with people of various nationalities, backgrounds, and interests. Often at these times I have found myself to be looking intently with introspection relative to this area in which I have spent most of my adult life; this view has been on some occasions critical, but always affectionate.

Before World War II America was to the rest of the world still the land of hope, of opportunity, and of promise. The American was still a curiosity abroad and he was seen as something vigorous and new, uncluttered with the traditions of the old, prosperous, bright, fresh and free.

In World War II the American was seen abroad in great numbers and in the unglamorous theatre of war, he was found indeed to be much as a man from many another land, with the same frailties and the same vanities, but he fought with riches as well as blood in a rather clear-cut defense of human liberty.

Thereafter, America was, once again, the country of hope, the people of generosity and compassion, for in 1947 the Marshall Plan was announced to a war-weary world. It was



an act conceived in a spirit of friendliness and generosity and it was seen in that way. Anthony Eden described it as "the most unselfish act in history." Another European statesman called it "unparalleled in the world's history, both as to motivation and generosity."

Since that day more than twenty years ago our Nation has sent more than 175-billion dollars to help other nations, a sum not far short of being one thousand dollars for every man, woman and child in America.

Not that America has attempted to pay for its world citizenship in money alone; it has since fought wars almost alone in its difficult new role as a world policeman. It has sponsored a Peace Corps and is the cornerstone of every alliance and program for peace throughout the free world.

And in these years the American has indeed become a world citizen. His embassies and products and business men are now encountered in every land on earth.

But while all of this worldliness has been manifesting itself, something seems to have been happening at home; no one thing perhaps, but a rising frequency of worrying events. A president, his brother, and a major civil rights leader are murdered. Students demonstrate and their methods include the unlawful. Riots and bombings come to our big cities. The streets of our Nation's capital and of fashionable downtown New York City become unsafe after dark. The United States courtroom is a circus and thousands jeer when a judge charges contempt.

So, how do I answer the question of my European acquaintances when they ask, "What is happening to your country?" This is not a question of those biased against America, but of friends, many of whom have lived here, who have family here, or who have come here regularly. How is one to answer them? Indeed, something is happening in my homeland. From a distance one can take perhaps a more dispassionate view and possibly arrive at a more objective answer. This I have tried to do but I am not completely satisfied at what I have determined.

First, I have talked with many Europeans who know America well. By and large they are in all truth our devoted friends, and I have found that perhaps the best source of opinion in such regard is from other Americans living abroad and I have questioned them. Next, one comes home and gets a periodic refresher course from business and academic friends, and then, of course, there are one's friends and own children who, as all of you would recognize, are not without their own views. Add to this finally the endless reading that one does when he is concerned about his native country.

Let me try to make some observations from this background. They will doubtless be heavily colored by my own views for which I ask your patience and understanding.

One qualifying comment if I may: No country and no people can claim to have a corner on wisdom. There are glaring imperfections and problems everywhere; however, our neighbors' shortcomings don't excuse our own. Therefore, let us try to look at ourselves in comparison, but as absolutely and objectively as possible.

To begin, viewed from this viewpoint one sees much in America that is inordinately good. May I mention just three brief examples.

First, America is still the land of opportunity. It is the best thing going; hobbling traditions are at a minimum. No, you don't like the Federal tax collector and you don't like Government interference in much that you do, yet one does have here some opportunity to get ahead. In many another land this is almost impossible; the accumulation of money is viewed as a sin, not a mark of success. It is still possible in America to pay a man, to give him some incentives for performance. The individual's freedom is still

greater here than anywhere else. Because of this ability to encourage and reward, this is still the land of opportunity and with that the land of innovation and of technological promise.

Second, America has the heart and courage to tackle our major problems. Whatever the past and whatever one's qualifying words, this is an act of great courage; and whatever may be the results, this is still one of man's great humanitarian efforts.

Third, and appropriate to observe on this occasion particularly, is the great strength of America's system of education. America is decades in the vanguard in making education available broadly to everyone who can benefit from it. Whatever its shortcomings, it is providing America not only with leaders and innovators, but also with a great middle strength, a fairly enlightened populace that should be able to ride out the storms that are due to continue in this world through the foreseeable future.

These are only a limited number of examples of our great good, and these are set against a background of affluence, of many strengths and accomplishments. In light of all this, what is this silliness that seems to be cluttering our minds as well as our newspapers and television sets?

Why aren't the streets of New York safe to walk on? Why is a bank smashed up down in Santa Barbara? Because some young people profess to see a bank as a symbol of the terror and oppression this country perpetuates? Why is a university president's office invaded and his personal files rifled and thrown on the floor? Why is another university president's office burned down? Why does an accused individual have to be bound and gagged for the due process of law to succeed? Why does a contempt charge against a middle-aged defense lawyer bring forth protest marchers who yell anarchy and depression? What have we done to produce youth who say that "If a society is not going to become perfect quickly, then it had better be destroyed quickly."

The anatomy of a society or country is not determined solely by its physical measurements. The availability of raw materials, the state of industrialization, the extent of education, etc., are all factors, of course, but there are others as well. They include what I will call national attitudes, the views and prejudices that come from the history and ethnic background of the society, the state of mind that reflects its traditions and experiences. National attitudes are as definite as geography. They vary greatly under seemingly similar circumstances and they must be identified and studied if a society's actions are to be understood. Let's see if somewhere in here we can find the answers to our questions about contemporary America.

Around the start of this century America was still basically a northern European transplant. Its attitudes were still European. Many of us in this very room were born into families whose disciplines and moralities were those of Victorian England. Frugality, morality, parental discipline—as rigid in Eureka as in Edinburg.

This was a national attitude, and it characterized America as much as did the fact that we had an unspoiled land of millions of square miles. The America that we inherited was not only a great land with a heritage of freedom and an economy that technology was to turn into one of new abundance, but we were a disciplined people as well.

Nature has a multitude of disciplines. As man evolved from the cave to the city, some of these disciplines disappeared, some have altered and some of them remain. An example—one's physical safety—becomes of less immediate concern. On the other hand, one of the surviving ones had been the requirement that the individual must somehow contribute to the group in a manner that would allow him to share in its bounty. Even

in my boyhood days there was an idea that one must earn his living; with new concepts of social security that discipline has become much less rigid. The weakening or removal of a discipline is an event of great sociological importance. Let's look at just this one—the matter of having to be self-sufficient—of having to make one's own way. How many times do we see the decay of a family after one generation of affluence, the sons who dissipate the inheritance and pass into oblivion. Here the removal of a discipline has had no compensation, such as the application of another.

The imposition of new discipline under such circumstances does occur. The five grandsons of John D. Rockefeller are as hardworking and constructive and useful as can be. Indeed, an imposed discipline can be invoked and passed along in families and groups, but for society at large to impose a new attitude of dedication as the old restraints go away seems to be very difficult.

Now to impose an arbitrary self-discipline is no doubt hard at any time, but at this time in America's history it is more than difficult for one of the most unmistakable marks of this era and the Western World is its radical renunciation of restraints. This is the age of permissiveness.

It is as though we revolted because of a sense of guilt from the confines of mid-Victorianism. Somehow the Puritan ethic became discredited. We renounced discipline as though we now found it opposed to freedom. We rejected authority as though it were undemocratic and evil in culmination. The recent decades have seen us go through the most unbelievable contortions to attempt to become understanding of the criminal, tolerant of the lawless, and subservient to the young generation. We have become so understanding, so tolerant, so permissive, retreating before any and every attack on our old codes of restraint and discipline. We are forever on the defensive as if our every shortcoming were a crime for which we are now being found out. Yes, it would seem that it has become wrong to interfere in any fashion with the actions of anyone, no matter how they may invade my privacy or your sensitivity. Sit-ins, sick-outs, love-ins, fake-outs, we submit to them benignly as though they were as out of control as the weather. In Washington, D.C., as indeed in other places, drug taking by teenagers has become a most serious problem. A *London Times* correspondent there questioned a large number of high school teachers, and one question was about the attitude of the parents of those youngsters. The answer was, "If you ring the parents merely on suspicion, they either threaten to sue you, or say they know all about it but what can they do." No control by parents over children of high school age and no support whatsoever for the poor teacher! These are some of the marks of an attitude in our society. To the outside world many of the children of America are seen as a most undisciplined lot. I know that you recognize that as compared with the West European the American young person is allowed to run unbridled and unchecked. The American parent seems to look upon his child as the embodiment of all that is sacred, noble, and sagacious. He pampers, pets him, and serves him.

Every generation no matter what the level of discipline produces its share of dissidents, but a twenty-year-old generation that has no parental restraints and has no respect for authority could only be expected to appear as a mob of revolutionaries. Thus, if some in a university student body disagree with draft regulations, for example, is that a valid reason to shut down the whole process of education? Some in the business community, I feel certain, would disagree with many features of the Federal tax system; therefore, I suppose by the same analogy we should shut down the whole process of industrial

operation and let the society go without food or clothing or transportation.

The student in our society is being accorded the supreme privilege of higher learning. Higher education whether at the secondary or collegiate level is one of the most precious privileges that society can confer, and precisely because students are so privileged, those who would destroy this privilege deserve so little themselves. Where appropriate, certainly, we should listen to our young people and we should love and understand them, but we will do well to discard the ridiculous view that all discipline of our young today must be prefaced with an apology.

It is often asked whether the young person of today is not a different creature, whether his new computerized world doesn't require that he throw off the old shackles of restraint and embrace new customs and concepts, perhaps at odds with the past.

If by that is meant shouldn't he go on with work on population control, on improving public health, on supplying broad education everywhere, on preserving the environment, the answer is an unqualified yes.

But if the question implies that the next generation and the one after that are a new kind of human being who should live by totally new patterns of behavior, I for one would suggest that the answer is no. No twenty-year-old is simply the product of his twenty years; he is the product of thousands of years of heredity—hundreds of generations—throughout which rules have constantly grown outmoded and have been changed, injustice has existed and has been fought endlessly, unjust wars have occurred forever, unending pain has been the cost of progress—but man has persevered. No, unfortunately the twenty-year-old of today must of necessity go along much of the same tortuous path. He will be healthier, better educated, and possess superior technology but he will still be much the same inside.

And those of this generation will find that the time-tested patterns of restraint will be required as it has been for all of us before if they are to have a chance of being even moderately successful during their hours of greatest need.

They will need an orderly society working within the confines of some reasonable set of laws. It might be possible, though I doubt it, for our system to be torn down by revolt; but if that did occur, then their hopes would indeed be shattered. Our greatest gift to them is to preserve this system, or something like it, even with all its faults for it is one that history has demonstrated to be a good instrument for evolution and progress. We can do them no greater disservice than to show a high degree of tolerance for laxity and carelessness and lawlessness as we allow in the mire of permissiveness.

The attitude of a people!

In 1922 Sir James Barry gave an address while rector of St. Andrews University in Scotland and in it were those often quoted words: "Mighty are the universities of Scotland and they will prevail, but even in your highest exaltation never forget that they are not four but five and the fifth and the greatest of them is the poor, proud homes from which you come."

These words were not the opinion of a man; they related to the underlying feeling of a people. Can you imagine the circus trial of the Chicago seven occurring in Scotland in 1920?

May I suggest that as a society we think now about a return to some of the disciplines of those years and let's be clear that we aren't addressing our young people but ourselves, you and me and you.

It isn't right to look elsewhere for help if we are talking about our own children. No, please don't suggest that the school is the place for discipline. Our system of edu-

cation is to educate, not babysit. Not only shouldn't we look to educators to be parents, it isn't fair to foist the undisciplined child on them.

I have spoken here possibly too much about parents and children, but you will understand that I mean discipline in a much wider sense. It is only as we as a people reconstruct some belief in discipline that the manifest ills of bombings and window smashings and sit-ins and courthouse circuses can be expected to abate. It is only through believing in the inherent right of privacy, of respect for law, of reverence for justice, and then subjecting ourselves to the discipline required that the attitude of a society will be revealed to that society.

Sadly, no one can say of America that this is her finest hour. I believe that the young who want progress will see this and that they will learn that the annoyances and distractions of bombings and public demonstrations by the undisciplined will slow them down even as it does us today, and their future judgment of you and me might be more severe—more severe than for the fact that we got stuck in Vietnam or polluted the atmosphere in which we live.

And so as my friends ask me, "What has happened to America?" I am somewhat perturbed as to the answer.

The much-lamented social breakdown in America need not necessarily be taken so seriously as some have. We have the strength, the ability, the means to handle the problems that stand before us. We need merely to stop pushing ourselves around, to stop this punishing self-criticism that concludes that because some things are imperfect then everything is wrong. We need merely to sober up and stop behaving like adolescents.

I for one don't believe that our pioneer forefathers would be very proud of us for this lapse of common sense. They worked too hard and faced too many real problems to be happy seeing us afraid of our own shadows.

On this night when we pay tribute to a man and the institution of education that he and men before and about him have created, we can make them no better gift than the resolution to embrace again some of the time-tested practices of discipline. They and the children we send to them will both be grateful.

#### THE INDIANAPOLIS 500-MILE AUTOMOBILE RACE

### HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BRAY. Mr. Speaker, for 60 years the Indianapolis 500-Mile Memorial Day Race has drawn world attention. The 55th running of this classic on May 29, 1971, was perhaps the greatest. The first race was held in 1911, but the race was suspended for 5 years during World Wars I and II.

There were 300,000 spectators viewing this greatest spectacle in racing, this year, and they were as colorful and interesting as the race itself. Visitors came to Indianapolis from all walks of life—millionaires and laborers, bankers and mechanics, farmers and students, clerks and teachers, ministers and musicians. There were old and young, long hairs, and crew cuts, black and white. Families far outnumbered that unattached. Every State in the Union was represented as well as scores of foreign countries.

It was an occasion dominated by fun, enthusiasm, and intense interest. Yes, this race has its dangers and there have been tragedies in the past. But thousands of us owe our lives to the safety precautions developed for and experience gained in the Indianapolis 500, a race that tests man and machine to the utmost. The entire world has gained from the experience of drivers at the 500, the lessons learned on the structures of metal and the building of machines, the improvements in fuels, lubricants, and tires.

The race is not a one-man affair, but the work of teams. The teams are made up of the owners of the car, the driver, the mechanics in the pit, and the car itself. On the track we see the results of those who through the years, in the shops and at the benches, at the machines and in the smelters, in the drafting room and on the test track, have developed this world of precision machinery.

Just as we saw racing at its best, we also saw courage and selflessness at its finest. Tony Bettenhausen, son of a former racer, brought his car to a screeching halt to assist in saving a fellow driver from a flaming wreck.

It was a great event and we left the track with a rather wholesome feeling of well being. There had been no signs of turmoil and dissension, no chanting of anti-American slogans, no Vietcong flags. Just before the race our National Anthem was played—everyone stood at reverent attention. For several hours on a warm, sunny May afternoon, 300,000 people had been permitted the luxury of total relaxation from the pressures of a very tense world. It was a fitting climax to "Thirty Days in May."

#### BULLOCK'S SUMMER YOUTH FAIR

### HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BELL. Mr. Speaker, since the focus of our efforts here in Washington involves the search for Government solutions to the many problems facing our Nation, it is especially gratifying to learn what some private corporations are doing entirely without Government assistance. An outstanding case in point to which I would like to draw the attention of my colleagues is the program of community service instituted by Bullock's Department Stores of Southern California.

A timely example of Bullock's multifaceted effort in the summer youth fair, a summer youth employment program initiated in one store last summer on an experimental basis. The fair was designed to provide both employment and an educational experience for youth in the Los Angeles area and was so successful that it has been expanded to all Bullock's stores for the coming summer. Assisted by store buyer-managers, students recruited from local high schools operated their own businesses using space provided by the store.

Contributions from Bullock's and from other small businesses in the area pro-

vided the booths, necessary working equipment, and loans for initial inventory, but the students themselves managed and operated each of 11 enterprises: The Art Booth, the Bakery, the Car Wash, the Craft Booth, the Ice Cream Parlor, the Job Exchange, the Make-up Booth, the Melon Patch, the Photo Badge Booth, the Shoe Shine Stand, and the Sign Shop. Student managers met and handled their own payrolls and divided end-of-summer profits among participating young people.

The enthusiastic support this outstanding program has received from all segments of the community—the young participants, their customers, local businesses, and the school district—testifies to the spirit of cooperation and public service which Bullock's has stimulated. This is, indeed, the kind of community service which my colleagues may want to encourage among corporations in their own districts.

In addition to paying well-deserved tribute to Bullock's, Mr. Speaker, I would also like to take this opportunity to commend each of the small businesses which contributed to the success of this program:

Alvins Photographic Supply, Bernardo Sandals, Blake, Moffit and Towne, Bronson Sportswear, Bruns Lee, Fedde Furniture, Foster and Kleiser Outdoor Advertising, Harris Slacks, Hartogs of California, K. C. Product Company, Moore Business Forms, Pasadena Star News, and Ralph's Markets.

Reynolds Print-A-Sign, Riviera Sunglasses, Russo Leather Goods, Supreme Dairy, Wilson Paper Company, Wood and Jones, William Bjorklund, Donald Ball, Mr. McSweeney-John Muir High School, Gerald Meyers, Mr. Proctor-Pasadena High School, Ruth Sweet, Theo, Stuart, and Mr. Walter-Blair High School.

And, in closing, I would like to add a special word of commendation for Mrs. Robin Hague, Bullock's special events director. Mrs. Hague is a dynamic young woman whose creativity and energy played a significant part in the success of the Summer Youth Fair—and in many of Bullock's other outstanding community endeavors.

#### OUR SST MISTAKE

### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. MICHEL. Mr. Speaker, now that the heat has subsided somewhat in the debate on the question of discontinuing Federal support for development of the SST, the postmortem season now begins and in that regard I noticed an editorial in the Peoria Journal Star today entitled "Our SST Mistake." I ask that the editorial be placed in the Record at this point:

#### OUR SST MISTAKE

The wisdom of the "popular" burial of the SST program here in the United States—after kicking it around in debates for years—remains to be seen.

It is certain that the assault on the SST was a straightforward blast at spending the money plus a shaky series of emotional assumptions about "pollution." They neglected

the "ecological" aspects of the decision itself.

Already, we find that while we were debating and ultimately canceling the whole deal, the Russians were working night and day. Their "SST" is now flying across Europe, landing at major cities, and advertising the probable future domination of the field by the USSR.

For more than a generation, U.S. aeronautics and more recently "aero-space" has led the world, and more than mere pride or prestige was involved.

The speed, efficiency and safety of U.S. equipment caused it to be widely sought around the world.

Result: Today more than half the total income to the U.S. in foreign trade comes from the sale of such products.

That income has been life-or-death to the stability of the dollar in world markets, and it has gone into American jobs and American prosperity.

Experts say that the loss of that market alone would be so great as to devalue the dollar.

We presently seem bent on losing it by default.

It will be a little late then to consider ALL the aspects and the physical consequences of that political decision.

It is already too late.

Some are eager, today, to go the same route on a long list of things. Let Lockheed sink. Let the Pennsylvania railroad go busted. Stop the ABM production. Cut back the space program. Stop military procurement. Bring the boys back from Germany, Turkey and Vietnam.

Do all these things and more and think of all the money we'd have to spend for poverty, they say!

While you are at it, however, think also of all the poverty we would have, all the jobless people, all the wrecked organizations and wasted skills.

Think how much bigger we would making the basic poverty problem—the welfare problem.

Think of that, too!

Taking money out of jobs to put into welfare payments is not the way to reduce the poverty problem. It is the way to vastly increase it, more likely.

There's some human ecology and economic ecology involved.

#### ALTERNATIVES TO REVENUE SHARING

### HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BINGHAM. Mr. Speaker, for many local leaders, revenue sharing has become a panacea that will solve all the problems of our financially strapped States and cities. In its recently issued Position Paper on revenue sharing, however, the National Issues Committee of the Liberal Party of the State of New York has retained an admirable degree of objectivity, and the result is a particularly balanced assessment of revenue sharing and certain alternatives for achieving increased Federal funds, which most observers agree is essential. The general conclusion of this paper is that a combination of Federal assumption of welfare costs and increased Federal appropriations to existing urban-oriented programs offers a more promising solution to local financial problems than revenue sharing. I want to con-

gratuate Proffil Jacob Loft, chairman of the National Issues Committee of the Liberal Party, and Leonard Polisar, chairman of the subcommittee on revenue sharing, for their excellent work on this paper, many of the conclusions of which I share. I am confident this assessment of revenue sharing and alternatives to it will be of interest to many Members of Congress and readers of the RECORD. The text of the paper follows:

POSITION ON "REVENUE-SHARING," BY NATIONAL ISSUES COMMITTEE, LIBERAL PARTY, MAY 1971

The Liberal Party strongly endorses the concept that a much larger share of state and local governmental costs must be borne either by the federal government or by the redistribution of revenues heretofore preempted by the federal government. However, we believe that there are better alternatives available to accomplish this goal than the much publicized "revenue-sharing" proposals of President Nixon.

1. The Liberal Party has often reiterated in its State Legislative Program its support of "the widely recognized principle that the entire question of apportionment of tax powers, sources and revenues among the federal government, the states and the cities is in desperate need of revision . . . The federal government has preempted the most important sources of tax revenue even as the cities and states need more funds . . . A greater proportion of our total tax dollars must be allocated to state and local governments . . ."

2. The desperate needs of our urban centers cannot, however, be solved by the semantic conversion of moneys already allocated to the cities for specifically-designated purposes into "free" and "unrestricted" funds to be spent at the discretion of the states and/or the municipalities—with only a minimum of "new" federal moneys involved. This nomenclature juggling appears to be aimed more at the harvesting of votes than the saving of our urban centers from the hitherto impossible task of providing an increasing amount of required municipal services with a steadily eroding tax base.

3. A. The most urgent revenue-sharing need today is not only to continue—but to expand considerably—those federal program grants designed to meet the requirements of local areas where intense low-income population density magnifies many-fold the governmental per capita cost of supplying urgently needed health, education and welfare and transit services and police and fire protection. Programed federal aid such as Model Cities, Food Stamps, Head Start, Day Care, etc. required expansion—and not politically expedient curtailment—if the population centers of this country are to have any chance of staving off disaster. The financial crisis facing our cities is extremely real and imminent, and those afflicted areas must be treated with the same urgency as we treat hurricane and earthquake disaster areas.

B. On a near-term basis, the single most important contribution to improved federal-state-local relationships would be a complete takeover of welfare costs by the federal government—up to a realistic and decent national minimal standard. Small differences in the cost-of-living among various communities could then be reflected in those federally-controlled welfare payments. This takeover would remove the back-breaking welfare burden from those urban centers where the welfare problem has been concentrated. It would also help the rural poor even more on a comparative basis. In addition, it would discourage possible welfare recipients from migrating toward the now higher welfare-paying large cities, especially in the North, and would slow down the efforts being exerted in areas such as the rural South to encourage emigration.

4. After welfare payments have become federally-funded, and other urban-aid programs to help rectify inner city problems have been continued and expanded as required, we should then—on a long range basis—examine a true revenue-sharing program, which would:

A. Involve the infusion of new monies into a federal revenue-sharing program—and should provide for dissemination of a large portion of those monies directly to municipalities and not only to the states; or

B. As stated above, reallocate certain tax powers, sources and revenues from the federal government to state and local governments, so that funds could be raised where required without passing through additional administrative handling by the federal government. For example, federal income tax rates could be reduced on the understanding that the state and local governments could then commensurately raise their income tax rates without increasing the individual overall tax burden. A similar result could be accomplished by permitting certain state and local tax payments to be applied as a tax credit against federal income tax.

5. It is regrettable that the New York State Administration, which itself stridently calls for increased revenue-sharing by the federal government, has seen fit to drastically cut its own "revenue-sharing" with its municipalities—and thus forced a heavy curtailment of essential services afforded to its needy inhabitants by those municipalities. The state must itself increase its proportion of the tax dollar devoted to such items as education; we urge the complete takeover by the state of the basic costs of public schools as well as public higher education. There must also be an extension of genuine home rule in taxing powers for the large cities.

6. We in the Liberal Party strongly believe in the devotion of a greater proportion of tax dollar to crying social welfare needs rather than to a federal budget weighted heavily towards highly-inflated "defense" spending, spotlighted by an unjust War in Vietnam. Our national priorities must be re-examined and changed—so that emphasis is placed on the cleansing of our environment and the education and rehabilitation of human beings—rather than the perpetuation of a war where success is measured in terms of the number of other human beings killed or the amount of acreage destroyed.

7. All in all, we believe that federal "revenue-sharing" can best be accomplished by federal programs specifically designed to alleviate our urban problems to the greatest extent possible—and especially to underwrite a welfare program that should be national rather than local in scope, as well as a reapportionment of tax powers among governments on the different levels. Because of the truly desperate situation now facing the large cities of the country, there must be also emergency large-scale federal appropriations to be given directly and without delay to such cities. We do not feel that "revenue-sharing" that is a mere semantic interchange of funds already earmarked for worthy purposes to a category that is "unrestricted" in nature can be supported by the Liberal Party or any other liberal-thinking group of Americans.

TUSCALOOSA COUNTY, ALA., SAFETY PATROL MEMBERS VISIT WASHINGTON

### HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. FLOWERS. Mr. Speaker, recently, a group of elementary school children from Northport, Ala., representing the

Tuscaloosa County Schools safety patrols were in Washington on their annual tour. In connection with this trip, oratorical contests were held in the elementary schools. We were privileged to hear three winners of this contest. They were Deidre Burroughs, Crestmont Elementary School; Dawn Wadsworth, Vestavia Elementary School; and Nancy Henry, Matthews Elementary School. The students addressed various Congressmen and Senators, and I am honored to present remarks made by these students for the benefit of my colleagues:

#### WHAT'S RIGHT WITH AMERICA?

(By Deidre Burroughs, Crestmont Elementary School, Northport, Alabama)

It is very difficult to decide how to begin to tell of the many rights we encounter daily in America. So many things we take for granted when people in other countries over the world are practically prisoners in their homes. One thing that makes our country so unbelievable is its youth. Just think, even as recently as 200 years ago the United States of America did not exist. But during those 200 years, with the belief of "life, liberty, and the pursuit of happiness", the United States has developed its unique culture and grown to maturity.

Compared to older countries of the world such as England, France, Italy, China, ours is still a baby. Yet with a start much like our own these countries' founders must have lacked our forefathers' determination, faith, and ability to realize that with a firm foundation such as our Constitution and Bill of Rights, a great nation could be created.

We have had our many disagreements with other nations and we have had a Civil War within our boundaries. These have left us much wiser, closer together, and taught us very costly lessons. After all these troubled years the United States has always strived for what she thought was right and just. Today, we sometimes fail to realize how fortunate we are to be living here. In many other countries, we would not be permitted to:

Go to the church of our choice; work where we are capable of working; spend our money as we wish; talk to whom we please; read what we wish; think what we please; choose our own friends; vote in elections for people of our own choice; disagree with anyone or anything; go anywhere we please.

These are only a few of the things that are right about America. Anyone want to leave all this? Not me. America, you're the greatest!

#### WHAT'S RIGHT WITH AMERICA?

(By Dawn Wadsworth, Vestavia Elementary School, Northport, Alabama)

America, the land of the free and the home of the brave. America is a glorious, breathtaking country to live in. I'm going to tell you some of the things that I think are really great about America.

Freedom is what America is all about. Even at my age, I can read the books I wish, sing the songs I want, and choose my own friends. In later years, I'll have the freedom to choose the career that suits me best, live where I would like, and go to the church that best meets my needs.

In America we can better our lives if we are willing to put forth the effort. For instance, if I wanted to become a famous musician, I would first have to learn the keyboard, then I would have to practice several hours each day. After that, I would probably be a famous musician.

Also, America is a land of great natural beauty. There are rolling hills, fertile valleys, clear springs, and huge lakes and ponds. I like the way America changes every season. In the winter it is white and icy, in fall it's the windy and colorful, in spring, nature is beginning to come alive and in summer, it's warm and fun.

I admire our country, America, for its high goals and many achievements. People in America are determined to make our country better. Why, just recently three American astronauts went to the moon and came back safely. This shows that people in America are great leaders, but still they have that good old pioneering spirit.

Other countries look up to and respect us because they believe that we have the right ideas. We stand for freedom. We fight for justice. We hope for peace. I'm glad I live in America, aren't you?

#### WHAT IS RIGHT WITH AMERICA?

(By Nancy Henry, Matthews Elementary School, Northport, Ala.)

What's right with America? Well, not everything, but isn't there always room for improvement in everything? We have a pretty good start with a democracy. Abraham Lincoln defined democracy as "government of the people, by the people and for the people." In our democracy we have many freedoms. Some are: freedom of religion, which means we are free to worship in any church we want to, at any time we want to; freedom of speech, which means we are free to speak and to even protest things that are done with which we do not agree; freedom of the press, which means we are free to print anything we want as long as it is the truth.

Our democracy states that all men are created equal and no one will be mistreated because of race, creed, or color. Our democracy enables us to get an education if we are willing to go through school to get one.

Our democracy isn't all that's right with America. America is a beautiful land. She has forests, lakes, beaches, and wildlife. She has stores, skyscrapers, and other buildings.

America has a proud race of people. These people are willing to face problems. These people are willing to die for their country.

Let us be good Americans. Let us say this with the words of Stephen Vincent Benét, not only with our lips but in our hearts. Let us say this—I myself am a part of democracy, I myself must accept responsibilities. Democracy is not merely a privilege to be enjoyed, it is a trust to keep and maintain. I am an American. I intend to remain an American. I will do my best to wipe from my heart, hate, rancor and political prejudice. I will sustain my government and through good days or bad I will try to serve my country.

KIWANIS OF MESA, ARIZ., BUILDS SWIMMING POOL FOR LOCAL CHILDREN'S HOME

### HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. RHODES. Mr. Speaker, the May 1971 issue of the Kiwanis magazine has an article about "Project Splash." This was a project carried out by the members of the Kiwanis Club of Mesa, Ariz. I am proud to be an honorary member of that club and am pleased to include the article in the CONGRESSIONAL RECORD:

#### BOYS AND GIRLS WORK—PROJECT SPLASH

As many Kiwanis clubs have discovered, community spirit is contagious. No sooner does a Kiwanis club announce a forthcoming project than the entire community replies in a single voice. "That's a good idea, may we help?" Such was the case recently when the members of the Kiwanis Club of Mesa, Arizona, built a swimming pool at a local children's home.

In January 1969 the Mesa Kiwanians were looking for a worthy project when one of the

club members suggested the Sunshine Acres Children's Home, a refuge for deserted, orphaned, and delinquent children. The home and the Mesa Kiwanians had enjoyed a long association thanks to a number of previous Kiwanis projects, so the club members decided to return to the home and see what else they might do to help out. In reply, Reverend James Dingman, founder and operator of the home, told the Kiwanians about the tremendous need for a swimming pool at Sunshine Acres.

According to project chairman Bob Neill, club's board of directors was "enthused but cautious" about the idea, and appointed a committee to investigate the feasibility of such a large project. After many months of investigation and analysis of contractor's estimates the special committee reported that despite its size, such a project was within the club's power.

Although the swimming pool is now an accomplished fact, here were many times when the project was saved by the generosity and community spirit of Mesa citizens and businesses. For example, the contractor, Holiday Pools, persuaded all its subcontractors to bill the Kiwanians at cost. Likewise, in May 1970 when the children of Sunshine Acres gathered around for the pool groundbreaking ceremony, the local power and irrigation company announced that it was excavating the hole at no cost as its contribution to the project.

Funds for the actual construction of the pool came from the club's 17th Annual Pancake Day, which netted almost \$5000. In addition, several Mesa businessmen contributed such much-needed items as plumbing and fencing to the pool fund.

The pool was completed on August 31, a hot day that made the children anxious to use the pool in the evening after it had been filled from the home's only source of water—a 750-foot well. Unbeknownst of the children, however, Reverend Dingman had learned that the well could not provide the 72,000 gallons of water needed to fill the pool. As before, community spirit stepped in to save the day. As soon as they learned of the difficulty the City of Mesa, its school district, and a commercial water hauler loaned the Kiwanians three water trucks, which for two and a half days were driven out to what had once been the middle of the desert to fill the pool.

The ultimate effect of Project Splash is that for ten hot months of the year 75 institutionalized children will not have to be bussed to a public pool. They now have a fine facility of their own, one that came to them through the community spirit of the Kiwanis Club and people of Mesa, Arizona.

#### LEAD-BASED PAINT POISONING: AN EXAMPLE OF ADMINISTRATION

### HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BADILLO. Mr. Speaker, on April 23 I was one of a number of Congressmen who cosigned a letter to HEW Secretary Richardson expressing deep concern over the administration's failure to formally request funds, either for fiscal 1971 or fiscal 1972, to carry out the intent of Congress under the Lead-Based Paint Poisoning Act. That legislation authorized \$10 million in the current fiscal year and \$20 million for fiscal 1972.

In that letter, we urged Secretary Richardson to seek a supplemental appropriation for the current fiscal year

and full funding of this necessary program in the new fiscal year.

On May 28, fully 4 weeks after receiving our letter, Secretary Richardson responded to the appeal, and in terms that have become all-too familiar with the current administration. Despite the fact that lead-based paint poisoning continues to claim the lives of small children throughout our Nation, HEW apparently has decided to treat the problem on a pilot project basis. The administration now announces that it will ask Congress for the sum of \$2 million in fiscal 1972 and has the unmitigated gall to proclaim that this "signifies the administration's clear intent to mount a concerted effort to eliminate the threat of lead-based paint." It apparently matters little to the administration that HEW currently has before it applications totaling more than \$50 million from communities which obviously feel a greater sense of urgency.

Because it so dramatically represents the extent to which this administration's spending priorities are distorted, I insert at this point in the RECORD the full text of Secretary Richardson's reply to my April 23 letter:

DEPARTMENT OF HEALTH,  
EDUCATION, AND WELFARE,  
Washington, D.C., May 28, 1971.

HON. HERMAN BADILLO,  
House of Representatives,  
Washington, D.C.

DEAR MR. BADILLO: Thank you for your letter of April 23 requesting the Department to seek full funding of the Lead-Based Paint Poisoning Prevention Act. Please excuse our delay in responding to this letter.

As you know, this legislation was enacted late in the last session of Congress and not signed by the President until the basic budget decisions for 1972 were made. Thus, the budget transmitted on January 29 did not include any new funds for implementing the Lead-Based Paint Poisoning Prevention Act.

Since the current fiscal year is nearly over, we will not request a 1971 supplemental. However, the President will shortly transmit an amendment to the 1972 budget requesting \$2 million to expand our program to attack the problem of lead-based paint. We would use the additional funds to make a more concerted effort to define the extent of the problem and support model demonstration projects in three communities. In addition, we will continue four projects related to the lead-based paint problem already begun under other legislative authorities at a level of about \$200,000. This would bring our total budget for lead-based paint activities to \$2.2 million in 1972. While this is considerably less than the amount authorized in the Act, it nevertheless signifies the Administration's clear intent to mount a concerted effort to eliminate the threat of lead-based paint.

With kindest regards,

Sincerely,

/s/ ELLIOT L. RICHARDSON,  
Secretary.

#### DRUG RESOLUTION OF EAST ORANGE, N.J.

### HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. MINISH. Mr. Speaker, Edward E. Ruhnke, Sr., the city clerk of East Orange, N.J., has sent me a certified

copy of Resolution I-183, which was adopted by the city council on May 24 and approved by Mayor William S. Hart, Sr., on the following day.

This resolution calls for the means to halt the illicit traffic in narcotics, which has permitted devastating narcotics to reach our shores and afflict our people.

I agree with the city council that such trafficking must be stopped, and have co-sponsored legislation to implement a workable eradication program. One measure would provide that a fixed percentage of U.S. contributions to the United Nations be utilized solely to end trafficking in narcotics as well as supporting multilateral eradication of illegal narcotics production. This legislation would also direct the President to consider withholding U.S. assistance to countries refusing to cooperate in suppressing the drug traffic.

Such legislation must be enacted and swiftly, for as the resolution of the East Orange City Council has pointed out, hard drugs continue to be smuggled into the United States in spite of programs designed to eliminate trafficking.

The text of the resolution follows:

#### RESOLUTION I-183—CITY COUNCIL OF EAST ORANGE

Whereas, the Republic of Turkey has over the many years last past grown poppies which is the source of heroin; and

Whereas, the Republic of Turkey has attempted with only moderate success to restrict the growth of poppies there;

Whereas, even with such restriction, the illegal exportation of heroin has continued; and

Whereas, the United States of America has continually over many years afforded and given to the Republic of Turkey moneys and other forms of aid for the stability of the Turkish economy and for the rehabilitation of the Turkish people; and

Whereas, the continued illegal exportation of heroin has resulted in its being smuggled into the United States to the destruction of the wellbeing of innumerable persons causing enormous economic loss, human pain and suffering; and

Whereas, it is the desire of the United States of America to join with the Republic of Turkey in the suppression of illegal smuggling of heroin and to aid and support the economy of Turkey by replacement of funds in kind with the suppression of poppy growing; and

Whereas, the continuance of such smuggling of heroin into the United States is in the form of a national calamity,

Now, therefore, be it resolved, That the Congress of the United States, both the Senate and the House of Representatives, be urged to cut off any and all economic aid to the Turkish Government unless the growth of poppies is completely terminated or restricted to such modest form that its output can only be used for medical needs; and

Be it further resolved, That a copy of this resolution be forwarded to President Richard M. Nixon, Senators Clifford P. Case and Harrison A. Williams, Jr. and Congressman Joseph G. Minish.

#### ON THE WAGING OF PEACE

### HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. SCHMITZ. Mr. Speaker, a penetrating article written by Mr. Henry

Paolucci, professor of political science at St. John's University and vice chairman of the Conservative Party of New York State, appeared in the New York Times of June 1, 1971.

Mr. Paolucci points out that—

Our great danger today comes not from American military arrogance, which is non-existent, but from the arrogance of our peace-mongering, which intoxicates and must eventually paralyze the will to act prudently."

The article follows:

ON THE WAGING OF PEACE: THE DANGER IS NOT FROM THE MILITARY BUT FROM PEACE-MONGERS

(By Henry Paolucci)

To the historically trained ear, the most ominous drums of war have always been those pounded in the name of peace.

Those drums are rolling today with a mounting intensity unparalleled in American history. They are telling us (in the rhythms of Adlai Stevenson's eloquence): "We must abolish war to save our collective skins. For so long as this nuclear death-dance continues, tens of millions—perhaps hundreds of millions—are living on borrowed time." Or in the accents of Norman Cousins's frenzied appeal for a world federation of peace-lovers: "At a time when the fingertip of a desperate man can activate a whole switchboard of annihilation, and when defense is represented by retaliatory holocaust, the historical social contract between man and the state has ceased to exist."

The intention of such talk is peace; but its emotional intensity is unquestionably such stuff as wars are made of. When peace is proclaimed as a sovereign value, when its lovers declare themselves disposed to sacrifice all things else for its attainment—even their pledged national allegiance—we can be sure that ignorant armies, terrible with self-righteous banners, are about to clash. For it is not at college teach-ins or on the Op-Ed page of *The Times*, but in the arena of war that the supreme national sacrifices for peace are ultimately made.

Peace is, like liberty, one of those Janus-faced ideals that look two ways. The Road to Peace remains a peaceful road only so long as no serious obstacles are encountered. According to some wise men, the fiercest wars have been fought to remove man-made obstacles to peace. Hitler was such an obstacle. While the rest of us were plodding down a depressed stretch of the Road to Peace, he mobilized an entire people for war. Yet, what he was ultimately after with his talk of a "New Order" was surely an arrangement of enforceable peace—under which the entire world would indeed be living now, had our physicists not outstripped him in that first great arms race of the nuclear age. Those who finally crushed him in war openly acknowledged that his goal was peace in their branding as "appeasers" all who sought to prevent our military intervention against him.

Wars result from the desire to impose one's will upon others and to resist being imposed upon. Peace is the condition of having one's willful way, whether actively or passively. Even a bawling infant knows the difference between being resisted and being pacified.

The maturity of the Western nations has consisted in their mutual recognition that the desire to establish a regime of enforceable peace over a vast multitude is itself the greatest provocation of war. That fact first impressed itself on Western statesmen during the three decades of war that preceded the so-called Peace of Westphalia, in 1648—which was peaceful only in the sense that, by its arrangements, the age-old longing for an enforceable world peace, such as animates

so many educated people today, was at least temporarily laid to rest.

Napoleon resurrected that longing. He marched his armies back and forth across the Continent to remove the many national obstacles to its attainment. Later it was the turn of Imperial Germany, whose Kaiser, like Russia's Czar, celebrated in his very name the august aspiration of Imperial Rome to impose its peace everywhere by uplifting the lowly and putting down the proud.

Vying to establish an enforceable world peace today are the Marxist-Leninists, who are as tough as the toughest old Romans, and that motley band of American social scientists, English teachers, journalists, Sanskrit-reading physicists, existentialist philosophers, playwrights, film-makers, etc., aptly characterized by Joseph Schumpeter as "ethical imperialists." The Marxist-Leninists have an obvious advantage, for they are realists. They can be deterred by a nuclear policy of assured destruction, strictly adhered to by the United States. But, if American policy insists on an enforceable world peace, the tough men of Moscow are not about to let themselves be "Pugwashed" into accepting the petulant rule of a Western intelligentsia that thinks it can gain the world by a "great act of persuasion" conducted on the pattern of a Harvard seminar on international affairs.

The irony is that, with all their drum-beating for "peace now," the men, women, and children who lead today's peace crusade are making it impossible for serious counsels to be heard in the halls of government. Even the Commander in Chief of our armed forces has been reduced to gibbering that he's a "devoted pacifist."

Our great danger today comes not from American military arrogance, which is non-existent, but from the arrogance of our peace-mongering, which intoxicates and must eventually paralyze the will to act prudently.

#### MAY DAY DEMONSTRATIONS EMPHASIZE NEED FOR LEGISLATION REGULATING USE OF PARKLANDS IN THE DISTRICT OF COLUMBIA

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. HUNT. Mr. Speaker, the widely portrayed "festive" mood of the thousands of antiwar protesters who invaded our Nation's Capital during the period from April 24 through May 5 is now a matter of disputed history. It is a matter of fact and record, however, that the damages left behind exceeded, by very conservative estimates, \$100,000 and the total costs for the National Park Service, the District of Columbia, and the military services will run into several millions of dollars when and if the tab is tallied.

Of course, Washington is the natural site for most political demonstrations and, to be sure, the Constitution guarantees the right of "peaceful" assembly. I do not dispute the right of peaceful assembly, but I strongly differ with those who feel that we, the Members of Congress, the residents who live here, and the tourists who visit, should stand aside and let the protesters—for whatever cause—run roughshod over everything and anything in their path. Particularly, I feel the Congress has a special responsibility with respect to the use of the parklands

in this city, and it was with the intent that these lands should be equally accessible to all citizens that Congressman WYLIE and I introduced H.R. 7479. The legislation enumerates those uses that are to be prohibited—uses of the nature that interfere with equal access—and provides for the posting of a bond by the sponsors of demonstration activities to cover reasonably anticipated damages and costs of restoring the demonstration site to its normal state.

In this context, I was very much interested in the testimony of the Director of National Capital Parks, Russell E. Dickenson, who appeared before a subcommittee of the House Internal Security Committee on May 18 in connection with the Mayday demonstration activities. Although I do not intend to put words into Mr. Dickenson's mouth, his suggestions for legislation as a result of these demonstration activities would appear, at least, to follow the broad outlines of H.R. 7479. This bill, I would reiterate, is identical to a measure that was overwhelmingly approved by this body less than 2 years ago. Furthermore, 291 Members of this Congress endorsed the legislation when it was voted on at that time.

Your close attention to the following excerpts from Mr. Dickenson's testimony is invited:

EXCERPTS OF TESTIMONY OF RUSSELL E. DICKENSON

Mr. ROMINES. Gentlemen, as the Chairman pointed out in his opening statement, these hearings are an inquiry into the origin, history, character, objectives and activities of the National Peace Action Coalition and the Peoples Coalition for Peace and Justice.

Now, for brevity's sake, I will refer to them as the NPAC and the PCPJ.

The principal demonstrations and activities that these two organizations sponsored or in which their members participated in Washington, D.C., occurred between April 24 and May 5, 1971. Would you please provide the committee with a brief chronology of events in which these two organizations participated during the interval as they affected your departments?

Mr. DICKENSON. Thank you very much.

I would like to make just a short prefatory statement and then I will go into the chronology.

Washington has witnessed many major demonstrations in recent years and these have occurred for the most part in public parklands of the Nation's Capital. The use of public lands for the exercise of First Amendment rights has been well established. Due to several recent court cases, however, the National Park Service Code of Federal Regulations Section 3650.19 concerning demonstrations and public gatherings has been enjoined. By order of the courts, demonstrations may occur on public park lands on 15 days notice by the demonstrating group. If demonstrations appear to affect Presidential security, constitute a threat to the security and welfare of the City, or if there is likelihood of irreparable damage to park resources and facilities, the Government must carry the burden of seeking injunctive relief.

I would like to note the arrangements, the strategy and the negotiations, or large negotiations which are, by agreement, handled by an interagency group led by the Department of Justice. The concerned agencies include the District of Columbia Government, the Department of the Interior, National Park Service, and the Military Services. Therefore, according to this procedure just outlined above, we received a demonstra-

tion notice from NPAC regarding the events of April 24.

I would like to note, regarding the NPAC demonstrations on April 24, that most of the activities occurred in this particular case outside the jurisdiction of the National Park Service in Washington, D.C.

The parade was down Pennsylvania Avenue and the assembly point was at the Capitol. Therefore, the U.S. Park Police jurisdiction on that day was from 14th St., west on the Washington Monument grounds and West Potomac Park.

Earlier, a notice of the demonstrations had been filed which involved a musical event, a rock concert, which was planned to go all night at the Washington Monument grounds. Later on, a supplemental statement was filed which linked this to the PCPJ . . .

Mr. DICKENSON. I would like also to note that as a part of the interagency consideration and by agreement between the Department of Interior and Department of Justice and the District of Columbia, Chief (of the Metropolitan Police Department) Jerry Wilson was in overall command of police forces in the city during the period from April 24 through May 9.

Going specifically now to the musical event, the rock concert on the evening of April 24, throughout the afternoon there were about six to eight thousand people on the Washington Monument grounds who did not participate in the activities at the Capitol. As the afternoon and evening went on it built up to a total of about 50,000 people who remained on the Washington Monument grounds that night. A musical event did occur. Considerable damage occurred to the facilities on the Washington Monument grounds which included the benches around the Washington Monument.

The Sylvan Theater itself received damages. As a matter of fact, our estimate ranging over the subsequent two days showed approximately \$100,000 of damages occurring at the Washington Monument grounds alone.

The CHAIRMAN. \$100,000 on April 24?

Mr. DICKINSON. That is correct, sir, the night of April 24th.

The CHAIRMAN. I read press reports that the city was immaculately clean.

Mr. DICKENSON. We read that with some chagrin. We have the facts to show that the damage at the Washington Monument grounds was quite severe.

Mr. SCHMITZ. Mr. Dickenson, I have been out to the Washington Monument since that date. The wooden part of the park benches around the Monument are gone. Is that the date they left?

Mr. DICKENSON. That is correct, the night of April 24th.

Mr. SCHMITZ. I was not here that weekend; I was out in California, but all the headlines were how peaceful the demonstration was here.

Mr. DICKINSON. Entry was made into the Washington Monument logistical and support facilities that night.

Mr. SCHMITZ. Was most of the \$100,000 damage inside the Monument?

Mr. DICKENSON. No, I would say, trying to give you some idea, there was about \$18,000 that occurred at the Sylvan Theater itself; the benches alone were approximately \$14,000; and then the rest, the need to return certain areas and that sort of thing.

Mr. SCHMITZ. The Monument itself, when I was out there, appeared to have been sandblasted about six to eight feet up. Was that done to cover up damages done on the 24th (April)?

Mr. DICKENSON. That is correct. Considerable vandalism occurred by spray painting slogans and obscenities on the base of the Monument.

The CHAIRMAN. In an estimate of \$100,000

damage, are you including damage to property of private individuals, or is that only Government damage?

Mr. DICKENSON. There is approximately \$25,000 which would be private property, but was property leased to the Federal Government and these were sanitary facilities. There is a pending claim for approximately \$25,000 because these Johnny-on-the-spots, large ones, were burned by the demonstrators.

The CHAIRMAN. It is my understanding that one mobile restroom valued at \$17,000 was burned. Is that correct?

Mr. DICKENSON. That is correct; that is part of the \$25,000 pending claim . . .

Mr. DICKENSON. April 25 was a day of restoration and clean-up for National Capital Parks. During the period of April 25 through May 1, which was the following Saturday, the PCPJ was in the West Potomac Park area and a number of negotiations and confrontations occurred between the U.S. Park Police, National Capital Parks, and that group to try to obtain voluntary compliance with an agreement and understanding regarding their occupancy of that area for demonstration purposes. Essentially, the understanding called for no camping and no fires, and this was consistently and continually violated. So our effort was to try to obtain some voluntary compliance on the part of that group throughout that week . . .

Mr. ROMINES. Mr. Dickenson, do you know who initiated the agreement between the PCPJ and the Park Service for camping in West Potomac Park?

Mr. DICKENSON. As I indicated, the Department of Justice heads an interagency group. So, therefore, the principal negotiations lie within the Department of Justice, but on behalf of and assisted by the other concerned agencies . . .

Mr. ROMINES. Do you have compiled, sir, any total damages and expense figures for your department for the interval April 24 through May 5?

Mr. DICKENSON. I have, sir.

Mr. ROMINES. Could you give those figures to the committee, please?

Mr. DICKENSON. My listing, including police regular time, police over-time, the necessary provision of logistical and support facilities for this type of large gathering, totals \$223,100 for April 24 and 25. That includes also the damage figure which I announced earlier (\$100,000). For the period April 26 through May 1, which is essentially a Monday through Saturday situation in West Potomac Park, the total police cost and other costs, including some damage there, was \$191,200. From May 2 through May 4, which is essentially a restoration and clean-up job in West Potomac Park, the costs were \$98,800. That makes a total during the period of April 24 through May 4 of \$513,100 . . .

Mr. ROMINES. Do either of you (Mr. Beye, Deputy Chief of U.S. Park Police, or Mr. Dickenson) know of any special problems which have confronted your department as a result of these demonstrations for which you think any remedial legislation is necessary or would be of assistance to you?

Mr. DICKENSON. Yes, sir, I do have a couple of thoughts, perhaps, for consideration. We feel the need in National Capital Parks to have the regulation regarding camping and overnight use of public lands in the District of Columbia legislatively strengthened. This has to do particularly with the use of public park lands for camping, sleeping, and fires. Then I raise the question about the wisdom of permitting all-night rock concerts on public lands. Indeed, any type of demonstration activity at night on the public park lands of the Nation's Capital

has special built-in problems itself, so perhaps some consideration could be given to having demonstration activities occurring during daylight hours, and certainly not the all-night type of activities which we have recently experienced on two occasions, once on the Washington Monument grounds and once at West Potomac Park.

A second item that might be given some additional attention is the consideration of bonding or a bonding requirement for those who do cause damage to publicly owned facilities which would, perhaps, provide for the restoration and repair of anything that is damaged during an activity.

Those are the two broad general areas in which I have suggestions.

The CHAIRMAN. Probably legislation (in those areas) would be outside the jurisdiction of this committee, but they would be under the jurisdiction of perhaps the Committee on the Interior or the Committee on Public Works. I will see that the Chairman of those committees receive a copy of these hearings, and your recommendations will be made available to them . . .

#### AMENDMENT TO BE OFFERED TO H.R. 7109—OFF-SHORE AIRPORTS

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. MIKVA. Mr. Speaker, at the appropriate time during consideration of H.R. 7109, the NASA authorization for fiscal year 1972, my colleague from Illinois (Mr. COLLIER) and I will offer the following amendment:

At page 2, lines 5 and 6, delete "\$135,000,000;" and insert in lieu thereof the following: "\$134,500,000; provided that none of the funds provided for in this section shall be used to finance research with respect to the construction of off-shore airports;"

As we pointed out in a letter circulated to all of our colleagues last week, section 1(8) of H.R. 7109 contains an authorization of \$135 million for aeronautical research, \$500,000 of which, according to the committee report, is to be used to finance further studies of the technical feasibility of constructing off-shore airports.

Mr. Speaker, I have no doubt that we have the technical capability to build an airport in Lake Michigan or Lake Erie. Indeed, studies have already been conducted by the city of Chicago and the city of Cleveland to demonstrate this fact. We do not need to spend another half a million dollars on technical feasibility studies. What we do need to address ourselves to is the question of whether we ought to extend commercial exploitation to our waterways in the same way we have done with dry land. There are important questions of esthetics, of ecology, and of urban planning which must be given equal weight to the question of whether we have the technological capability. This was the lesson of the SST—the fact that we can build a bigger and better article does not mean that we necessarily ought to do so. Before millions are committed to an unwise project, let us stop and ask why.

## THE POSTAL CORPORATION'S UNHAPPY CUSTOMERS

### HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. EILBERG. Mr. Speaker, the Philadelphia Inquirer, the morning newspaper in my home city, conducts a daily poll entitled "The Public Speaks."

The Inquirer poses one question a day and invites its readers to respond by calling one of two phone numbers. If a reader wishes to answer "yes," he calls the designated number and his "yes" vote and comments are recorded. If a reader wishes to answer "no," he calls another designated number and that vote and accompanying comments likewise are recorded.

The phone lines are open 12 hours a day, from 8 a.m. to 8 p.m. The feature has proven very popular and on some questions the response has been tremendous, particularly since, unlike with most polls, the respondent must take the initiative to participate.

One day recently, the Inquirer posed the question: "Has Your Postal Service Improved Lately?" Some 3,463 readers replied; 96.1 percent answered "No."

All of us in this body read, study, ponder, and even conduct polls. I am sure all of us would agree that the evidence of this poll is as conclusive as any we have probably ever seen.

Delivering the mail is the most visible public service the Government provides. Everyone uses the mails. If the public has such contempt for this Nation's once-widely respected mail service, there should be little surprise at the rising skepticism and impatience on the part of the American people with their Government generally.

Loss of confidence in the mail service has led in large part to loss of confidence in Government. The Federal Government has been in the business of delivering the mail for nearly two centuries. When we ask the people for large sums of new money to help solve problems in health, education, welfare, housing, transit, pollution, and even defense, we now confront increasing reluctance.

The public is legitimately asking how can Government possibly solve the more simple, mechanical, household task of delivering the mail, a job it has been doing for 200 years. And for those of us who think we can argue that the Postal Corporation has taken the Federal Government out of the mail business, I caution that our constituents do not make that neat distinction.

Therefore an efficient and respected mail delivery system is critical in restoring public confidence in Government's ability to deliver services and in the Government, itself. Clearly the mail system has lost this confidence as is evident from the Inquirer's poll published May 25, 1971, which, with the unanimous consent of my colleagues, I enter here:

## EXTENSIONS OF REMARKS

THE PUBLIC SPEAKS: HAS YOUR POSTAL SERVICE  
IMPROVED LATELY?

HOW YOU VOTED

No: 3337 (96.1 percent).  
Yes: 126 (03.9 percent).

SAMPLE "NO" COMMENTS

"It's cheaper to make a phone call" . . . "Worse than ever" . . . "It stinks" . . . "Rot-ten" . . . "New carrier every day" . . . "I don't get my mail until 4 in the afternoon and most of the stuff isn't mine" . . . "It's unusual to get a letter delivered within the city in less than three days" . . . "They've got their nerve to raise the rates" . . . "It's getting worse; I know, I work for the post office."

SAMPLE "YES" COMMENTS

"By two hours today, because the regular carrier wasn't on" . . . "They seem to be doing a lot better than they have been" . . . "What's really bad is the phone company" . . . "Mall-men are much nicer" . . . "Letters arrive okay, but packages are still slow" . . . "My mail arrives earlier now" . . . "I'm getting my bills on time" . . . "Better than a year ago, but not better than five years ago."

### BIG BUS BILL

### HON. FRED SCHWENDEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. SCHWENDEL. Mr. Speaker, one of the safety problems which concerns me with respect to the proposal to increase bus width, is that of the blind spot behind buses and other large vehicles. It is in reality, a two-way blind spot because there is a significant area immediately behind these large vehicles which is cut off from the drivers view, and at the same time, the forward view of drivers of other vehicles in the blind spot is also blocked.

I am happy to report that some progress is being made on solving this problem, at least insofar as the driver of the forward vehicle.

Advertisements contained in the May 17 issue of Newsweek, and the May 14 issue of Life magazine, give some basic information on a new device which will hopefully solve the problem of the blind spot. I want to commend General Telephone and Electronics, and their Sylvania subsidiary for their pioneering efforts in this field.

It seems foolish to me to increase the width of buses and thus the size of the blind spot until we do in fact, solve this problem, and get the new device fully operative. To do otherwise, is to put the cart before the horse;

Text of advertisement follows:

GIVES DRIVERS A FANTASTIC ADVANTAGE

When Mother Nature equipped man for survival there were no such things as automobiles.

How was she supposed to know he'd end up barreling down highways at crazy speeds, zigging and zagging from lane to lane, getting knocked to Kingdom Come from behind by his brothers?

If she had known, she might've given him a better chance. She might've given him eyes in back of his head—which is the whole idea behind our GTE Sylvania company's latest auto safety device.

The extra eyes are actually two ultrasonic detectors mounted near your car's taillights. They're so sensitive, they can pick up sounds from another car's engine and tires from as far away as 35 feet.

When a vehicle traveling 35 mph or more comes into one of your rear blind zones, an amazing thing happens. One of two tiny lights on your dashboard lights up—sort of like a directional signal. Then it stays on, until the vehicle is alongside you. Safely in view.

Now we wish we could tell you that our eyes-in-back-of-the-head device is available right now. But we can't. It's still in the final testing stage (along with the electronic controls for a new invention that reduces exhaust pollution).

We can tell you this, though: Detroit is seriously looking into it.

So maybe one of these days it'll be looking behind for you.

### U.S. BUSINESS POLICIES IN SOUTH AFRICA

### HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BINGHAM. Mr. Speaker, Mr. William R. Cotter, president of the African-American Institute, recently testified before the Subcommittee on Africa of the House Foreign Affairs Committee on the question of what policies U.S. businesses should follow in relation to South Africa. His statement was an exceedingly thoughtful and well-reasoned one and I commend it to all readers of the CONGRESSIONAL RECORD who hope to see the end of the abhorrent apartheid system that prevails today in South Africa. Mr. Cotter's statement follows:

TESTIMONY OF WILLIAM R. COTTER, PRESIDENT,  
AFRICAN-AMERICAN INSTITUTE

I appear here today as an individual and not as an official spokesman for the African-American Institute. While the Institute has a long record of activities which clearly indicate its opposition to apartheid and the white minority governments which dominate Southern Africa, it does not, as a rule, take specific stands on the kinds of questions which this Committee is now investigating. One important exception was the resolution of the Board of Trustees of the AAI in 1960 which, at the time of the Sharpsville massacre, condemned apartheid, and the repressive actions of the South African Government. Members of the Institute, of course, remain free to express their own views on issues such as U.S. business investment in South Africa about which you have invited me to testify.

Before discussing what U.S. business should do with respect to its investments in South Africa, I must first outline what I believe should be the governing criteria for evaluating all U.S. involvement—public as well as private—with South Africa. For me, the litmus test is simple. When reviewing any U.S. activity we should ask: can it lead to changes in South Africa which will result, as *immediately as possible*, in ending apartheid and minority rule within that country?

I, personally, am in complete accord with those who call for the strongest measures by the United States to accelerate the process of change within South Africa. Nor would I automatically rule out violence as an in-



strument for obtaining the rights of the non-white majority. The United States obtained its independence through violent revolution when it became clear that other avenues of peaceful changes had been blocked. Can we deny to the overwhelming majority of South Africans the same right to achieve their independence from minority tyranny by *whatever means* are required?

I would certainly prefer peaceful change in South Africa—for the good of the majority as well as the minority—but I am not optimistic that the white rulers will willingly relinquish their absolute control over non-whites. The Vorster Government's response to the Lusaka Manifesto—which accepted the possibility of peaceful, evolutionary change in South Africa—has not been encouraging. Consequently, President Julius Nyerere of Tanzania was clearly justified when he called, in his address before the 25th Anniversary Session of the United Nations, for less patience and dialogue and more support for the freedom fighters. In that connection, I applaud the support which the World Council of Churches is giving to African liberation movements.

Nevertheless, few believe that an internal, violent revolution could succeed in South Africa at this point. Thus, while I recognize the *legitimacy* of violence I doubt its *efficacy* in the current South African context.

This is why it is so difficult for me to endorse, without qualification, the demands of those Americans—mainly young and often Black—whose dedication to the cause of liberty in South Africa I most respect. This group of concerned Americans—which also includes trade union leaders and Black employee groups—calls, with a near unanimous voice, for complete economic disengagement from South Africa. I would be in their ranks now if I believed that total economic disengagement by the U.S. would be the most effective way of eliminating apartheid and bringing majority rule to South Africa. I will join their ranks, in the future, when it so appears. But, at least now, I do not advocate complete withdrawal.

Instead, I believe a better strategy is to help U.S. business recognize its obligation to the wider community in South Africa just as it has come to recognize in the United States that it has obligations to its employees and the general public which go well beyond its simple duty to maximize profits for stockholders. U.S. business operating in South Africa must stop defending its general complicity in apartheid by arguing that it cannot violate local laws or customs or otherwise "interfere in the internal affairs" of another nation.

What about its obligation to follow U.S. Government policy which had condemned apartheid and seek ways within a general system of "contacts" with South Africa, to encourage change within that country? What about its obligation to its employees and the general public in South Africa? Are these obligations less important than automatic compliance with repugnant South African laws? I think not.

Now, assuming business accepted responsibility for trying to bring about change in South Africa, what can and should it do? My general answer is, it should try to push at the limits of tolerance to break down apartheid: increase the welfare of non-white workers, see to their training, job promotions, and the education of their children, provide the opportunity for collective bargaining by recognizing black employee groups, give equal pay for equal work, institute pension, life, health and disability insurance plans for non-whites, provide legal assistance to employees who cannot afford it and assist with their obtaining decent housing, medical care, loans and transportation.

Business should insure that non-white employees are treated with respect, and that

they are given *preferred* treatment in training and promotions. Business should contribute to organizations both within South Africa and the United States which are concerned with advancing the welfare of non-whites in South Africa. It should stop giving money to the South Africa Foundation which is primarily an apologist for the *status quo* in South Africa.

I recognize that this approach, which encourages U.S. business to change radically its method of operations in South Africa but does not call for withdrawal at this time, is generally opposed by both business and the more articulate, young critics in this country of the South African regime. Business often says that even if it wanted to do these things, it would not be "allowed" to by the South African Government. It is not at all clear that this is the case. The action of the Polaroid Corporation is testing, in a small pilot way, the limits of South African government tolerance. Others could join Polaroid to probe these limits and other companies as well as Polaroid should, in my view, continue to press forward ever higher standards of justice for their non-white employees.

But, some businessmen will say, the South African Government will, eventually, reach a point where it will stop U.S. firms from continuously increasing the opportunities and welfare of non-white employees and will force U.S. business to retreat from the reforms or withdraw from South Africa entirely. At that point, I recommend withdrawal. If U.S. business cannot be a force for continuous change and ever more effective assaults on apartheid, then I believe it should withdraw.

But to my friends—and particularly the concerned, young Black and other staff members of the African-American Institute—who call for total withdrawal now, I must suggest that your recommended course would discard an important potential tool for achieving meaningful change within South Africa before it is even tried out. Before U.S. firms are pressured to withdraw, I believe we should try to convert U.S. business into a force to break down apartheid. Most of those who call for immediate withdrawal honestly doubt that U.S. business could ever become a force for real change within South Africa even if it had the requisite will. Perhaps they are right. But, we won't know for certain until some have tried.

It is clear that if both withdrawal and internal pressure are possible forces for change within South Africa—and I believe both can be—and if we want to test the efficacy of each approach—as I feel we should—we can only do so in one order: we must first encourage U.S. business to mount strong, determined and ever escalating pressure from within. If that does not result in meaningful changes, then we should demand U.S. business to withdraw in the hopes that withdrawal will have some greater impact. However, we must bear in mind that those two strategies can not be tried in the *reverse* order: U.S. business cannot first withdraw and later try to work from within South Africa.

Despite my personal advocacy of trying first to force change from within, let me hasten to add that I see great value in immediate withdrawal as well. In the first place, massive withdrawal of U.S. business at this point would be eloquent testimony of our national determination to oppose apartheid. Thus far our national condemnation of that system has been largely verbal—on the part of the U.S. Government as well as the private sector. If significant numbers of U.S. companies were to withdraw from South Africa during 1971 the world in general, South Africa in particular, and our young and other concerned people at home might begin to believe that this country has not lost all capacity for moral outrage. They

might come to feel once more that we are willing to make some sacrifices to match our ringing denunciations of apartheid.

In that connection, Anthony Lewis of the *New York Times* pointed out in his April 30 article on South Africa, that "The pressure an outside country can then apply, realistically, is to refuse to take part in the humiliations of apartheid—to refuse to lend them even an appearance of approval."

Moreover, and perhaps even more important than terminating the "appearance of approval" which U.S. business presence gives to the South African system, immediate withdrawal would help guarantee, for the good of our *own* national stability, as well for the majority of South Africans, that when the revolution comes to South Africa we will not be drawn into that conflict on the wrong side because of our economic ties to the present regime. We would then be free to support revolutionary change in a direct and effective manner.

One of the factors which has led me to recommend against total withdrawal at this time, is that I believe many Black Africans, including many independent, militant Blacks in South Africa itself, would also argue that pressure from within—no matter how pessimistic we may be about its impact—is at least worth trying before the U.S. completely disengages from South Africa.

I also know, however, that a very large number of revolutionary Black South Africans, and almost all of those who have fled that repressive country, argue for immediate withdrawal and the imposition of complete sanctions on all fronts as soon as possible. As I have said, I agree that such course, if adopted, would produce important, positive results but I am not sure that the benefits would be as *great* as might be derived from continuous internal pressure by the American business community to bring down apartheid and achieve majority rule.

At this point, I am certain, some may feel that I have posited such an impossible set of assumptions that the technique I advocate should be rejected as grounded on fantasy. It can obviously be argued that, first, American business—regardless of U.S. pressures or awakened corporate conscience—will never become the positive source of change which I have assumed it might; and, second that even if it were willing to move along the lines I have set forth, the South African Government would not allow it to do so. Either or both of these assumptions may prove to be correct. But, at the same time, I cannot help feeling that U.S. business has never really tried internal pressure and, in my view, the approach is worth trying even if the odds against meaningful success are long.

Some short term benefits may be quite worthwhile even if total victory cannot be achieved. For example, if the welfare of South African non-whites can really be increased, if their education, training, skills and the opportunities for their children can be substantially upgraded, if their health, job opportunities, self-confidence, organizational skills and financial resources can be improved—wouldn't these changes improve the capacity of the South African majority to claim their just rights—by peaceful or violent means—even if they fall short of converting the white rulers into true democrats willing to transfer power to the majority?

Let me illustrate my recommendations by stating the advice I would give a U.S. business leader who was genuinely concerned with majority rights in South Africa.

First, be certain that the U.S. managers of the South African affiliate share an abhorrence of apartheid and the desire for radical, rapid, meaningful change in that society. As Carl Rowan noted, the most regressive attitudes among U.S. citizens in South Africa tend to be found among the Ameri-

company managers of U.S. companies. This situation must be reversed.

Second, recognize fairly chosen representatives of non-white employees in the South African operations and let them identify the priority needs as they see them for changes in company policies toward non-whites.

Third, pledge to them that the company will devote a significant part of its earnings in South Africa to finance these added benefits.

Fourth, institute the requested policy changes as soon as possible and, continuously thereafter, press for more and ever more changes in the conditions of non-white employees until apartheid has been eliminated.

Fifth, encourage other U.S. businesses to join in such an effort. This will help ensure that a pioneering company will be able to survive longer in South Africa than if it moved alone and it will also multiply the concrete results of these changes. Tokenism means nothing to those who are really concerned with change. In fact, it simply antagonizes and repels us.

Sixth, contribute funds within and without South Africa which are truly dedicated to increasing educational opportunities for nonwhites and in other ways are working to end apartheid. Examples of such organizations in South Africa are the black-run Association for the Educational and Cultural Advancement of the African People of South Africa (ASSECA), the Christian Institute, and the Institute of Race Relations. Examples in this country are the American Committee on Africa and, if I may be so immodest, the African-American Institute, among others.

Seventh, be particularly concerned with promoting non-whites as rapidly as possible and provide the necessary training within the company to ensure that increasing numbers of non-whites are capable of filling more highly skilled positions including managerial slots. This will not only serve to end apartheid in the company but will help equip increasing numbers of non-whites to claim effectively their civil rights in the society at large.

Eighth, when the South African Government pressures the company to discontinue such a program, resist that pressure with determination. When necessary, withdraw from South Africa rather than abandon a program designed to speed the end of apartheid.

In my view, if a company is *not* willing to take the kind of steps outlined above, then it should withdraw now. It should stop giving tacit approval and real support to the maintenance of the present horrifying system in South Africa. In other words, I do support the demands of those who are trying to force U.S. companies to withdraw from South Africa *but only* with respect to those firms which evidence no willingness to be a force for meaningful change in South Africa.

However, for those other firms which do condemn apartheid and are willing to institute programs to force changes from within, I believe we should watch such experiments carefully, prod the companies to do more, but give them some reasonable chance to demonstrate that their program is effecting change. When a program appears to be failing or degenerates into only a token or sham assault on apartheid, then I would join in the call for complete withdrawal by that company.

Let me add one short thought about the special situation regarding Namibia, also referred to as South West Africa. South Africa's violation of its mandate to administer Namibia is once more before the International Court of Justice. If that Court confirms that South Africa has forfeited its power under the mandate, then I hope that U.S. firms in Namibia will respect the jurisdiction of the United Nations over that ter-

ritory and be prepared to obey its directives and pay taxes to the U.N. rather than to South Africa.

Let me conclude by observing that the U.S. Government, as well as U.S. business, can take positive steps of the sort I have suggested. It is of course true, as some claim, that our Government is powerless to regulate the activities of U.S. business in South Africa. It could do so, if it chose to intervene on behalf of freedom. It could, of course, simply prohibit any U.S. investment in that country. Alternatively, it could prohibit continued operations in South Africa unless companies follow radically new employment policies regarding their non-white employees. But very frankly, I believe at this juncture, that it may be easier to get U.S. business to act than the U.S. Government.

Thank you, Mr. Chairman.

THE IMPACT OF A CHILDREN AND YOUTH PROJECT ON THE NEED FOR IN-PATIENT HOSPITAL CARE

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. KUYKENDALL. Mr. Speaker, title V of the Social Security Act provides that special project grants may be made to provide comprehensive health services to school and preschool children in areas where low-income families are concentrated. Ninety-eight percent of those children registered in these projects throughout the Nation are under 9 years of age. Currently there are 59 children and youth projects located in 30 States and the Virgin Islands.

These programs are having a tremendous impact toward improving the quality of life of our young children in low income urban and rural areas. I am pleased to share with my colleagues the advantages being derived by many of my constituents through the children and youth program located in Memphis. I wish to include in the RECORD at this time a brief abstract of the children and youth project in Memphis prepared by David H. James, Jr., M.D., of the University of Tennessee College of Medicine, department of pediatrics:

The Memphis Children and Youth Project serves approximately 3,500 infants and children from low-income families that reside in four census tracts of the northwestern portion of the city. During the first full year of operation (1968), there was a need for 200 individual hospital admissions, requiring 964 hospital days. By the third year (1970), the number of hospital admissions had decreased to 80 and the number of hospital days to 267. During this latter year, 42% of the admissions were for medical problems and 58% for surgical procedures. This percentage distribution is the same as that experienced by the private practice sector of the Memphis community in 1970.

The average length of hospitalization for the Children and Youth Project patients dropped from 4.8 days in 1968 to 3.3 days in 1970. This compares with an average hospital stay in 1970 of 3.8 days for patients of the pediatric age group in the Memphis private practice sector.

It is concluded that the Memphis Children and Youth Project has brought about a marked decrease in the need for hospitalization for infants and children in the Project

area. It is further concluded that, after three years of operation, the types of problems requiring hospitalization and the length of stay in the hospital are the same for those infants and children served by the Project as for those served by the private practice sector of the Memphis community

Mr. Speaker, the Appropriations Subcommittee on Labor-HEW will shortly begin its deliberations on the maternal and child health budget. Representatives of the American Academy of Pediatrics have estimated that children and youth projects alone need an additional \$40 million to expand current programs and \$15 million to fund project requests which are pending. I encourage my colleagues to bear in mind the estimated need and the benefits to be derived of these programs when we begin consideration of the health budget for fiscal year 1972.

ELDER CITIZENS DESERVE OUR GRATITUDE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. KEMP. Mr. Speaker, the elder citizens of our land have worked and sacrificed to build America. They deserve to be thanked, not ignored. The extra years of life made possible by science must be made secure, productive, and independent. We cannot allow the older citizens of our society to live out their days in poverty, loneliness, and despair.

The Bureau of the Budget in its appropriations request for the Administration on Aging in fiscal year 1972 cut \$7 million from the amount of appropriations voted in fiscal year 1971. This would have forced serious cutbacks in the community programs and other projects. It is estimated that, if these cuts had been maintained, more than 125 senior centers in different sections of the country would have had to be closed. When all the facts came to light, President Nixon and Secretary Richardson of the Department of Health, Education, and Welfare made a determination to ask for the restoration of the appropriation request to the fiscal year 1971 level and, indeed, to increase the request by an additional \$3 million. The following table shows the result of the administration's action:

	Original fiscal year 1972 budget	Revised fiscal year 1972 budget	Net increase
Community programs.....	\$5,350	\$9,000	\$3,650
Planning and operation.....	4,000	4,000	.....
Model projects.....	4,000	5,200	1,200
Foster grandparents.....	7,500	10,500	3,000
RSVP.....	5,000	5,000	.....
Research and demonstration.....	1,800	2,800	1,000
Training.....	1,850	3,000	1,150
Total.....	29,500	39,500	10,000

It has also come to my attention that during the past year there has been great concern among the senior citizen membership groups and the national organizations engaged in programs affecting

the elderly about the gradual downgrading of the Administration on Aging which began with the action of former Secretary of Health, Education, and Welfare Wilbur Cohen, who placed it under the jurisdiction of the offices of Social and Rehabilitation Service in HEW. The result has awakened a deep seated fear among interested parties that the Administration on Aging will be unable to fulfill the responsibilities assigned to it by the Older American Act of 1965.

It was in response to this concern that Secretary Richardson on May 6 announced that he had invited Dr. Arthur Flemming, newly appointed chairman of the White House Conference on Aging, to appoint a task force to reexamine the future role and structure of the Administration on Aging.

For the information of the Members of the House, I include at this time Secretary Richardson's statement announcing this special task force:

**STATEMENT BY SECRETARY RICHARDSON**

I have asked Dr. Arthur Flemming, Chairman of the 1971 White House Conference on the Aging, to establish a special task force to review the organization and status of the Administration on Aging.

The task force will be composed of qualified and prominent private citizens and they will give Chairman Flemming and me their recommendations as to the role, function and location of the Administration on Aging within the Executive Branch as a whole.

Dr. Flemming and I want the task force to examine the different alternatives with respect to the future of the Administration on Aging, giving special consideration to recommendations which will issue from the various State White House Conferences on Aging, and giving particular weight to those recommendations which emerge from the White House Conference on Aging next November.

The Administration on Aging is a prominent part, but only one part, of this Administration's comprehensive program to assist older Americans; many Departments and Agencies of the Federal Government have essential roles.

Dr. Flemming and I look forward to a thorough examination and to receiving ideas which are directly representative of the views of senior citizens themselves and their membership organizations.

The members of the task force will be announced by Chairman Flemming within a few weeks.

These actions will help strengthen old-age programs at the grass roots level and improve communications between older Americans and their government.

It was a pleasure for me to vote for the 10% increase in Social Security as well as the 10% increase for railroad retirees. I also support proposed legislation which includes an additional 5% increase in Social Security and ties Social Security increases to the cost-of-living index.

The halting of inflationary pressures is perhaps the most important need of our retired citizens, and Social Security must be made a more equitable and effective instrument of income security through this automatic cost-of-living adjustment.

To give needed assistance to those older Americans who work, I have introduced legislation which would exempt those persons over 65 from Social Security tax—who are either forced to continue working to supplement Social Security benefits—or who do not wish to retire.

Assuring the dignity of old age is not the granting of some special privilege. It is sharing America's trillion dollar economy with the men and women who helped create it.

**SATELLITES PRODUCE ADVANCES IN COMMUNICATIONS AND EDUCATION**

**HON. LOUIS FREY, JR.**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. FREY. Mr. Speaker, in the April 17, 1971, issue of Editor and Publisher, General Electric Co. has a full-page advertisement which dramatically summarizes worldwide educational and communication developments due to the use of direct broadcast satellite TV systems. These systems both help the earth's standard of living and improve world understanding.

The article follows:

**'70s: PAYOFF YEARS FROM SPACE**

**NEO (NEAR EARTH ORBIT) SPACE: THE ILLITERATE LEARN TO READ AND WRITE**

Some 300 million villagers in India have a direct stake in the United States' space program. That's how many Indians, presently illiterate, who may learn to read or to farm more effectively—thanks to American satellites in the 1970's.

India's current population (537 million) is growing at a rate that will reach more than a billion people by 1997. While 82 per cent live in 556,000 small villages, and about 70 per cent of the work force are farmers or agricultural laborers, India still does not produce enough food to feed its people. Education also suffers in India, with less than 50 per cent of primary school age children enrolled in schools. Complicating the educational problem is India's multiplicity of languages; there are 12 major languages and several hundred distinct dialects. Journalism is inadequate, too, since only two per cent of the newspapers go to the small villages where more than 80 per cent of the population lives!

The need for fast, extensive communications in India is obvious to its government which is striving to improve basic education, especially in modern agricultural techniques. To do so, India conducted studies of many alternate approaches, and has concluded that a Direct Broadcast Satellite TV system would be the most cost effective way to help solve these problems. Space TV costs about half of what an equivalent, entirely ground-based, system would cost since satellites can eliminate the need for large earth receiving and transmission stations, and complex relay networks. Broadcast satellites of the '70's will be powerful enough to beam TV programs directly from space to villages equipped with small, inexpensive receiving antennas. India already has found that community educational television has proven its worth in the area surrounding Delhi in an important experiment involving some 80 villages.

Under terms of an agreement India signed with the United States in 1969, their first 5000 villages are expected to be receiving televised instruction from space by 1973. Ultimately, some 600,000 direct broadcast receivers will be set up centrally in their villages with audiences of up to several hundred people at each location. And the multi-language problem is solved, also, since each TV set will have a selection of dialect audio channels.

Brazil, too, is studying an educational system calling for direct broadcasts via satellite. There, problems are somewhat different from India's: the imbalance caused by very sparse distribution of the population (90 million people spread over 3.2 million square miles) has resulted in an inadequate educational system—there simply aren't enough teachers to go around. Rural schools are

served by only 36 per cent of the teachers, but have 54 per cent of the enrolled primary students. And, of the 100,000 teachers in rural schools, some two-thirds have had only primary education. Through communications satellites, Brazil plans to instruct students in the rural areas on modern agricultural methods and to provide sufficient basic education to help overcome the school system's deficiencies. Plans call for direct satellite broadcast to about 150,000 schools, reaching 30 million people, about double the number of people who presently receive schooling in Brazil. Officials estimate that the system would cost one-fifth of an Earth-bound system. In a few years, villagers in India and rural students in Brazil will be telling the world what they think of Near Earth Orbit-Space.

Just what is NEO-Space? It's a dark cold vacuum that surrounds our planet beginning some 2000 miles from Earth and extending to 25,000 miles from the planet. NEO-Space is home for the 427 artificial satellites currently in orbit around our world performing important research and operational tasks for Earthlings ranging from weather description to improved communications. The ability of communications satellites in NEO-Space to help bring the benefits of education to millions in the underdeveloped nations is one of the most profound benefits offered by NEO-Space.

Indians and South Americans aren't the only ones to benefit from communications satellites in NEO-Space. Today we have better television, with live, quality trans-oceanic color telecasts via satellites of news events. And, nations now have a capability of maintaining instantaneous, clear, unimpaired and direct communications with all nations of the world, a significant contribution to international relations. These and other Earthly benefits are available now because the use of NEO-Space has become economically competitive with other ways of doing things on Earth. The costs of using NEO-Space are coming down, and are expected to get even lower.

The investment cost per circuit year in communications satellites has decreased from \$25,000 for the Early Bird satellite in 1965 to an estimated \$870 for the current Intelsat IV.

Charges for the satellite portion of a one-hour color telecast between New York and Europe in 1970 are 19 per cent of what they were in 1967, a reduction of 81 per cent.

Advances in cable as well as satellite technology have resulted in better and cheaper telephone communications, resulting in actual rate decreases of up to 40 per cent in the price of trans-oceanic phone calls.

And the future of communications satellites holds even greater potential for improving the quality of life on Earth:

Under the terms of a domestic satellite system proposed by one firm, American television networks could cut their annual communications costs from more than \$70 million to about \$40 million. Such savings represent significant steps in keeping TV production costs down, and help fight inflation.

In air traffic control, particularly over the oceans, communications satellites can lead to an increase in air traffic density without compromising safety. By augmenting the electronic equipment on board, satellites can aid navigation and direct collision avoidance systems in air-lanes worldwide.

Likewise, satellites can make sea shipment and travel more economical and safer by providing continuous communications and accurate navigational aids to ships.

Business use of communications satellites will grow, too. One study estimates that the demand for business and data communications circuits will grow at least by 230 per cent from 1975 to 1985. And, because of time zones, satellites could enable computers to be used and shared economically around the clock throughout the world.

Direct Broadcast satellites, in the more industrialized nations, could help doctors and lawyers to keep abreast of the latest developments in their fields by transmitting new data and instruction directly into their homes or offices.

These are some of the present and future uses of communications satellites in NEO-Space. By helping to teach more effective farming, the United States space program will be combating starvation; by helping to teach reading and writing, it will help the Earth's standard of living and by helping improve communications between nations, it will improve world understanding.

During the 70's, we are in the real payoff years in space, an age in which we will see even greater economic gains from the space investments of the 60's. Greatly improved communications is just one area in which NEO-Space is helping to solve the problems on Earth in ways that are economically competitive with other ways of doing things on Earth. We've gained experience, honed our technologies, and now we're ready to fully exploit NEO-Space in the 1970's because we've learned that it's a better and cheaper way to attack some problems on Earth. (Space Division, General Electric Company, Valley Forge, Pennsylvania.)

#### THE REAL MEANING OF MEMORIAL DAY

### HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. BURKE of Florida. Mr. Speaker, Memorial Day is always a day of memories, and it is a time when we should all stop and give thanks for the blessings of liberty. We, as Americans, know that the men who die in the service of our great Nation make this sacrifice in order that the hopes and ambitions of our Founding Fathers might be realized, that the Constitution upon which our Government is based might stand today—strong, triumphant—the bulwark of our Nation.

We not only pay honor to those patriotic men and women who have given their lives for America, but we pay honor to all, living and dead, who unselfishly contributed their service in order that our families, our children, and posterity might enjoy the priceless heritage of freedom.

In expressing our gratitude, we must always save a special place of honor for the thousands of disabled veterans, many still confined to hospitals, and their dependents, the widows and orphans of those deceased veterans whose lives were shattered in our Nation's behalf. And in this year of 1971, I hope we will all say a special prayer for the safety and well-being of those men who are prisoners of war in Southeast Asia. It is the fervent hope and prayer of all Americans that before we observe another Memorial Day these men shall be returned to their homes and loved ones.

The concept of Memorial Day had its origins in the tragedy of another war. Some authorities credit the tradition as beginning in the South soon after the Civil War. There the ladies of the community, in honoring the memory of their own fallen, placed floral offerings rever-

ently upon the soft mounds where their kin were buried. At the same time they thought in terms of the bereavement of others in the North and also decorated the last resting places of the deceased soldiers from the North who had been interred there.

Whatever the exact origin may have been, it was Gen. John A. Logan, Commander in Chief of the Grand Army of the Republic, who issued General Order No. 11 on May 5, 1868. In it he asked that our honored dead be paid tribute on the 30th of May, when the flowers of springtime were in abundance.

General Logan's order closed with the words:

Let no ravages of time testify to coming generations that we have forgotten as a people the cost of a free and undivided Republic.

Since that time over a hundred years ago, millions of our young men have been called upon to pay the price of freedom. The rumblings of war have called our young men to the aid of their country five times in the past century. Bravely they have answered the call of duty. Their sacrifices, willingly made, are the real meaning—the true significance of Memorial Day.

Memorial Day is a time for us to renew our determination to meet successfully the challenges which are before us in these troubled years. Thereby can we best honor those who have gone before. It is by renewing our commitment to the ideals of freedom and democracy that we can best prove that those young men who gave their lives for America shall not have died in vain.

#### RESOLUTION ON NAMIBIA

### HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. KOCH. Mr. Speaker, the United Nations Association of New York recently passed a resolution concerning the situation in Namibia. I approve of their resolution, and am inserting a copy of it into the RECORD at this time:

#### RESOLUTION ON NAMIBIA (SOUTHWEST AFRICA)

Mindful of the special status of Southwest Africa as a mandated area under the League of Nations, and the subsequent actions of the United Nations to apply to this territory the general principles of trusteeship defined in the Charter;

Considering the long series of actions in which international tribunals have given attention to this subject, including the request for an advisory opinion now pending before the International Court of Justice;

The United Nations Association of New York, N.Y.,

Expresses its hope that all states members of the United Nations will support the development of a status for Namibia consistent with the obligations which the international community has long assumed toward that region, based upon the aspirations for self-government which its people have expressed and upon which the United Nations has acted;

Deplores the refusal of the Union of South Africa to withdraw its illegal administration from Namibia, condemns the illegal trials of Namibian persons under the South African

Terrorism Act, and strongly opposes the proposal of the Union of South Africa to conduct a unilaterally supervised plebiscite in Namibia in defiance of the Council which the United Nations has set up to supervise the affairs of the region; and

Urges that the government of the United States give affirmative support to these principles through its delegates at the United Nations.

#### JULIUS SCHEPPS—TALL CITIZEN WHO EARNED GREATNESS

### HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. COLLINS of Texas. Mr. Speaker, when I landed in Dallas this past weekend, the first news I heard was that Julius Schepps was dead. This was a real blow. I had been working closely with "Mr. Julius" in his post as president of our active Dallas Park Board.

But, ever since I was a boy, I looked up to him to help me on any community project. Dallas loved him. He has received all our honors including the 1954 Linz Award as "Dallas' Outstanding Citizen." In 1962 he was chosen "Headliner of the Year." Texas Welfare Federation chose him as the person contributing the most to the welfare of his community.

The Jewish people in Dallas are very popular. We have had many Jews with dynamic spirit like Schepps. Their leadership in civic drives, school programs, cultural development was consistent. But Schepps joins the list of the all-time greats. He was a hard worker, a generous giver, and a friendly man. He was for Dallas all the way.

Community relations are not laws—not politics—but depend on people themselves. And our community has lost a warm neighbor and good friend.

I always read the Dallas Times Herald editorial page to analyze Editor Felix R. McKnight's viewpoint. In the May 30 issue of the Times Herald he paid a great tribute to Julius Schepps. Here are the highlights of this article by McKnight:

Julius Schepps was not a myth. He did all of those things that made him a very great man.

I could lead you through the streets of Dallas and gather testimony from tens of thousands to verify that he earned the treasure good men seek—true greatness.

Our path would take us to a skid row mission, to a child's bedside, to a festering racial uprising where his word was believed, to a broken alcoholic, to slums, to mansions, to a camp for confused boys that he helped found 50 years ago—to any place where man needed a brother.

Some of his witnesses would be of his Jewish faith, some would be Protestants, some would be Catholics, some would be black and some would be white and brown. But the testimony would have the rich sameness; how a huge man with a hawk nose and slope shoulders had touched their souls.

Could one man be all of these things? Julius Schepps qualified.

Sixty-nine years ago he came to this city, the six-year-old son of a Russian immigrant who opened a tiny downtown bakery shop. In the span of time from that day until his death last Tuesday, Julius Schepps wove a life of usefulness that is unparalleled in Dallas history.

And he did it without the formal foundations. There was no wiser man in Dallas, but he acquired his learning in his own way.

He proudly identified himself as a Texas Aggie and told a thousand stories about his "college life." He enrolled there in 1914 as a basketball recruit and was 17 days into campus life before they discovered he was without a high school diploma. He departed, but only physically. He became an Aggie stalwart; an institution. Twelve years later he became the best of all Aggie stories—they elected their 17-day Aggie president of the Former Students Association.

Julius Schepps had difficulty pronouncing "ecumenical," but he knew universal brotherhood better than any man.

He was the man who headed Dallas' first bi-racial commission—and he was the man who boldly stood for equity and justice that resulted in the city's total integration. His forthright stand on that issue, and every other issue, came from total honesty of the soul.

Julius Schepps was a wealthy man who controlled many enterprises. One, a wholesale liquor dealership—but he was an abstainer who preached moderation and funneled most of the profits into charities and human causes.

No one knows how much money he gave to others—from the building that houses the Dallas County United Fund to outfitting with bats, balls, gloves, shoes and uniforms a West Dallas Mexican-American kid baseball team he had never seen. Someone just mentioned it to him.

Voids come to communities and good men fill them. But to those who knew him, there comes the feeling that Julius Schepps' "jersey" should be retired and enshrined—never to be worn again.

Julius Schepps . . . leader, brother, philanthropist, patriot, Texas Aggie, man among men . . . farewell.

#### UNITED STATES WEIGHS WEAKENING FLAMMABLE FABRIC CURB

### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. DINGELL. Mr. Speaker, I insert into the CONGRESSIONAL RECORD an article that appeared in the Washington Post, June 1, 1971, and is entitled "U.S. Weighs Weakening Flammable Fabric Curb."

This fine article tells of a potentially deplorable action contemplated by the Commerce Department, and deserves careful consideration:

#### U.S. WEIGHS WEAKENING FLAMMABLE FABRIC CURB

The Commerce Department is considering weakening a proposed requirement on flame-proofing of children's nightwear, it was learned yesterday.

Under the revision, the proposal would make optional rather than mandatory the standard against flammable fabrics. Those makers that did not follow the standard would be required to place cautionary labeling on children's pajamas and nightgowns.

The relaxed labeling alternatives will be recommended shortly to Commerce Secretary Maurice H. Stans, who must make the final decision, government sources said.

Commerce officials said such a rule would leave to parents the decision whether to buy flame-retardant sleepwear, which is expected to cost more.

The officials said it also would spur industry eventually to make all children's sleepwear flame retardant. They reasoned that many firms would be reluctant to put a warning label on their products, while those that were technologically backward would not be put out of business overnight.

#### PHINEAS BANNING—PORT ADMIRAL

### HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. ANDERSON of California. Mr. Speaker, the former home of Phineas Banning in Wilmington, Calif., has been approved for designation as a national historical site and inclusion in the national registry of historical places.

The 30-room house was built in 1864, 6 years after Banning founded the town of Wilmington and named it after his birthplace in Wilmington, Del. This gracious mansion is certainly worthy of recognition as a national historical site both because of the unusual nature of the building and the importance of the man who built it.

Phineas Banning was the father of the massive port complex which has made the Wilmington-San Pedro area one of the most important regional shipping ports in the world.

In 1864 he bought some 4,000 acres of waterfront land, built barges, a wharf and a warehouse, and began transporting cargoes between ships anchored in San Pedro Bay and the mainland. At first, people in the area derisively referred to him as "the Port Admiral," but later that became a term of honor with the further development of his dream of a major shipping port.

Banning journeyed at his own expense to Washington, D.C. in the early 1870's and succeeded in obtaining the first congressional appropriation for the development of the harbor complex.

The mansion, located in Banning Park at 401 East M Street, was built entirely from lumber shipped around the Horn in sailing vessels from the east coast.

During Banning's lifetime it was frequently the scene of huge dinner parties, or "regales," with as many as 100 guests—often including industrial leaders, civic officials, Congressmen, Senators, Governors of California, and high-ranking military officials.

Other distinctive features of the home include the use of stained glass from Belgium, ornate French fireplaces, hand-engraved door hinges brought from Philadelphia.

The mansion includes a giant walk-in refrigerator which was supplied annually with massive slabs of ice cut in the high Sierras and shipped to the Banning home in the wagons of the freight service which he owned and operated.

Crowning the building is a lookout tower from which Mr. Banning used to observe the arrival and departure of ships in the Los Angeles Harbor.

The Banning home was designated as a State historical landmark in 1936. To

mark the occasion, William Banning, one of General Banning's 11 children, drove a coach with a six-horse hitch, up to the front steps as part of the dedication ceremonies.

Decades ago the home and its surrounding grounds were obtained by the city of Los Angeles for use as a park. It was beautifully suited for this purpose because of the charming landscaping of the grounds.

Among the central features of that landscaping is the oldest eucalyptus tree in California, having been planted there more than a century ago by Banning's Chinese gardener. A 200-foot-long wisteria vine, planted behind the house by that same gardener, has been the theme of the annual Wisteria Festival sponsored by the community of Wilmington since the early 1950's.

Guided tours of the Banning home are conducted during the summer months each year, with the guides being girls from Harbor College or the local high schools dressed in costumes of the period in which the mansion was built. Tours are normally on Sundays from 10 a.m. to 4 p.m. with a nominal admission charge of 25 cents for adults and 10 cents for children.

Although Banning was a man of many aspects—the founder of Wilmington; father of the Port of Los Angeles; a general in the California Militia; one of the pioneers of the oil industry in California—it was the freight business that made him wealthy.

At first his freight company was centered on the run between the port area and downtown Los Angeles, although it later expanded as far as another California city which he established—Banning, in the desert area near Riverside.

Later, Banning was involved in the construction and operation of the first rail line connecting the port with downtown Los Angeles.

One of the best biographies of Banning is "Port Admiral: Phineas Banning 1830-1885" by Maymie R. Krythe, published in 1957 by the California Historical Society.

It seems highly ironic that Banning, who had become wealthy and powerful because of his freight business, should have died at the age of 55 as a result of injuries suffered when he stepped off a street car and was run down by a passing freight wagon.

#### MAN'S INHUMANITY TO MAN—HOW LONG?

### HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

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

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,600 American prisoners of war and their families.

How long?

HUNDRED CLUB OF COOK COUNTY,  
ILL., PROVIDES CARE FOR SLAIN  
POLICE AND FIREMEN'S FAMILIES

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. MURPHY of Illinois. Mr. Speaker, the brutal deaths of policemen and firemen in the line of duty give all Americans grave cause for thought. These men whose deaths come in the prime of life leaves wives and young children behind. Rarely are there substantial savings as the salaries of these men must stretch simply to provide a decent way of life for wives and dependents. Consequently, the families of these men became wards of the State, or, at best, struggle to pay off debts and pick up the pieces of shattered lives.

A group of Chicago business and professional men provides alternatives for these families, however. These men belong to the Hundred Club of Cook County which provides funds and moral support to families of slain policemen and firemen in times of desperate need. Ralph J. Scheu is the 70-year-old retired industrialist who founded the club and continues to provide its able leadership. His genius and steadfastness have been evident since the club's inception 3 years ago.

I insert in the RECORD the text of an article which tells the story of 500 interested men who believe it is better to care for one's fellow man than to ignore his plight. The author of the article, Clay Gowran, is a writer with the Chicago Tribune. It is my hope that my fellow colleagues will benefit from this insertion but, more importantly, that it will inspire other metropolitan areas to undertake similar ventures.

The text of the article follows:

HUNDRED CLUB OF COOK COUNTY AND ITS  
WORK

(By Clay Gowran)

At 2:49 A. M. last Nov. 13, a Chicago police squad was sent to 58th street and Calumet avenue to investigate a telephoned report of "a man with a shotgun on the street."

At 3:08 a. m., Patrolman Frank Rappaport—32 years old, 3½ years in the blue uniform, alone that night in blue-and-white car 9727—was among many men in three police districts who sped to the intersection in response to a second, urgent radio call, "Police officers need help . . . police officer shot. . ."

At 4 a. m., not quite an hour after Rappaport flipped on his siren and headed for 58th and Calumet, Father Donald Gaugush, Catholic chaplain of the Chicago police department, climbed from a black police limousine and rang the doorbell of the Rappaport home, a small, neat bungalow on Exchange avenue on the city's far south side. He was there on the errand which, each time he has to perform it, is the most agonizing part of his duties. He was there to tell Connie Rappaport—blonde, 4 feet 9 inches tall, married 11 years, mother of three—that the young husband she had kissed good-night, a little while before had been shotgunned to death in a senseless burst of street-gang savagery at and around a scrofulous, abandoned hotel, a battle which ended with a Black Panther gunman killed, a second hit and captured, and eight more policemen wounded [one of whom, John Gilhooly, 21, and less than a year out

of the police academy, was later to die of his wounds].

What is there to say to a young woman, to help, after she has been told what Father Gaugush had to tell her? What could he do for her? What could anyone do?

Nothing, really, of course. But for more than three years a number of Chicago business and professional men have tried to make tragedies such as that which enveloped Connie Rappaport, and other wives before her, a little less nightmarish. The men belong to the Hundred Club of Cook County. It has no clubrooms, no paid employes, no social functions outside of two dinners a year, not even membership cards. The men—as of now 494 older ones who contribute \$200 "dues" each year, and 30 or so younger associates who give \$50—belong because they want to be part of what happened after Frank Rappaport died, what since 1966 has happened after other line-of-duty deaths among policemen and firemen throughout the county.

That afternoon of Nov. 13, Gerald W. Cavanaugh, Hundred club treasurer and president of the Chicago Motor club, drove to the Rappaport home. Police friends of Frank were there, including Detective Tom Manella of area 2 homicide, who had been Rappaport's best friend in high school, and who now searched, haltingly, for words to say. Relatives, doing what they could. The Rappaport children—Susan, whose 10th birthday had come the Thursday before; Michael, 8; Patricia, 3. Mac, the magnificent colli which was Frank Rappaport's special joy, and which now sat quietly at the picture window, looking down the street . . . waiting . . . waiting.

Connie Rappaport, who had shown real courage when Father Gaugush had been there ["When I had to tell her that her husband was gone, she said, 'I knew, father, I knew when I opened the door and saw you there.'"], was keeping purposely busy, seeing there was coffee, sometimes answering the always-ringing telephone, stopping a spat among the youngsters who hadn't yet realized what had happened, cuddling small Patsy.

Cavanaugh, a gentle man of 66 with white hair, sat down with Mrs. Rappaport. He told her, of course, how sorry he was, and she thanked him. He told her he was there because he represented the Hundred club, created for such times as this. He handed her a club check for \$1,000 "because you may have need for immediate cash, and we don't want you to have to worry about that in addition to everything else, because we want to help." He said that, later, he or another club member would be back. And he stressed he wanted her to understand "what we do is not charity or anything like it. . . . This organization was formed because some men feel we have a duty to the families of firemen and policemen."

Frank Rappaport was buried the following Monday, in a week that saw two other police funerals—those of young Gilhooly, and Patrolman Samuel Lynch, 46, and the father of six, pronounced dead at Presbyterian-St. Luke's hospital after he was found near his overturned three-wheel motorcycle at Clark and Polk streets, the victim of a hit-and-run killer.

The same week, Ralph J. Scheu, the retired 70-year-old industrialist and native Chicagoan who founded and is the principal driving force of the Hundred Club of Cook County, visited Connie Rappaport and Aster Lynch, the motorcycle policeman's widow, who like Mrs. Rappaport had received a \$1,000 check from Cavanaugh. Scheu ["Shoy"] had been at the Mayo Clinic undergoing a check-up during the 48 hours which saw Rappaport die, then Lynch, then Gilhooly, but now, in the name of the club he organized, he was performing the "duty" his old friend, Cavanaugh, had mentioned. With him was Patrolman Clifford Dorn, who with Sgt. Clarence Erickson make up the police special services unit, charged among other things with doing

what can be done for a fallen policeman's survivors.

In each of the two homes—the Rappaports', and the Lynch bungalow on 87th street—Scheu told the women, again, what Cavanaugh had told them, that what was being done was in no way charity, that members of the Hundred club "look upon it as a solemn obligation. . . . We feel we must do something for our police and firemen, because they do for us what we cannot do for ourselves. . . ."

With Dorn, Scheu learned from Mrs. Rappaport that \$9,281 still was owed on the 25-year mortgage she and Frank had taken when they bought the bungalow in 1959. There were no other debts. At Mrs. Lynch's, Scheu discovered the policeman had, when he bought his home in 1960, put down \$2,000 in cash and arranged to pay the remaining \$16,950 over 24 years under a contract-purchase agreement. Also, the Lynches had, last summer, put up a \$2,100 garage and had made four monthly payments on it, \$34.97 each. And slightly under \$500 was owed Sears, Roebuck on a dining room set. In total, the sums owed by the family at the moment that unknown driver struck and killed the policeman-father came to \$14,876.

Of each widow, Scheu asked the same. Would they allow him to take, temporarily, the papers concerned with the homes and the debts? His son, Ralph G. Scheu, a lawyer as well as secretary of the club, would contact the companies or people involved. When the papers were returned in a week or two, he explained, it would be with the mortgage commitments and other debts marked "Paid in Full," because that, in addition to the initial \$1,000, is what the Hundred club is for.

"We in no way want to interfere with pension plans or insurance or other benefits," he said. "Our help is a sort of a 'plus'—we simply want to pay off debts such as these, things you and your husband would have paid, so you and your youngsters will have the pensions and other moneys clear for support of the family, for education, and so on. We just want to clear the way."

[In the death of Gilhooly, no payments were made, for a reason to be found in the club's charter. It explains the nonprofit organization was incorporated under Illinois law "to help provide for widows and dependents of policemen and firemen who lose their lives in the line of duty," and Gilhooly was a bachelor without dependents.]

Connie Rappaport, still composed but near tears, thanked Scheu and told him the mortgage "was my biggest worry—I love this home and want to go on here, because the neighbors are so nice, and the park where I'm co-leader of a Girl Scout troop is just a block away, and the school only two blocks." Mrs. Lynch, a quiet woman facing her disaster with the same steady courage shown by Mrs. Rappaport, thanked him, too. She said: "You can't know what it means, to know there is such help. To know funds we do receive can help educate the children—the big thing Sam wanted, what he talked about the most, was that the kids go on to higher schooling."

That dream should be attainable, for both Lynches and Rappaports, because the city of Chicago now has, with new state help, a program of death benefits and pensions for police and firemen killed in line of duty which is substantial. Each woman will receive her husband's full salary for one year from his death, then a monthly pension of three-fourths of his salary [\$300 for firemen's widows], plus \$60 a month for each child under 18, the total not to exceed the man's full pay. Also, a \$4,000 lump-sum payment, with both pension and cash payment coming from annuity-benefit funds into which police officers pay 8½ per cent of their salaries, and firemen 8 per cent. In addition, the Chicago city council sets up trusts for the families under an allotment schedule

specified by ordinance [from \$7,500 for a widow without children up to a maximum of \$15,000 for one with two or more children]. Finally, under new state legislation just signed into law by Governor Ogilvie, families of law enforcement officers and firemen killed on duty receive \$10,000 from Illinois.

"We're glad official sources provide such help in Chicago, and, as I've said, what we try to do is to take care of debts existing at death, so the family can make a new start without old obligations," Scheu explained. "But, don't forget this, too—in Cook county there are more than 200 other police and fire departments besides Chicago's, and very few come anywhere near the city in death benefits—in fact, most have no benefits at all outside the state aid. The club helps with their men, too, exactly the same as in Chicago."

The idea of both quick and substantial assistance to survivors of police officers and firemen killed in action, the idea behind Cook county's Hundred club and others elsewhere, originated in the early 1950s in Detroit. William Packer, a wealthy automobile dealer who liked the police and firemen he chanced to know, thought they did hard jobs well, and was distressed at how little they sometimes could leave loved ones when a bullet or perhaps a falling wall ended their lives. On several occasions, Packer took up collections among friends to help such families, but it was hap-hazard, and he finally concluded there should be some continuing organization building up funds which would be available to aid the families of all such men killed in line of duty, not just for the most dramatic or poignant cases.

So, in 1952, Detroit's Hundred club was born. The name, meaningless but still used in the Motor City and by other clubs elsewhere, derives from Packer's initial idea that membership would be limited to 100 persons paying \$200 each year—but so many men responded that the limit was set aside.

Scheu, long a civic leader and fund raiser here for various causes, first heard of the Hundred club concept in the spring of 1966 when, during a stay at his winter home in Fort Lauderdale, Fla., he was invited to join one there. He did, and as he familiarized himself with the help provided widows and children he became convinced such an organization was needed even more here. He talked with other Chicago friends vacationing in Lauderdale—attorneys Grier Patterson and Simon Murray; Morgan Murphy, chairman of the executive committee of Commonwealth Edison—and they liked the idea. He flew to Chicago and outlined the club plan to the city's top newspaper executives, to Mayor Daley, and to other men, and they all liked it, too.

In November, 1966, the Hundred Club of Cook County had its first meeting, with 174 members, each of whom had made the \$200 [tax deductible] contribution to the organization. By the next February, there were more than 300 members. It was then—Feb. 8, 1967—the new club performed its first service.

Two days before, Patrolman William Bell, 25, had been accidentally shot to death by another officer while, altho off duty, he was trying to help capture a robber. Scheu gave the \$1,000 check to Mrs. Bell [there were no children], and a few days later the club paid up \$1,217 in debts owed by the young couple.

November was the Cook County Hundred club's 37th month of operation, and in those months it aided the dependents of 36 men who died in the line of duty—18 Chicago police officers, nine city firemen, eight suburban or county police, one suburban fireman. The death of the last of the 36 came, extra sadly, on Thanksgiving day. Oliver Singleton, 42, a Chicago police detective, died of a bullet wound which had paralyzed him from the neck down last Jan. 24 when he was shot

as he and other officers stopped the robbery of an armored money truck.

Well over \$200,000 in club funds was used to help survivors during the period—including the payments to the Rappaport, Lynch, and Singleton families—and about \$113,000 remained in the treasury.

In the organization's files are letters which attest to the work this group of Chicagoans has done, to make life a little easier, the nightmare a shade less terrible when tragedy strikes. Like the letter signed "Joan Leifker and the children."

Fireman Edward Leifker, 40, father of six, was on duty at Truck Company 18, 50th Street and Union avenue, on Feb. 7, 1968, when an alarm sounded for the big plant of the Mickelberry Food Products company, just a block away. Minutes after arriving there, truck 18 was a battered wreck and three of its crew including Leifker dead in an explosion and fire which eventually claimed nine lives and injured 72 persons. The club was ready with the first checks, then later Scheu returned to talk with Mrs. Leifker in the home at 6151 S. Wolcott av. Even now, he can't speak of it without a lump in his throat.

"I got there in the evening, and kids were playing on the living room floor, so Mrs. Leifker and I sat at the kitchen table," he said. "I told her we wanted to try to relieve her of any financial burdens she might have.

"She promptly told me she and her husband had no debts, that they'd been people who paid their bills. I said it seemed almost impossible, with six little kids, she wouldn't have any debts at all, but she said that's the way it was.

"We want on talking, tho, and she eventually mentioned that, just two weeks before her husband's death, she'd made the regular payment on their mortgage. I said, 'See, you do have a debt,' and Mrs. Leifker promptly told me a little heatedly, that, no, sir, a 'debt' to her and her husband was a bill overdue, like doctor's or dentist's, while a mortgage was something you paid—on time, too—when buying a home.

"I said that was sure a good way to look at it. But I explained, nevertheless, the club would consider it an honor to clear the \$5,100 due on the home, and it turned out, take care of a balance of \$1,300 on the station wagon the Leifkers were buying, with never a late payment. She started to cry, and she said: 'You people shouldn't do this. Why don't you save this money for somebody who needs it more than I do?'"

The letter in the files from Joan Leifker, a little Irish gal who looks more like a college junior than a widow with six children, says in part:

"I received your checks and title to my car, and I want to thank you and the people associated with the club. It is still hard to believe there are so many who take time to worry and care what happens to strangers. . . . I have always felt it would be wonderful to have money and be able to help people less fortunate than we were, but until the accident I didn't realize that your club was already doing just that. . . . I sincerely pray that, some day, one of my sons will be in the position to help someone, as your friends have helped us."

Now, because of Hundred club assistance, Mrs. Leifker has been able to sell the Wolcott avenue house and settle, without indebtedness, in a newer bungalow on West 83d street. Of that meeting in February of 1968, she said: "You're in a state of shock at such a time, you don't really know what's happening. It was then, without fanfare or publicity or anything, that the Scheus, first the son with the \$1,000 check and then the father, came with the Hundred club help."

The biggest assistance, financially, the club has yet provided went to the widow and four

children of Chicago police detective Clayton Robinson, 39, shot in the face and fatally wounded late in 1968 by a drunken loudmouth he was trying to arrest for a street disturbance. Robinson, on the force seven years, and his wife Louise, an elevator operator at the Drake hotel, had moved into a new home on 97th street just a month before, and had made one payment on their \$18,800 mortgage when the officer was slain. There were other debts totaling over \$4,000. The Hundred club paid them all off, in addition to the \$1,000 initial check, for \$24,061.

Mrs. Robinson sat in the living room of her home the other day and tried to talk of what the help meant.

"I don't think, really, I can put into words my feelings about what was done for me and my youngsters—without it we'd probably be lost. I'd never even heard of the organization until the day I lost my husband; then this all happened, and we're able to go on, decently and free from want. You don't realize there are people like that in the world any more."

Monetary aid isn't the only kind of help the club can provide. Its membership list is a roster of top-bracket men in a broad spectrum of Chicago business and professions, men who, in addition to their financial contributions to the organization, stand ready to put their personal know-how or influence at the disposal of the organization and the families it cares for. Mrs. Ruth Pollard can vouch for this.

Her husband, Patrolman Charles Pollard, 44, was shot and killed in the alley behind their home on West 21st street just before Christmas of 1967. He had tried to disarm two robbers who held him up as he was parking his car about midnight. The club, as usual, was ready with its \$1,000 check, then cleared up some \$600 in small debts for the mother and her two children, then set out to pay the \$5,946 mortgage on the two-flat residence—and ran into a roadblock. Two, in fact.

First, it was found that Charles and Ruth Pollard had been buying the building in partnership with the policeman's parents, who occupied the lower flat, and it is the club's objective to try to see that each widow is left with clear—and sole—title to her home. Second, it was discovered that the seller, from whom the Pollards had purchased the two-flat in 1958 under a contract agreement, was dead; that offspring of his by a former marriage had inheritance rights under the contract, except they hadn't been found; that his wife at the home of death also had dower rights. Scheu telephoned Byron A. Cain, board chairman of the Uptown Federal Savings and Loan association and a Hundred clubber. Cain called in Paul Downing, Uptown's general counsel and a skilled expert in real estate law.

"I'd known Ralph Scheu for years, and was pleased and happy to help, but it was a problem," Downing recalled. "I don't remember how many trips I made to the offices handling the contract sale, way out on the southwest side, or, because you don't keep track in cases like this, how many days of work I put in, but I do know it took somewhere between nine months and a year before everything was straightened out—the policeman's parents reimbursed and given the right to occupy their flat until death, the title otherwise cleared, the contract debt paid and canceled, and Mrs. Pollard presented with a no-loose-ends deed to her building."

What sort of fee, normally, would a lawyer ask to perform the task here for nothing? "Oh it's hard to say exactly, but you could expect to pay him \$1,000 to \$1,500," Downing said. "But, in the Pollard case, it was a labor both Uptown Federal and I were happy to do."

The Pollard file didn't close there, however,

and further help Hundred clubbers were able to provide makes an amusing footnote to the necessarily somber if heartwarming story of the organization. Ralph Scheu talked of it.

"About 16 months ago, Mrs. Pollard telephoned me," he said. "Seems she'd bought a new gas furnace, paying over \$1,200, but it wasn't heating as she thought it ought to. She'd called the heating firm's repair men back several times, but it still didn't do the job, and finally they told me there was nothing more they could do. So, because she said she couldn't think of anybody else who might help, she phoned me.

"I knew the gas company would be the one to contact, but couldn't think of anybody at the top there that I knew, offhand. So, I called Morgan Murphy, who's a vice president of the Hundred club and a top man at Commonwealth Edison."

Phoning a top executive of a big electric utility, which happened to be engaged in a brisk campaign to sell electric heat at the time, and asking him to help do something about a gas furnace was roughly equivalent to suggesting to Henry Ford that he roll up his sleeves and fix a Chevrolet. But Murphy, a merry little man more like the friendliest guy in the neighborhood than a business tycoon, was happy to help.

"I called a read good friend of mine, a misguided Irishman named Jim Condon who somehow got over into the gas business, and asked him if he would send someone really good out to Mrs. Pollard's to see what the trouble was," Murphy said.

James Condon is executive vice president of sales at Peoples Gas Light & Coke company and a forceful business leader who started with the company in 1929 as a water boy for a construction crew. That afternoon, two gas company experts were ringing the Pollard doorbell. In minutes they discovered what the trouble was—a 90,000-B. T. U. furnace had been installed by mistake instead of the 120,000-B. T. U. unit Mrs. Pollard had paid for. Within 48 hours, the undersized furnace had been removed by its installer and the proper one put in place. When senior executives of not one but two such colossi as Peoples Gas and Commonwealth Edison personally interest themselves in seeing that something is done, nobody argues.

One final paragraph on the Pollard case, an excerpt from a letter Mrs. Pollard wrote to Scheu: "I shall always remember and be grateful for what you and the club have done for me. I shall speak up, when I hear of people believing that we are hated and not a part of things. I shall tell them of the help I received from you and the Hundred club out of human compassion. Because you weren't obligated to do one thing for me." Mrs. Pollard is black.

So, this is the story of the Hundred Club of Cook County—an organization of some 500 men who make sure that, whenever a policeman or a fireman meets death in the line of duty, his widow will, first, have a substantial sum for immediate needs, and, second, be quickly relieved of what for her alone could be the impossible burden of a mortgage on her home and other debts.

Detective Gerry Gigante, 36, of the 4th police district, maybe best put into words what it can mean to a man such as he, the awareness that the Hundred clubbers are there behind him:

"There's a feeling of security, knowing that, if anything happens to me, there's going to be such help for my wife, not to make her rich or anything but to give her a way to live," he said slowly, thoughtfully. "But there's more than that, more than the money. What I mean is, there's a good feeling, knowing you have people like that on your side, because these are tough times for policemen, not only here but all over the country. It's not easy being a police officer these days."

Jerry Gigante is familiar with what the Hundred club does because he has watched

it in operation from bitterly close at hand. On Oct. 8, 1968, on a morning when Gigante was off duty, his 34-year-old partner and close personal friend, Patrolman John Tucker, was shot to death as he tried to stop a bandit robbing a south side bank. Tucker's loved ones—young widow, three small children—were the 22d family aided by the club, organized just 23 months earlier.

#### CHILDREN'S VIEWS ON THE ENVIRONMENT

### HON. G. ELLIOTT HAGAN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. HAGAN. Mr. Speaker, most of us adults are well aware of the growing pollution problem and have demonstrated our concern.

However, I was truly impressed when the principal, Mr. John Aubrey Brown, and his third grade class at Stilson Elementary of Stilson, Ga., in the First Congressional District wrote and expressed their views to me on this subject:

STILSON ELEMENTARY SCHOOL,  
Stilson, Ga., May 17, 1971.

HON. G. ELLIOTT HAGAN,  
Sylvania, Ga.

DEAR MR. HAGAN: I have enclosed a number of letters written by the third grade to you concerning their views on pollution. They have recently finished studying a unit on pollution. I am sure they would be thrilled to get an answer from you.

Our entire school participated in an Earth Day hike to pick up litter, as we also did last year. We collected three truck loads of bottles, cans, paper and other assorted pieces of trash.

I, as well as the third grade, do hope that our government can stop pollution and litter.

Sincerely,

JOHN AUBREY BROWN,  
Principal.

STILSON ELEMENTARY SCHOOL,  
Stilson, Ga.

HAPPINESS IS CLEAN AIR  
(By Gregory Kendrick)

Pollution! Pollution!  
In the air  
Coming in from everywhere.

Some is high,  
Some is low,  
No matter what,  
Its gotta go.

Made of dirt,  
Made of fog,  
Made of smoke,  
Made of smog.

Happiness is clean air,  
But oh my  
It's very rare.

ELLABELLE, GA.,  
April 22, 1971.

DEAR MR. HAGAN: I would like to know what I can do to fight pollution. Please put up more signs on pollution. Please send me a report every month, on pollution to read. I am all for your pollution program. Let's all work to clean up Georgia.

Your friend,

RANDALL ATTAWAY.

RANDALL ATTAWAY.

PEMBROKE, GA.,  
April 22, 1971.

DEAR MR. HAGAN: The third grade has celebrated Earth day. We went on a field trip today. We picked up all the trash we

saw. We want you to have signs put up on all roads, so every body can help fight pollution.

Your friend,

JIM LEE.

BROOKLET, GA.,  
May 14, 1971.

DEAR MR. HAGAN: I hope you will put up more signs about pollution. If you help, I will help too. I will walk down the road and pick up cans and trash. I will help put up signs about pollution and I will help keep America Beautiful.

Your friend,

DAVID LEE.

BROOKLET, GA.,  
May 17, 1971.

DEAR MR. HAGAN: Please try to do all you can about stopping pollution. In our cities so many people will have more fresh air. In our streams we can fish and have fresh water.

Your friend,

FAYE MORRIS.

ELLABELLE, GA.,  
April 22, 1971.

DEAR MR. HAGAN: The Stilson would like for you to put up more signs along our roadside on pollution. We drew pictures in our class on pollution. We are celebrating Earth Day today. We are having a party. I wish you could come.

Yours truly,

CAROL LYNN HINES.

BROOKLET, GA.,  
May 17, 1971.

DEAR MR. HAGAN: I hate pollution. Don't throw your trash out the window. Put a trash bag in your car, truck, or bus. You hate pollution too. I know. You are very nice. Help fight pollution.

Your friend,

DEBORAH STALCUP.

ELLABELLE, GA.,  
April 22, 1971.

DEAR MR. HAGAN: I hope you can help us stop pollution. We will pick up paper at school today. Mr. Hagan, I hope you will put up pollution signs. I hope you can help us keep America green and clean. I want to keep America beautiful.

Your friend,

SUSAN DE LOACH.

ELLABELLE, GA.,  
April 22, 1971.

DEAR MR. HAGAN: I am a little girl from Stilson Elem. I hope you can help stop pollution. You could put up more pollution signs. Today we are going on a little trip and pick up trash.

Your friend,

LORI DE LOACH.

BROOKLET, GA.,  
April 17, 1971.

DEAR MR. HAGAN: Our class wants to help fight pollution with you. We want you and your friends to put up more signs about pollution and litter. We shall all fight pollution in this world.

Your friend,

DALE SANDERS.

ELLABELLE, GA., April 21, 1971.

DEAR MR. HAGAN: The Stilson Elem. school is celebrating Earth Day. We are trying to clean up some of the pollution. We would like for you to help stop pollution. Could you make a sign like "Help, Stop Pollution?" We hope you can.

Your friend,

ELISE GLISSON.

BROOKLET, GA., April 22, 1971.

DEAR MR. HAGAN: Thank you for doing a good job serving our country. I would like for you to help stop pollution. I would also like for you to put up signs like "Help, Stop



Pollution" and "Help Keep America Beautiful." Tomorrow my class is taking part in "Earth Day". We are going on a hike to help clean up our community.

Your friend,

DANA STOKES.

BROOKLET, Ga., May 17, 1971.

DEAR MR. HAGAN: I think pollution should be stopped. Something should be done to stop the smog that comes out of the factories and cars. Get people to help keep Georgia clean. Please help keep America clean. Third graders want to keep America clean.

Love always,

BARBARA COOLER.

BROOKLET, Ga., April 22, 1971.

DEAR MR. HAGAN: Put up more pollution signs than advertising signs and other unnecessary signs. We need pollution signs in Georgia. I smell dirty air. I want to smell clean air. Help fight pollution and don't be a litter bug.

Your friend,

JEANNE.

STILSON, Ga., April 21, 1971.

DEAR MR. HAGAN: I want to talk to you about our pollution problem. I think you should put up more pollution signs. We are going on a hike and pick up all the trash along the roadside. I hope your pollution signs work.

Your friend,

ANNA BLITCH.

BROOKLET, Ga.

DEAR MR. HAGAN: I hope you put up more pollution signs. We want to help stop pollution. We want a clean country. We want a clean road. We want a clean city.

Your friend,

AL SANDERS.

RESULTS OF THE SEVENTH ANNUAL DICKINSON QUESTIONNAIRE

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. DICKINSON. Mr. Speaker, each spring since coming to the Congress I have asked the people of Alabama's Second Congressional District for their views on a variety of pressing national issues. The results of my latest general opinion ballot have been tabulated and I would like to share these results with my colleagues.

I am of the opinion that the answers of over 10,000 of my constituents are indeed representative of the feelings in the Second District, the State of Alabama, and most probably, the Nation. I urge you to take a few moments to study both the questions and the responses:

RESULTS OF THE SEVENTH ANNUAL DICKINSON QUESTIONNAIRE

I believe you will find the tabulation of your votes on my recent opinion poll both informative and interesting. All of the issues, I believe, are still very timely and quite important to the people of the Second District of Alabama. One very interesting factor in the voting was the participation by both husband and wife. There were spaces to record both, and the women accounted for 52.4 percent of the answers while the men voted 47.6 percent of the total. While the women did participate slightly more in the balloting, there was very little difference between male and female responses.

	[In percent]		
	Yes	No	Undecided
<b>1. Would you favor increasing the national debt by a projected \$11,-600,000,000 for the fiscal year 1972 in order to stimulate the economy and reduce unemployment?</b>			
Total.....	26.5	65.7	7.8
Baldwin.....	20.2	71.4	8.3
Butler.....	32.2	61.6	6.3
Conecuh.....	22.2	64.4	13.3
Covington.....	25.8	67.8	6.4
Crenshaw.....	28.9	62.7	8.4
Escambia.....	29.2	63.3	7.5
Lowndes.....	17.3	71.2	11.5
Montgomery.....	28.5	63.5	7.9
Pike.....	26.1	67.0	6.9
<b>2. Do you approve of the administration's plan for getting the United States out of Vietnam including the use of air support in Laos and Cambodia?</b>			
Total.....	76.0	17.8	6.1
Baldwin.....	74.5	19.1	6.5
Butler.....	82.9	10.0	7.1
Conecuh.....	64.4	26.7	8.9
Covington.....	78.0	14.2	7.8
Crenshaw.....	79.5	12.0	8.4
Escambia.....	76.1	14.5	9.4
Lowndes.....	86.5	9.6	3.8
Montgomery.....	75.8	18.8	5.4
Pike.....	75.9	15.3	8.8
<b>3. Would you be willing to pay substantially more for products and services (automobiles, gasoline, electricity, etc.) if they were made virtually pollution free?</b>			
Total.....	46.6	46.7	6.7
Baldwin.....	46.8	45.6	7.6
Butler.....	37.6	56.2	6.2
Conecuh.....	32.2	56.7	11.1
Covington.....	38.6	54.0	7.4
Crenshaw.....	41.0	54.2	4.8
Escambia.....	46.9	45.6	7.5
Lowndes.....	36.5	55.8	7.7
Montgomery.....	48.9	44.8	6.4
Pike.....	36.4	55.2	8.4
<b>4. Do you believe there is a need for an independent Federal agency to help protect consumer interests?</b>			
Total.....	49.0	44.4	6.6
Baldwin.....	45.6	45.9	8.5
Butler.....	46.4	46.4	7.1
Conecuh.....	55.6	34.4	10.0
Covington.....	45.8	47.2	7.0
Crenshaw.....	41.0	53.0	6.0
Escambia.....	41.0	50.4	8.6
Lowndes.....	48.1	44.2	7.7
Montgomery.....	52.2	42.2	5.6
Pike.....	48.7	41.4	10.0
<b>5. Do you favor the President's proposal for revenue sharing?</b>			
Total.....	54.2	32.5	13.2
Baldwin.....	52.6	33.7	13.7
Butler.....	64.5	25.1	10.4
Conecuh.....	51.1	33.3	15.6
Covington.....	60.3	25.3	14.4
Crenshaw.....	54.2	37.3	8.4
Escambia.....	49.7	31.5	18.8
Lowndes.....	46.2	42.3	11.5
Montgomery.....	54.5	32.7	12.8
Pike.....	54.0	29.9	16.1
<b>6. Now that 18-year-olds are permitted to vote in Federal elections, do you believe they should also be allowed to vote in State and local elections?</b>			
Total.....	59.2	37.1	3.7
Baldwin.....	53.3	42.6	4.2
Butler.....	59.7	37.9	2.4
Conecuh.....	53.9	38.2	7.9
Covington.....	56.6	38.0	5.3
Crenshaw.....	54.2	39.8	6.0

	Yes			No			Undecided		
	Yes	No	Undecided	Yes	No	Undecided	Yes	No	Undecided
<b>7. Would you favor a change in a U.S. Representative's term of office from the present 2-year term to a 4-year term?</b>									
Escambia.....	54.2	41.0	4.9	38.5	57.7	3.8	61.8	34.7	3.4
Lowndes.....	38.5	57.7	3.8	61.8	34.7	3.4	70.9	27.2	1.9
Montgomery.....	61.8	34.7	3.4						
Pike.....	70.9	27.2	1.9						
Total.....	68.7	27.7	3.7						
Baldwin.....	62.1	33.1	4.8						
Butler.....	66.4	31.3	2.4						
Conecuh.....	62.2	31.1	6.7						
Covington.....	71.3	25.0	3.7						
Crenshaw.....	62.7	33.7	3.6						
Escambia.....	61.5	33.7	4.9						
Lowndes.....	71.2	28.8	0.0						
Montgomery.....	71.9	24.8	3.3						
Pike.....	67.4	28.7	3.8						
<b>8. Would you vote for a national health insurance program for all Americans which would be financed by increased social security and other Federal taxes?</b>									
Total.....	23.3	71.0	5.7						
Baldwin.....	22.3	72.3	5.4						
Butler.....	28.4	65.4	6.2						
Conecuh.....	16.7	75.6	7.8						
Covington.....	21.5	71.0	7.4						
Crenshaw.....	32.5	66.3	1.2						
Escambia.....	19.3	72.4	8.3						
Lowndes.....	17.3	80.8	1.9						
Montgomery.....	24.6	69.8	5.6						
Pike.....	21.5	72.4	6.1						
<b>9. Do you support President Nixon's family assistance plan which would guarantee a minimum income to every family but require able-bodied adults to accept suitable employment or job training?</b>									
Total.....	46.6	4.83	5.0						
Baldwin.....	43.2	49.9	6.9						
Butler.....	47.9	46.9	5.2						
Conecuh.....	41.1	54.4	4.4						
Covington.....	43.1	52.7	4.3						
Crenshaw.....	44.6	55.4	0.0						
Escambia.....	42.4	52.3	5.4						
Lowndes.....	21.2	71.2	7.7						
Montgomery.....	49.6	45.7	4.7						
Pike.....	41.9	54.6	3.5						
<b>10. Would you favor an all-volunteer military as an alternative to the present draft system?</b>									
Total.....	46.5	47.6	5.9						
Baldwin.....	48.7	44.2	7.0						
Butler.....	43.1	50.2	6.6						
Conecuh.....	33.3	60.0	6.7						
Covington.....	48.1	46.3	5.6						
Crenshaw.....	57.8	34.9	7.2						
Escambia.....	48.5	42.6	8.8						
Lowndes.....	47.1	49.0	3.9						
Montgomery.....	44.8	49.7	5.5						
Pike.....	50.0	45.4	4.6						
<b>11. Are you favorably impressed with the overall performance of the Nixon administration during its first 2 years?</b>									
Total.....	55.4	37.6	7.0						
Baldwin.....	50.4	41.3	8.3						
Butler.....	48.6	46.2	5.2						
Conecuh.....	47.8	38.9	13.3						
Covington.....	54.3	39.4	6.4						
Crenshaw.....	42.2	57.8	0.0						
Escambia.....	45.8	43.4	10.7						
Lowndes.....	47.1	45.1	7.8						
Montgomery.....	59.2	34.4	6.4						
Pike.....	48.3	44.0	7.7						
<b>12. Voting preference:</b>									
Total.....	34.8	18.5	46.7						
	Repub-	Demo-	Inde-						
	licans	crats	pendents						

## THE GROWING IMPACT OF PAYROLL TAXES ON MIDDLE INCOMES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. ANDERSON of California. Mr. Speaker, in the very near future, Congress will be considering H.R. 1, a comprehensive 687-page bill which, among other things, grants a 5-percent increase in social security benefits, includes the administration's family assistance plan, and levies an 86-percent increase in the payroll tax over the next 6 years.

On the Federal level, there are two basic taxes on the individual. First, the income tax, is designed to insure that those with substantially the same incomes are paying substantially the same tax and to insure that the graduated income tax structure treats different income levels fairly. The second tax, the payroll tax, is levied against everyone at the same rate, but falls particularly hard upon the middle and moderate wage-earner.

In another blow to the working man's wages, H.R. 1 calls for an 86-percent raise in the payroll tax from the present 5.2 percent on wages up to \$7,800, to 7.4 percent on wages up to \$10,200. In monetary terms, this means that the working man, who paid \$405 payroll tax last year, may end up paying \$755 in future years.

For the low- and moderate-income family, the payroll tax can become a burden far out of proportion to what the worker and his family can afford to pay. A married worker, earning \$8,000 a year, paid \$405 payroll taxes; however, if H.R. 1 is adopted with the proposed payroll tax increase, he would pay an additional \$191—for a total of \$596 in payroll taxes. This is in addition to the Federal income tax he pays on the same earnings.

Mr. Speaker, the social security tax, as proposed in H.R. 1, is most regressive. Under the provisions of the committee recommendation, anyone earning \$10,200 or less would pay a payroll tax on all of his earnings. Those earning \$20,400 would pay on only the first half of theirs, those earning \$30,600 on only the first one-third. Yet, the \$30,600-a-year man gets an equal retirement benefit as a man earning \$10,200.

## THE CLOSED RULE

If the past is any indication of the future, H.R. 1 will come before the House of Representatives with a closed rule, which, in effect, prohibits amendments. If H.R. 1 comes before us with a closed rule, we will be required to approve or reject a single bill which: First, increases payroll taxes by 86 percent, second, increases social security benefits by 5 percent, third, liberalizes medicare, fourth, liberalizes the social security recipients earning test, fifth, provides for a guaranteed annual income of \$2,400 for a family of four, and sixth, prohibits the participation of certain needy families in the food stamp program.

While we support the provisions which bring needed reforms, we may oppose the sections which are regressive. Neverthe-

less, we will not have an opportunity to vote on each individual section. We will be asked to accept or reject H.R. 1 in its entirety.

Therefore, Mr. Speaker, we must reject the closed rule in order to allow amendments to H.R. 1. In addition, we must reverse the trend of increasing the payroll tax which falls most heavily on the low- and moderate-income wage-earner.

At this point, I include an article which appeared in the Washington Post regarding this issue:

## THE GROWING IMPACT OF PAYROLL TAXES ON MIDDLE INCOMES

(By David S. Broder)

Among the many publicly unexplored issues buried in H.R. 1, the welfare reform and social security bill devised by Chairman Wilbur Mills (D-Ark.) and the House Ways and Means Committee, is a tax increase on middle-income families that will almost double the size of the second-biggest bite on their paychecks in the next six years.

Under the bill, the Social Security tax rate will rise in three steps from the present 5.2 percent to 7.4 percent in 1977. The wage base for Social Security taxes will increase from the present \$7,800 to \$10,200 next year, with the result that the payroll tax for a man making a bit less than \$200 a week will rise from \$405 to \$755 a year.

By contrast, that same auto worker, supporting a wife and two children and taking only his standard deductions, will have an income tax bill of \$1052 this year, decreasing to \$995 with next year's scheduled income tax reductions.

What this example indicates is that payroll taxes are becoming an increasingly important part of our revenue system—yet one which has largely escaped debate, either in political campaigns or in the tax-writing Ways and Means Committee.

Unbeknownst to most Americans, payroll taxes now constitute the second largest source of federal funds—and the fastest-growing. Payroll taxes provide more income to the treasury than corporate income taxes or any other federal taxes except the individual income tax. And the 1972 budget estimates that between last year and next, payroll taxes alone will rise \$12.3 billion, while individual and corporate income taxes combined will grow by only \$7.2 billion.

What this means is that we are becoming increasingly dependent for federal finances on the payroll tax, a tax that is not progressive, that has little relationship to ability to pay, and whose burden hits hardest on low- and middle-income wage-earners.

That this can happen without a murmur of debate or political controversy indicates just how insensitive to real pocketbook issues the Washington politicians have become, particularly those Democrats who control Congress and parade as the champions of the average man.

The impact of payroll taxation has been amply documented in the studies of such Brookings Institution specialists as Alice M. Rivlin and Joseph A. Pechman. It appears also in the report of the administration's advisory council on social security. But it is almost as if there were a conspiracy of silence by politicians to keep the taxpayers and the voters unaware of these issues.

In part, the Brookings studies suggest, the social security tax system has been protected from debate by two carefully cultivated myths. One is the notion that it is a "social insurance" system, in which an individual's contributions (taxes) are held in trust for him and returned, with interest, as retirement benefits.

In fact, it is not. It is, rather, a system of transfer payments to currently retired peo-

ple, financed almost entirely by taxes on the working generation. There is nothing wrong with this, in principle, but it is not what people think it is.

The second myth is that the employer pays half the social security tax. In a literal sense, he does, but, as the Brookings studies demonstrate, the whole tax really falls on wages and the wage-earner, because the amount the employer pays in social security taxes he would otherwise be putting into the paycheck.

This is worth emphasizing. When the Social Security system began 35 years ago, the tax rate was one per cent each on employee and employer on the first \$3,000 of annual earnings. With the new bill, the combined rate rises to almost 15 per cent of the payroll on wages up to the \$10,000 level.

That tax is levied regardless of the number of dependents or legitimate deductions the earner has. It gives no real consideration to his ability to pay.

This year, as the Brookings analysts have noted, a family with a husband earning \$7,000 and a wife earning \$5,000 will pay \$624 in payroll taxes (5.2 per cent). A family with the identical income from one wage earner would be taxed only \$405.60 (3.4 per cent).

That is one inequity. Another is pointed up in the advisory council study. When the social security system began in the 1930s, the \$3,000 wage base included all the earnings of all but three per cent of the workers. The wage tax, in those days, was, in effect, the same tax on everyone.

But in recent years, Mills and his committee have been reluctant to push the wage-base ceiling up as fast as inflation and earnings have increased. Today, somewhere between 20 and 25 per cent of the wage-earners make more than the wage-base limit. These well-off workers get a real break on social security taxes. A \$23,400-a-year man, for example, gets just as big retirement benefits as a \$7,800-a-year man, but the effective payroll tax rate on his income is just one-third of the lower-salaried man's.

There are ways in which these inequities could be remedied. Proposals have been made for years to shift a portion of social security financing onto the progressive income tax and off the regressive payroll tax.

Without going that far, there could be a system of deductions or income tax credits that would help the low-income wage earner who now is hit hardest by payroll taxes. But Congress, under Democratic control, has done exactly the opposite in recent years, cutting income taxes and raising payroll taxes, and thereby making the whole federal tax system more regressive. According to participants in this year's Ways and Means sessions, the question of social security taxes did not receive any extended discussion. If Mills is successful, as usual, in obtaining a closed rule for the bill, there will be no meaningful opportunity for presenting amendments to it on the House floor.

This example—and it is only one of many—suggests the price that is being paid for letting vital questions of economic policy be settled in the politically insulated, tightly controlled environment of the Ways and Means Committee's closed sessions. Too many members of Congress have become accustomed to letting Wilbur Mills do their thinking and decision-making on difficult questions.

But it also indicates something else; the peculiar insensitivity of the leading Democratic politicians, including the presidential aspirants, to the economic issues. Discussing the inequities of payroll taxing may not attract as much praise at Georgetown cocktail parties as a ringing denunciation of the bombing in Laos or the tactics of the Washington police. A candidate who took a serious look at our tax system might even suffer a sudden shortage of campaign contributors.

But there are issues that can be raised, wrongs that can be righted, and votes that can be earned by the politician who will deign to consider matters that matter to wage-earners.

**COAST GUARD'S ASSISTANT COMMANDANT SARGENT STRESSES NEED FOR MAINTAINING FULL MILITARY STRENGTH**

**HON. DANTE B. FASCELL**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. FASCELL. Mr. Speaker, on May 14, Vice Adm. Thomas R. Sargent, Assistant Commandant of the U.S. Coast Guard, addressed an Armed Forces Week luncheon in Miami, Fla.

I found his remarks not only most interesting, but particularly relevant to the important role which our military forces play in defending our country.

Admiral Sargent very cogently points out that we must not live with a false sense of security. He reminds us that within the last generation, Nazi U-boats sank American ships and took American lives only 15 short miles from where he was delivering his speech in Miami. More recently, he points out, medium range missiles were discovered being installed in Cuba, only 90 miles from our shores, an act which precipitated the crisis which brought us closer to the brink of nuclear war than any other event since World War II.

Mr. Speaker, this speech emphasizes what I have been saying for years in reference to the need to maintain our forces at full strength, particularly our Coast Guard, Army, Air Force, and Navy military complement in the area from Homestead to Key West and the Caribbean.

Hearings before my Subcommittee on Inter-American Affairs last year confirmed the increased Soviet naval activity in the Caribbean, and indicated the strong possibility that a nuclear submarine base was under construction at Cienfuegos, Cuba. During these hearings, Adm. E. B. Holmes, Commander in Chief of the Atlantic Command, stated:

The Southern flank of the U.S. is perhaps one of the most vulnerable. . . . A reduction of military capability in this whole area in the face of (the Soviet presence) strikes me as folly.

Furthermore, Soviet trawlers in the area have been harassing American fishing boats in the same waters which were plied by the Nazi U-boats less than 30 years ago. They have kept our Coast Guard busy.

Last week, Admiral Sargent's speech reaffirmed the need to keep our forces ready to defend our Nation. I commend his speech to our colleagues:

SPEECH BY VICE ADM. THOMAS R. SARGENT

I am sure a group this size represents many different viewpoints on almost every topic. But I think we all can agree on one thing—we like short speeches. So I intend to limit my remarks today to just ten minutes.

My uniform is that of the United States Coast Guard. But I would like to speak not as a representative of the Coast Guard—though I am certainly proud of our service—but rather as a member of the Armed Forces of the United States. For this is Armed Forces Week, and Saturday is Armed Forces Day. It is a special time designated each year by Presidential Proclamation to pay tribute to all five of our Armed Forces: the Army, the Navy, the Marines, the Air Force, and, of course, my service, the Coast Guard.

All of these Armed Forces play an important role in the defense of our Nation. Over the years, one lesson we have learned and learned well is that teamwork is essential to victory. Much of our peacetime training is devoted to practicing the close cooperation we need in time of war. There is a great deal of sharing of training facilities and exchanges of information. Coast Guard cutters participate in Navy exercises for example. And Navy engineers study our newest propulsion plants to see what they might adapt to their newer vessels—we exchange helicopter pilots with the Air Force in Southeast Asia. So though each of the Armed Forces wears its own uniform, we share a common goal, and pull in the same direction for a stronger United States.

Of course, we have our differences. Annually, we compete for our share of the budget on Capitol Hill. We compete for recruits. We even on occasion call each other names like swabbie, dogface, alrdale, or jarhead. There are no doubt many jarheads here today?

Well, let me tell you that this hooligan has nothing but the highest admiration for the traditions and the ability of the United States Marines.

Though we may kid one another, deep down there is a large measure of mutual respect among all of the services. Ask a marine who landed on Guadalcanal, or Leyte, or Okinawa what he thinks about the Coast Guardsmen who manned the boats that carried him to the beach. Ask an army veteran of Normandy Beach or of Vietnam what he thinks about the navy pilot or air force pilot who flew air support missions. There is no question about the fact that among ourselves we have a great deal of respect.

But outside the military these days, there seems to be a growing feeling of suspicion, or distrust, in some cases maybe even scorn of the man who wears a uniform. Too many young men seem to think that serving in the Armed Forces is the mark of a "loser." And more unfortunately, too many of the parents of these young men, parents old enough to know better, do everything they can to discourage their offspring from a military career.

Others warn "beware the military-industrial complex," and quote General Eisenhower. They neglect, however, to quote another portion of that same famous Eisenhower statement in which the late general said:

"A vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk his own destruction."

Certainly the critics of the military love their country and all the good things that freedom brings. But somehow they have forgotten that freedom has its price; somehow, any nation that is to endure, must provide the strength to defend itself against all possible threats. It would be wonderful if all the world was peace-loving, if all nations could "beat their swords into plowshares." Wonderful, but under existing world circumstance, unrealistic.

It would be wonderful if you citizens of Miami didn't need a police force or fire department. Think of the taxes you could save; and I feel sure that the utility com-

panies could lower their rates if they didn't have to provide men and equipment to take care of unforeseen events that threaten to disrupt the power and communications you need for daily survival.

The Armed Forces of the United States are just as important to the continued well-being and survival of our Nation as your local police department, fire department, ambulance service and other emergency organizations are to your own community.

What about the men who make up our Armed Forces? Are these men you should fear or distrust? No, of course not, no more than you would fear or distrust one another—for the men in the Armed Forces are simply citizens in uniform. This has been true since the earliest days of our Republic. The man who wears a Coast Guard uniform—like his counterpart in the other four branches of the Armed Forces—is just like one of you. They don't come from a single class. They come from all walks of life, from the East and the West, from the North and from the South, from rural communities, from huge cities, from farms and factories. Their names reflect the diverse heritage that is so typically American—Schultz, Wagner, Murphy, Smith, Kontowski, Coletti—they are black, yellow and white—they are Americans.

Those of us in the Armed Forces are not much different than you men in the civilian world. Oh, our hair may be a little shorter, and we like to think that we might be in a little better physical condition. But essentially we are just like you or your neighbors.

The only difference is you have hired us to do a job—you have hired us to maintain the defense of this Nation—we work for you—we are your employees. When you think the task of defending this Nation is important you hire more of us and invest more money in new equipment. When you get tired of paying the bills—when you think you don't need the defense we provide—when the voices of the critics get louder, you cut back and our Armed Forces get smaller and weaker. It has happened before, and it could happen again.

Little more than 15 miles from where you sit is the beautiful gulf stream. Isn't it a little frightening, gentlemen, to remember that only some 29 years ago Nazi U-Boats roamed at will. They not only roamed—they sank ships, lots of ships, and took American lives. Why? How could an enemy operate so close to the homes you hold so dear?

The answer is very simple. There were not enough men, not enough ships and not enough planes to cope with the strength of the Nazi U-Boat Fleet. He was thousands of miles from his homebase. We were right at home. But the hulks of ships sunk during these early days of the war litter the bottom of the entire east coast.

The Navy did what they could—the Coast Guard kept every ship and boat and plane operating to the fullest extent of human endurance—the Air Force flew day and night patrols—yet right here on your doorstep, right here at home in plain sight of the shore, Americans died at sea because there wasn't sufficient force available to resist a tenacious enemy.

The lesson? If your home is likely to catch fire, you better hope that your fire department has sufficient hose to reach the hydrant.

Later on, of course, as our forces grew, we were able to put the fire out. Joint efforts of the Navy, the Coast Guard and the Army Air Corps drove the Nazi away from our coasts and eventually, massive sea and air attacks broke the back of the U-Boat Fleet. But in those early months, the situation was pretty grim—I know—I was here at sea.

That was back in 1942, so let's look at a more recent example. Just seven years ago, in the fall of 1962, another enemy posed a threat to the gulf coast and to much of our Nation. I speak of the medium range missiles

that were discovered being installed in Cuba. Suppose that we had been as weak in 1962 as we had been twenty years earlier?

Fortunately we weren't, fortunately we had the strength in being—the physical and moral strength and the combined power of modern armed forces. Because the President had at his disposal coordinated power that could move in an instant, we were able to demand and enforce an enemy withdrawal. Because we had the force, we didn't have to use it. Without firing a shot, a battle, and perhaps a war, was won.

I think it is appropriate that we remember some lines from one of President Kennedy's Speeches. In a speech he never delivered, a speech prepared for a luncheon meeting at Dallas on November 22, 1963, he said:

"We in this country, in this generation, are—by destiny rather than choice—the watchmen on the walls of world freedom. We ask, therefore, that we may be worthy of our power and responsibility—that we may exercise our strength with wisdom and restraint—and that we may achieve in our time and for all time the ancient vision of peace on earth, goodwill toward men. That must always be our goal—and the righteousness of our cause must always underlie our strength."

We in the coast guard, and men in the other armed forces are proud to be a part of your strength. We have confidence that you will keep us strong so that we may help preserve this nation which we all love so well.

Thank you very much.

MYRON S. WALDMAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. WOLFF. Mr. Speaker, few of the journalists with whom I have worked since coming to Congress have impressed me as much as Mike Waldman. As the Capitol Hill correspondent for Newsday, he has been at once probing, illuminating, incisive, fair, and an especially distinguished wordsmith.

When, earlier this month, Washington was the scene of massive demonstrations by thousands of young people, Mike, like all good reporters, was there.

And, being there, he became one of those who, through first-hand experience, were deeply angry at the way in which the authorities combatted those demonstrations. It is my belief that the simple eloquence of his account of the arrests merits being included in this RECORD. I know and respect Mike well enough to feel confident that he could not be so angry without cause, and I would like to share his thoughts, as printed in Newsday on May 25, with my colleagues.

The article follows:

MYRON S. WALDMAN, NEWSDAY WASHINGTON BUREAU

On a sunny May morning, a man paused on a broad avenue to watch a company of soldiers standing in the street. As he watched, a girl, about 19 or 20 years old, came strolling along the sidewalk. She recognized the man as one who had talked with her and several companions the night before although neither the man nor the girl knew the other's name, she paused to say good morning.

"If I were you I'd get out of here," the man whispered to her. "Why?" the girl asked in amazement. "I've done nothing wrong." She tried to continue to speak but the man shook his head. "Get off the streets," he said. "They're arresting everybody." The girl smiled. "They won't arrest me," she said. "I've done nothing wrong."

The man had not recognized the girl as a lawbreaker in any way. He only saw she was a member of a minority group being swept off the streets. But he did not tell her this. He did not tell her to walk into the nearby museum where she would be safe. Instead, he only stared as she walked on.

The girl crossed the street and began walking on the next block. She managed to get about a quarter of the way along that block before the patrol wagon came. Two men in helmets and dark uniforms leaped out and gently but firmly impelled her to the wagon. The man stared as the wagon doors closed on the girl, and the wagon moved off.

That was not the beginning of a bad World War II movie about Nazi Germany. That was not a science fiction film about a totalitarian government of the future. That was the morning of May 3, in Washington, D.C., the street was Constitution Ave., and I was the man who stood there. That was the morning when it suddenly became illegal for a minority group—every young person in denim and fatigues—to walk the streets of the nation's Capital.

Newspapers deal in immediacy and by that standard May 3 and the aggravating, illegal attempt by thousands of young anti-war demonstrators to block morning rush hour traffic is already deep in the past. But the manner in which the metropolitan police of Washington dealt with that widescale, unlawful peace demonstration is an issue which will be debated for months to come. It is an issue that has become crucial because Police Chief Jerry V. Wilson has repeatedly said that he will use the same tactic to disperse similar illegal demonstrations in the future.

Chief Wilson, widely recognized as a cool, even-handed man who commands a force that could be a model for any city in the country, was given the endorsement of the Justice Department for these new—and disturbing—actions. But a Senate resolution has lauded him for his tactics and he has been praised by the highest administration officials, including the President and the attorney general. Mr. Mitchell went so far as to urge other cities to copy Wilson's tactics.

To civil libertarians, this can only mean that high government officials are saying that the response of a democracy to illegal repressive acts must be the abandonment of the democratic process through the technique of indiscriminate mass arrests. Moreover, on the streets and highways this reporter walked on May 3, mass arrests seemed not to come where the young people were blocking traffic. Instead, they appeared to occur on those streets and highways only after the rush hour had ended and the protest also seemed to be over.

For example, at the height of the rush hour near 14th St. and Main Ave., a police lieutenant stood with a detail of 20 men. A sergeant pointed out to him that about a dozen demonstrators had formed a human chain across the road, blocking traffic. "All right," the lieutenant said, "get 10 men and chase them out of there and then come back." The sergeant carried out his orders precisely and no arrests were made, even though the young people were clearly violating the law. Later, on West Potomac Parkway, two motorcycle patrolmen broke up another human chain by riding their bikes at the protesters. One demonstrator was knocked over by a motorcycle. The police and demonstrators bickered

over the young man who had been brushed but apparently not severely injured. Again, no arrests were made.

In West Potomac Park, such scenes were witnessed time and again—police chasing demonstrators like fathers running after naughty children, their aim only to keep traffic moving and not to make arrests. In this, it seemed to this reporter that they were both overpermissive and successful.

It was only after 9 A.M.—when the demonstrations, on Constitution Ave. at least, were over and the rush hour had ended without the protesters achieving their disruptive goal—that the arrests en masse began. At Dupont Circle, a major Washington intersection, colleagues reported that arrests did begin about 7:30 A.M. But at both Dupont Circle and on Constitution Ave. it seemed as though every casually dressed young man and woman simply walking the streets was abruptly taken into custody.

Surely, many of them were demonstrators; equally surely, many of them were not. But since none of the pedestrians was breaking the law at the time, it seems clear that the police could not know how to separate the innocent from those who had committed illegal acts. And to judge from the way the court cases came out, this indiscriminate formula for cracking down seems of dubious utility. Of the 12,000 arrested during that first week in May, 1,999 have already gone to court. Of these, only one demonstrator was convicted after a trial; 584 were freed after entering no-contest pleas. All the rest had their cases dismissed or were found innocent.

By far, the greatest majority of arresting officers were gentle as they took persons into custody. Still, this reporter, standing on sunny Constitution Ave., on the morning of May 3, was moved to recall the words of Sen. Margaret Chase Smith (R-Me.), spoken June 1, 1970, on the floor of the Senate. "Ironically, the excesses of dissent in the extreme left can result in repression of dissent," she said then. "For repression is preferable to anarchy and nihilism to most Americans."

Yet it seemed to some that on May 3, there might have been a third way; namely, legal arrests of those plainly breaking the law. In a speech on the Senate floor shortly after the events of May 3, Sen. Jacob Javits (R-N.Y.) declared: "It is most important that Americans do not say, 'We are for civil liberties, but not when it might be difficult to grant people these liberties.' Let us not, in our thankfulness for nonviolence, relax our vigilance in the protection of such liberties."

CUBANS PROCLAIM GREATNESS OF AMERICA AND WARN US OF THE SOVIET THREAT

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. RARICK. Mr. Speaker, in an informative report on the nearly 650,000 Cubans taking refuge in the United States in the past 12 years since the Communist Fidel Castro assumed power, U.S. News & World Report of May 31, 1971, relates the success story of Cubans who came to the United States penniless and some without a knowledge of English. Through hard work, often at menial jobs, they have proven themselves to be productive members of our society and have advanced to positions of ever greater contribution to our productive economy.

Castro's refugees are truly America's gain.

Contrary to the opinions about this country expressed by many of the recent antiwar demonstrators in our Nation's Capital, these Cubans who have experienced repression and tyranny find America to be a land of opportunity and the greatest nation on earth.

In addition to being grateful to these Cubans for the constructive contributions they are making to American life, we Americans are appreciative of the advice and warnings their informed leaders are giving us regarding the grave peril to the United States and to freedom posed by the Soviet military buildup on their enslaved homeland.

In an article entitled "Pearl Harbor—U.S.A." the 1970 newsletter of June 1971, published by Mr. Howard Freund; Mr. Marcelo Prieto warns of the exploitation of Cuba as an offensive base for an attack against the mainland United States. He emphasizes the imperative need to expel the Russians from Cuba so as to restore freedom to Cuba and to save America. The Monroe Doctrine—which was diplomatically repealed—again proves the soundness of American doctrine for Americans.

In a speech of May 21, 1971, to the Miami Council of the Navy League of the United States, Dr. Manolo Reyes, Latin American news editor of station WTVJ of Miami, cites facts and figures to show the transformation of the pre-Castro navy of 46 surface units with a strictly defensive mission into an enlarged and more modernized fleet of some 337 offensive units—a Russian Navy flying the Cuban flag—with a mission of exporting the revolution of the Castro-Communist regime.

This latest information on the situation in Cuban reinforces my arguments—see CONGRESSIONAL RECORD pages 16544-57 of May 24, 1971 entitled "Cuban Independence Day Is a Reminder of America's Pledge To Restore Freedom to Cuba."—that this country should assist and not resist free Cubans in their efforts to restore freedom to their homeland before the cancer of communism infects other free nations of the Western Hemisphere.

I insert an article from U.S. News & World Report, the article "Pearl Harbor—U.S.A.," and Dr. Reyes' speech to follow:

#### PEARL HARBOR—U.S.A.

If I can prove to you the evil designs of a foreign power bent on your destruction, would you take action to defend your families, your home and yourself????

Back in early December 1970 it dawned on me that this nation was being conditioned and prepared for a communist attack and take over. You may say and think it cannot happen here since you and I have never known an adversary as cunning and devious as the enemy we face today nor can we comprehend total war as the Communists fight it.

Our adversary the Russians are masters at the game of chess and deception. Chess to any military man is the game of war and world conquest. Intrigue, hidden moves and motives are prime ingredients in warfare before victory can be achieved. Men, materials, and money are moved around like pawns, rooks, horses and bishops while the screened and protected Queen waits patiently to deliver the COUP DE GRACE . . . and before

you know it the game is over . . . and then it is too late to mount a counter attack.

The Cubans who lost their freedom know what I say is true because they were enslaved before they realized what was happening to them and their country. The same thing is happening here in America today. . . . Lack of respect in the institutions of government . . . lack of respect for authority . . . lack of morals . . . runaway inflation . . . erosion of buying power and the destruction of the middle class . . . falsely incited race hatred . . . insidious treason in government and the communications media.

All these things happened in Cuba plus they were sold out by our country for expediency in 1962, when a United States President didn't have the guts to enforce the Monroe Doctrine. Our fate and that of the Cuban people was sealed when we allowed Communism to get a foothold in the Western Hemisphere.

La Prehsa, La Tribuna, Patria and La Voz would not feature my article PEARL HARBOR—U.S.A. on page 1 of their papers if they did not recognize the threat to this country, which is the last hope for them. If America falls to Communism then it is all over for our Cuban, Hungarian, Polish, Czech and German exiles who are waiting for the day to return home after years of exile. America has been a friendly haven which has become a benevolent jail, preventing them from taking action to restore freedom to their countries.

If America goes then communism has the world and they need fear nothing . . . Vietnam, the Middle East, Turkey and Berlin are diversionary movements while the Continental United States is and always has been the main target of the Reds. Think about a beacon of light which gives hope and a pathway to break the darkness for those who want only to go home to countries where they may live as FREE MEN. If the Reds can put the LIGHT out here then they go out all over the world. That is the thesis on which our enemies are guided and what dawned on me the evening I wrote my article. . . . Pearl Harbor—U.S.A.

Now to update the article I wrote in early December of 1970 to today, April 27th, 1971:

On April 3rd, 1971 the Soviet Defense Minister, Andrei A. Grechko said at the 24th Soviet Party Congress "the forces of reaction are again trying military adventures against the Soviet Union and the Socialist camp and are preparing to unleash terrible war." "However our armed forces are always ready to chastise the aggressor and right on that territory from which he dares violate our borders." "Our Army is equipped with weapons of great destructive force and capable of reaching any point on the globe, on land, sea and air".

On April 20th, 1970 our Secretary of Defense, Melvin Laird stated about the Soviet Union, "Thus in the space of five years from 1965 to 1970. . . . The Soviet Union has virtually quadrupled the total megatonnage in its strategic offensive force. In the same period the United States reduced its megatonnage by more than 40%" . . . April 22nd, 1971, Secretary of Defense Laird reported that the United States has fresh evidence, "confirming the sobering fact that the Soviet Union is involved in a new and apparently extensive ICBM construction program". . . . "This new ICBM construction effort, coupled with additional momentum in the strategic defense area—all clearly planned months ago—must be of major concern". . . .

Here is what we reported in our earlier article based on figures released in September of 1970 by the American Security Council in Washington, D.C.; as to the Soviet ability to bring their destructive weapons to our shores:

220 Early model ICBM missiles (types SS-6; SS-7; SS-8).

800 small ICBM missiles (types SS-11; SS-13).

300 large ICBM missiles (type SS-9)—the SS-9 has a range of 6600 miles and can carry a 35 megaton warhead . . . can also be fitted with multiple warheads.

280 submarine launched ballistic missiles (type SSN-6).

300 submarine launched cruise missiles.

? Orbital space bombs.

The submarine borne missile as well as the SS-9, ICBM missiles in the Soviet Union are essential for a first strike on the United States. The ICBM with its large warhead has but one target. . . . Our nuclear deterrent the Minuteman missile and the submarine missile is targeted for our airborne deterrent as well as airfields, communications, military bases and population centers in the United States.

Senator Henry Jackson of Washington and a member of the Senate Armed Services Committee reported on March 7th of 1971 what I warned earlier. . . . that while Soviet Nuclear Deployment of the SS-9 missiles had been suspended a new improved Soviet Missile of the SS-9 type was in production and missile silos were being constructed. So while the Soviets spoke of peace and while we believed their words since there was no evidence of the Russian intent they went on building new and improved weapons bent on the sole purpose of destroying our Minuteman missile retaliatory strength.

The SS-9 missiles are being fitted with MIRV (Multiple Independently-Targeted Re-Entry Vehicle) warheads which will give them three times their present offensive strength.

In the words of Senator Jackson, it will come "As a shock to most Americans that the Russians are deploying a new generation of offensive systems while indicating a contrary position by holding back on SS-9 deployment". . . . The Pentagon did not deny any of the charges made by Senator Jackson.

On the same subject, Joseph Alsop reported on 3/12/71 that "before SS-9 deployment was suspended 300 of these gigantic weapons had been put in place. All have pretty certainly been fitted with a Triple warhead the Soviets have already tested. That means that the existing SS-9 force is probably sufficient at this moment to destroy about 3 of every 4 of the U.S. Minuteman Missiles". The new missile can do even more damage in destroying the 1 out of 4 missiles not accounted for by the SS-9. With each passing day our nuclear deterrent withers away and soon our Minuteman Missiles will be worthless as a means of defense. Alsop states that the time necessary between the turning of a spadeful of dirt to an operational Soviet Missile is 18 months. . . . The question is when did the Russians first turn over that first spadeful of dirt and if it really takes 18 months.

Here are the words of Senator Barry Goldwater in March, 1971. . . . "A strategic parity was reached about six months ago, the Soviets pushed right ahead into the first stages of strategic superiority over the United States". . . . The big question is whether the Russians will use this superiority to blackmail the world and impose it's will with power. . . . How ripe are we for the plucking????

I wrote back in December of 1970 that I was convinced of the Russian plan when I read of the establishment of a Russian submarine base at Cienfuegos, Cuba and the construction of 8 lane super highways without center lanes. Highways without center lanes are nothing more than airfields and the Russians have in Cuba great numbers of Mig fighter bombers which can be fitted with racks to carry nuclear bombs. While we have been defending against the large Russian Strategic Bombers the Russians have their attack planned with fighter bombers capable of a range of 1400 miles, which will come out of

underground fields in Cuba in swarms when the time is ready. Yes Cuba is the key to the attack on the United States and without it we are a little safer since all of our continental targets are within range of submarines operating out of Cuban waters, land based missiles in Cuba, and airborne nuclear bomb carrying Mig fighter bombers.

In the past 4 months I have spoken to the leaders of the Free Cuba Movement as well as objective reporters who have helped me piece together the facts into this article. Men like Jose de la Torriente, Martinez Marquez, Dr. Manolo Reyes, Mr. Luis Manrara, Armando Sifredo and others. . . All agree with me of the important position of Cuba in the plan to destroy the United States. . . . And the imminence of the attack. In my original article I wrote that I did not believe there were Russian missiles in Cuba. . . . After investigation I am now convinced that there are Russian missiles in Cuba and in the words of Jose de la Torriente, "They are all over Cuba". The establishment of the Russian submarine base at Cienfuegos has ominous meaning. The harbor at Cienfuegos is now off limits to Cuban fishermen and ships entering the bay cannot see what is on the right side because it is screened off to view. The Soviet base as reported from the underground resembles closely the U.S. naval base at Guantanamo, Cuba. Cienfuegos has an offensive purpose and could also be a training camp for a very important and prime Soviet target in Cuba. . . . Guantanamo.

The latest Russian Polaris-type submarine, the Yankee class has the ability to fire from a submerged position a ballistic missile with a range of 1,300 miles. Here is what the Russian base at Cienfuegos, Cuba means: a submarine operating out of this base in the Gulf of Mexico can place a missile into Chicago, Detroit, New York and St. Louis. . . . The Russians have been testing a submarine borne missile with a 3000 mile range, which takes in every target in the United States. Admiral Hyman Rickover and another wonderful patriot who just died, Representative L. Mendel Rivers, Chairman of the House Armed Services Committee have been warning us of the terrible results a Russian base in Cuba will unfold. Both of these men are experts in their field. . . . can we do less than listen to their warnings?

In December of 1970 I wrote that I anticipated the Strategic Arms Limitation Talks (SALT) to sound like pie in the sky. . . . and peace in our land will again be heard in the land. . . . all part of the Communist strategy to lull us to sleep. . . . Our President just signed a treaty with the Russians banning nuclear weapons from the world's seabeds. This could only hurt the United States since our aim is deterrent and nuclear weapons on the ocean's seabeds would serve as perfect defensive weapons since they are so hard to find and destroy. We have had nuclear weapons on the seabeds before and why we gave up this option for defense in exchange for Russian promises leads me to believe the treason is very deep. So while we continue to reduce our armament and the Soviet Goliath continues to amass the weapons of destruction we will shortly become the David of the 20th Century with only a sling-shot to defend the Free World. It is interesting to report the words of Russian Premier Alexei N. Kosygin on signing the pact for the Soviet Union. . . . "In the future, too, will not spare efforts to find solutions to urgent problems connected with stopping the arms race and disarmaments". . . . How about now!!!! Now they are working day and night to build the weapons that will make it possible for a PAX Russian in a Russian ruled world.

The treason from within is a great part of the Communist Master Plan. . . . We have our capitol now occupied by Red indoctrinated fifth columnists who are helping and abetting the Communist cause by disrupting our government. House G.O.P. Whip, Leslie

Arends (Ill.) put it very well, "Those who trumpet so loudly about the size of our defense budget, using the myth of a military-industrial-complex as a scapegoat, invariably call for a reordering of our priorities that there may be an increase in spending on social programs". . . . we have had a decrease in spending for defense in the fiscal years 1969, 1970, 1971 at an average of \$2 billion per year in an era of inflation, which means a much greater actual decrease in spending than the figures show.

Among nations only the strong survive and we in America are weak from within and a tempting plum ripe for the plucking from without. . . . We are morally weak in believing that the Communists would even contemplate living with the Free World without conquering it. We have grown fat, weak and weary with too much of an emphasis on cradle to grave support and welfare while excellence was penalized and the lazy and unproductive were rewarded with the fruits of our labors.

The great ponderable to the Soviet Union is can they attack the United States and not be destroyed by our deterrent. The Middle East is the key to the Soviet Defensive Plans and is being used as a testing ground for the SAM-2 and SAM-3 missiles just as Germany and Italy used the Spanish Civil War in 1936. Joseph Alsop reveals in one of his articles titled "Soviet missile strength more than meets the ear". He reports that SAC analysts believe that the Russians already have an extensive and efficient Anti-Ballistic Missile system disguised as part of its anti-aircraft defenses. The problem is called "SAM-upgrading" and it was recently given 30 hours of study by CIA Director Richard Helms. Defense is the key to offense since the Russians dare not attack us as long as we have the capability to destroy them on the return blow. They have deployed approximately 1200 of a new defensive missile which our military people call "Tallinns" or SA-5's. This missile has a range of 100 miles and an altitude of 100,000 feet, which is above the atmosphere. These missiles are deployed in most parts of the Soviet Union where the SA-2 missiles are placed, which gives them a double defensive capability. Moscow is already protected by an ABM system known as Galosh. "SAC analysts believe, the upset in the balance of nuclear-strategic power is already far greater than the worst pessimists suppose outside the government's secret chambers". To fit in with the SAM-2 and SAM-3 testing The Institute for Strategic Studies in London reports there are 12,000-15,000 men in Egypt in SAM-3 missile crews and 4000 advisers to the Egyptians manning the SAM-2's. . . . And as for the infallibility of our missile going off without the President's hand or the Vice-President's. . . . do you really believe the President will be around when the time comes for PEARL HARBOR—U.S.A. The mission to destroy our President and Vice-President will be handled by the traitors who have been hidden a long time ago and have access to them by their high station for this one purpose.

In the Pearl Harbor—U.S.A. article written in December I wrote that the Communists would intensify their peace talks six months before attacking us. SALT talks have been going on daily in Geneva while the TROJAN HORSE is completed in CUBA and RUSSIA. And now we have ping-pong diplomacy with Red China just like the Peace in Our Time of Neville Chamberlain. And as the bible says (Isaiah XLII, 3) "There is no peace saith the Lord, unto the wicked". . . . Peace to the Communists is but another means of waging war and ultimately enslaving the Free Nations of the World. In the 17th century Jonathan Swift described today's situation. . . . "This is the sublime and refined point of felicity, called the possession of being well deceived: the serene,

peaceful state of being a fool among knaves." And there is subversion in high places to make our people believe the big LIE that the Communists really want PEACE. We can have PEACE with the Russians if we accept the peace of a slave who must obey the will and whim of the Master. Oh Mr. Nixon you are such a fool if you believe the Communists will ever let us live in Peace.

In Conclusion we know that the Russians have the intent to conquer the world and we now know that they have the means to destroy us without suffering terrible retribution. The only thing we do not have pinpointed is the exact date of Pearl Harbor—U.S.A.

Since surprise, stealth and the unexpected are necessary to minimize our ability to retaliate we know that the attack will come on a national holiday, when our defenses are weakest. There are three national holidays coming up in the fall and winter of 1971 and each has been set up as a contingency date for Pearl Harbor—U.S.A. The first date is Labor Day, September 6th, 1971. The second, Thanksgiving Day, November 25th, 1971; and the third, Christmas Day, December 25th, 1971.

The harvest will be in by the September date. The activities in the Middle East fit in here since before any Russian attack can be made against the United States, they must know if their defensive system will work. The United States tipped its hand by giving the Israelis our Shrike Defensive Missile, which homes in on enemy radar which is the brains of the SAM-2 and SAM-3 missiles. As soon as the Russians are able to conquer this problem their Egyptian ally will commence the 3rd round of Middle East hostilities. The only thing the Russians want to know in the Middle East is if their missiles can knock down the Israeli Phantom Jets. They will encourage an Israeli victory or truce to lull the world to sleep for the last time before beginning Pearl Harbor—U.S.A. If the Russians are not able to achieve their purpose with a three month peace offensive then they will step the date up to Thanksgiving Day and as a last resort will attack on Christmas Day of 1971. General Curtis LeMay the former head of SAC predicted a while ago that the Soviet Union would issue within 18 months an ultimatum to the United States to surrender or else.

The key to the attack is the Russian base in Cuba and we must do everything possible to expel the Russians by any means including open warfare if necessary to restore freedom to the people of Cuba. To allow Russia to remain in control of Cuba insures our destruction. The Russians will not attack us if we invade Cuba since their plan cannot work without the Cuban base operating as a Trojan horse in our back yard. The longer we wait only insures our destruction and as Plato said many centuries ago, "For evil to triumph all that is necessary is that good men do nothing." Let us fish in troubled waters and free Cuba and save America.

[From U.S. News & World Report,  
May 31, 1971]

FLIGHT FROM CUBA—CASTRO'S LOSS IS  
U.S. GAIN

In the 12 years since Fidel Castro came to power, nearly 650,000 Cubans have sought refuge in the United States.

Most have found far more than refuge. They have found homes, jobs—and opportunities. Thousands of refugees, in only a few years, have launched new careers in professions and business.

The story of this big wave of immigrants is a success story seldom matched in this country's long history of immigration. Few other nationality groups have taken root so quickly or progressed so rapidly.

## WARM WELCOME

Some of this rapid progress can be credited to the aid given by the U.S. Government. No other group of immigrants in history has been accorded such a helpful welcome.

Much of the Cuban success, however, is generally attributed to the efforts and ability of the Cubans themselves.

Talk to the Cuban refugees and you get still another explanation.

"What we have found in America is the land of opportunity—the greatest nation on earth," says Carlos Arbolea, who in nine years rose from an almost penniless refugee to be president of a Miami bank.

The mass migration of Cubans to the United States is still continuing. Each month about 3,600 stream in on an airlift financed by the U.S. Government. These are people Castro let go with the contemptuous remark that they were the "worms" of his Communist society.

In America, however, they are proving, by and large, to be capable, hardworking people who are making major contributions to American life.

## A CROSS SECTION

The Cuban refugees are scattered widely around the country. But about half of them have settled in south Florida. Nowhere else is the Cuban success story so visible as it is in this area.

Wherever you turn, the Cuban influence can be seen and felt. The new mechanic at the corner garage may not speak English fluently—but he can fix your car. The Cuban bus boy in the restaurant, the record suggests, may soon be running that restaurant.

Whole hospitals are now staffed by Cuban doctors. A prime example is the 300-bed Pan-American Hospital in Miami. In all, about 2,000 Cuban doctors have settled in the Miami area.

These refugees, records indicate, are good credit risks. Those who have borrowed money have, for the most part, paid it back. Cubans on relief are generally too old or too ill to work.

The Cuban impact on the U.S. is felt at many levels. There is a growing and articulate Spanish-language press. Movie houses in Washington, D.C., in Newark, in New York and in dozens of other cities show films in Spanish for tight-knit Latin-American communities. Across the land, restaurants with Cuban food and entertainment are opening.

Dade County, Florida, which includes Miami, is the hub of Cuban life in the United States.

Mayor Stephen P. Clark of Miami estimated that 350,000 Cubans now live there. Nobody can be positive about the number—but it is known that some Cubans, after resetting elsewhere, return to Dade because of the mild climate and the proximity to other Cubans and the homeland. Cubans tend to dislike the cold North American winters.

## TRADE CENTER

Because of the bilingual pool of talent in the Miami-Dade area, more and more American companies have set up their Latin-American trade headquarters there—33 in Coral Gables alone.

Among those companies are Alcoa, Dow Chemical, Chicago Bridge & Iron, Coca-Cola, Goodyear, Atlas Chemical, International Harvester, Johns-Manville and Bemis. Many of these trade headquarters are run by Cubans.

Of course, it's not all clear sailing for the refugees, but in the main their story is one of astonishing achievement.

President Arbolea of the Fidelity National Bank of Miami explains the success formula of his Cuban compatriots in these words:

"They work. The man works, the wife works, the children who are old enough work."

Mr. Arbolea has shown what a refugee can do. In 1960, at age 31, he arrived with

his wife, an infant son and \$40 in cash. Banking was his field, but banks were not bidding for the services of refugees. He started as an inventory clerk in a shoe factory at \$45 a week. Eighteen months later he was the office manager. Eventually, he got a bank job. By 1966, he was executive vice president of Fidelity National. In February of 1969 he became an American citizen—and president of the bank.

## RETAINING OLD TIES

Mr. Arbolea, whose son became an Eagle Scout at 13, likes to tell of the special camps for Cuban Boy Scouts in Miami, where the Cuban flag is flown alongside the American flag.

"Our Boy Scouts salute the Cuban flag with respect for our homeland," he says. "But," he adds, "they not only salute the American flag—they pledge allegiance to it."

Tully Dunlap, president of the Riverside Bank in Miami, credits Cuban business with lifting his bank out of the doldrums in the mid-'60s.

Deposits started to move up in 1965, breaking a steady downward trend which set in with the flight of American customers to the suburbs in 1961. Mr. Dunlap says, and "Cuban deposits now total over 16 million dollars and we have 18,000 Cuban accounts."

The New York-New Jersey area is another place where Cubans congregate. Some 75,000 are estimated to be living in New York and 52,000 in New Jersey. One of them is Dr. Carlos Marquez Sterling, who was a candidate for President of Cuba in 1958.

Today Dr. Sterling is professor of Spanish literature at C. W. Post College of Long Island University at Greenvale, N.Y. He says this:

"Most of the people who have come to the United States from Cuba have succeeded. Their success has been outstanding in many fields—business, medicine, university teaching, accounting, law and transportation."

Oscar Rodriguez was 16 and his brother, Omar, was 20 when they came to New Jersey as refugees in 1960. Their first jobs were as sweepers in a garment factory. Today they run their own garment factory, employing 75 people.

## A DOCTOR'S STORY

Dr. Ramon Rodriguez-Torres walked away from his own private hospital in Cuba after Castro took over. The doctor, his wife, two small children and his parents arrived virtually penniless in Puerto Rico. A year later he was in Brooklyn's Down-state Medical Center as an instructor in pediatrics. From there, his advancement was swift.

Dr. Rodriguez-Torres studied for and passed several State medical examinations. He is now a full professor and director of the center's pediatric cardiology department. He also started an intensive-care unit for children at Kings County Hospital—said to be the first of its kind in the U.S.

"My family and I are very proud and happy to be in this wonderful country where we have seen all our work and effort rewarded," he says.

At Milledgeville, Ga., 68 Cubans are among the 113 physicians on the staff at Central State Hospital, the big complex for mental patients. Five of the 10 directors are Cubans, each heading units with 700 to 1,000 patients.

Central State's top heart specialist is a Cuban, Dr. Sergio C. Alvarez-Mena. He is chief of cardiology at the hospital and also associate clinical professor of medicine at the Medical College of Georgia.

Dr. Addison M. Duval, director of Georgia's mental-health division, declares: "We just couldn't have made the improvements that we have without the help these people gave us; it was a mutually beneficial thing."

In Atlanta, where most of Georgia's 5,000 Cubans live, assimilation has been no problem. Cuban leaders estimate there are 100 of their countrymen in various businesses, while about 50 per cent of the adults hold

positions as college or university professors, doctors, engineers, accountants or business executives.

## A HOUSTON GROCER

Typical of the Cubans who have made good as tradesmen—there are thousands of them—is Hector Cardet, 41, who owns a grocery store in Houston. The store specializes in Cuban foods and is a gathering place for the Cuban community.

Before fleeing Cuba in 1963, Mr. Cardet owned a grocery store in Havana. Like so many others, he reached the U.S. without funds or knowledge of the English language. He found work as a stockman for a chain of convenience grocery stores.

"At night," Mr. Cardet says, "I would load up the back of my car with Cuban-type groceries and sell them door to door to Cuban families in Houston."

In two years, he saved enough to open his own grocery store—and later a restaurant which employs Cubans as waiters and cooks.

Mr. Cardet calls the U.S. "the greatest country on earth." But given the chance, "I'd go back home," he says.

The Cuban population of Ohio has been estimated at 2,300. There are 3,000 Cubans in Michigan. Concentrations of these refugees are found in major cities of both States—especially in Detroit and Cleveland.

Occupations are varied, ranging from the pastor of Our Lady of Guadalupe Catholic Church in Flint, Mich.—Father Eduardo Lorenzo—to an assembly-line worker for the Ford Motor Company in Ypsilanti—José A. Cabrera. Mr. Cabrera is also president of the Cuban association of Michigan.

David Caveda, a manufacturers' representative in Columbus and president of the Cuban refugee group there, says he knows of only three Cuban families on welfare, all of them aged. He adds:

"There are no able-bodied Cubans on welfare. We belong to a society where people take care of one another. There is a pattern—the ones established here help the newcomers."

A Cuban refugee in Detroit, Reinaldo Gonzalez, is now an executive for an auto-parts supplier. In 1961, he joined the company as an export clerk. Now, 10 years and eight promotions later, he is responsible for manufacturing schedules for Federal-Mogul Corporation in Western Europe and Latin America.

Mr. Gonzalez explains his attitude toward America and Cuba:

"I feel . . . the way I feel about my mother and my wife. I love both, and my love for one does not interfere with my love for the other."

As the only Spanish-speaking person in his suburban neighborhood, Mr. Gonzalez has a standing joke with his next-door neighbor: "I'm better off than you are—I don't have a Cuban living next door to me!"

## THE CHICAGO SCENE

Between 20,000 and 30,000 Cuban refugees are estimated to be living in the Chicago area. About 500 of these are doctors and there are approximately 100 Cuban lawyers.

One Cuban in Chicago makes this appraisal: "Some have done well, some not so well, depending mainly on how they did in Cuba."

Another refugee took a more positive view, pointing out that a Cuban had to be highly motivated to leave his homeland—overcome the obstacles to getting permission to depart—and then buckle down to work in a strange land. Motivated people, he explained, generally succeed. And, he said: "We were prepared, whether we knew it or not."

In Columbus, Cuban Orlando Alonso, made himself so valuable that he ended up taking over the business when the owner died in 1969.

When Mr. Alonso left Cuba in 1962, he went to work as a truck driver for Columbus Pest Control Company. In a few months, he was chosen to run the business whenever the owner was away. The business had its most

profitable year in 1970—under Mr. Alonso's management. He and his wife and three children live in a Columbus suburb. The 18-year-old daughter will soon marry an American.

Cuban family ties, traditionally close, account in part for the low number of failures among the refugees.

A newly arrived refugee often will receive money by mail from relatives and close friends who preceded him. A contribution may be \$1.50, or it may be \$50—whatever the donor can afford.

The established Cuban will give up something he needs and uses every day to help a relative get a foothold. For example, one head of household returned to his Miami home one night to find the table and chairs missing from his kitchen. His wife had given them to a relative just moving into the area.

These close ties, a willingness to help one another and a fanatical belief that hard work is the key to success lie behind the Cuban experience in America.

Few success stories are more dramatic than that of Mr. and Mrs. José Torres and their daughter, Norma. The Torres family arrived in New Orleans in 1967 with nothing but the clothes they wore—and the Braille ruler Mr. Torres had fashioned from wood. Both he and his wife were blind.

But José Torres was also a skilled cabinet-maker and before long he was hard at work, learning English and setting up shop with borrowed funds.

Business is slow at the moment but he keeps going with sales of doll houses, jewelry cases, candlesticks and liqueur cups. His daughter is an outstanding student in the nursing school at Louisiana State University.

#### RECORD AS SCHOLARS

In the field of scholarship loans, young Cubans have been especially responsible in meeting their obligations. Congress recently heard testimony that of the 12,800 loans granted to Cubans for college education, only 147 were delinquent—a performance which outstrips the national average.

The Cuban experience in the U.S. is not an unbroken string of economic miracles. Many old persons find they cannot learn English, or that ill health keeps them from working. There are problems of assimilation in some areas—and complaints of discrimination.

In Los Angeles, the Cuban is in a particularly strange situation—he is a minority within a minority, and thus, in effect, invisible to the indigenous community.

There are some 1.1 million Spanish-speaking persons in this area. The presence there of perhaps 50,000 newcomers from Cuba makes scant impression on people in general.

These Cubans appear to have little interest in becoming part of the Mexican-American scene. They have settled instead in a variety of small pockets throughout the city.

#### MASS TRANSPLANTS

Organizations like the International Rescue Committee and the Cuban resettlement division of the Catholic Welfare Bureau have helped some 35,000 Cubans go from Miami to Los Angeles. It is estimated that an additional 10,000 to 15,000 went to southern California on their own.

About 11,000 Cubans in the area are on welfare, Los Angeles County officials say the relief bill for Cubans comes to a million dollars a month—which is refunded by the U.S. Government.

Observers report a lack of rapport between Cubans and other Spanish-speaking persons there. The Cubans seem to identify more with the "Anglos," whereas Mexican-Americans tend to cling to their old Mexican culture.

There is another big difference. The militant Mexican-American sometimes leans leftward politically. Cuban refugees aren't buying anything that smacks of Communism. It's hard to find a Cuban with a Castro-type beard.

Even in Los Angeles, however, there are bright spots for Cubans. A community spirit, for a time dormant among them, has begun to develop. A Cuban Chamber of Commerce now has 100 members. About 300 Cuban-owned businesses have been established. A biweekly tabloid newspaper—"La Presna"—has a Spanish-language circulation of 15,000, predominantly Cuban.

And like every other area, Los Angeles has its successful refugees.

#### A GROWING RESTAURANT

Eddemio Lopez came from Cienfuegos, Cuba, nine years ago—penniless he says, "like everybody." He sold Bibles and encyclopedias door to door. He and his brother saved enough to open a little restaurant. It seated 25. Then the brothers bought an adjoining building and enlarged their operation. Today the prospering restaurant seats 110—and employs 13 Spanish-speaking persons.

In San Francisco, some of the Cubans complain about discrimination, especially when it comes to getting good jobs and job training. Some have had difficulty in finding any jobs at all.

And a discouraged high-school student said: "Florida is the best place for Cubans; there are enough others there to help you, to support your business."

Cubans admit—and express gratitude—that U.S. Government programs help them get started in this country.

On their arrival in Miami on the U.S.-financed airlift, they are welcomed by U.S. officials and given temporary housing in "Freedom House" at the airport. There they register with the Cuban Refugee Program of the U.S. Department of Health, Education and Welfare, and also with a volunteer agency of their choice.

The volunteer agencies arrange transportation for refugees to homes of relatives, with the cost met by the Federal Government. Refugees also receive checks from the Florida welfare department—\$100 for a family, \$60 for a person. Washington repays Florida for this.

As soon as they reach their relocation city, refugees are eligible for public welfare, with Washington again reimbursing the States.

All told, from the time the Cuban Refugee Program began in February, 1961, through the end of this fiscal year on June 30, the U.S. Government's obligations for aiding Cuban refugees will total 583.8 million dollars.

#### A GOOD INVESTMENT

Federal officials regard this as a good investment. Howard H. Palmatier, director of HEW's Cuban Refugee Program put it this way:

"We cannot overlook the Cubans' incalculable contribution to our nation. They have paid millions of dollars in local, State and federal taxes. Their presence and efforts have created, directly or indirectly, literally thousands of jobs throughout the United States—which generate even more tax revenues. And perhaps most important, they are still making this contribution."

SPEECH BY DR. MANOLO REYES, LATIN AMERICAN NEWS EDITOR, WTVJ

I am not a military or naval expert. The information which you are about to hear was sent to us by the Cuban Patriotic Resistance. We believe this information to be the first of its kind to be said publicly. It is all related to Fidel Castro's Navy, which is a vital tool for the exportation of his so-called "revolution". We say "so-called" because there is no such revolution, rather that Castro is an agent for international communism and what he is exporting is international communism.

To begin this analysis, we must say that before Castro the Cuban Navy was highly respected by the Cuban people. It was always

a non-political body. Presently, Castro's Navy is despised because, among their missions of hate, they must persecute and machine-gun defenseless Cubans (men, women, and children) who try to flee through the Florida Straights.

Before Castro, the Navy was made up of 28 surface units: three frigates, one cruiser, twelve sub-chasers and twelve Coast Guard vessels. The pre-Castro Navy's main mission was to guard the coasts. Its mission was strictly defensive.

The Merchant Marine before Castro was made up of 18 surface units which represented approximately 48,000 tons. None of these units was more than 5,000 tons. Hence, Cuba's Naval forces totaled 46 surface units.

Now the question: What is the present Naval situation of the Red Regime in Cuba? Directed by the Russians, Fidel Castro has divided his Navy into three parts: the War Fleet, Merchant Marine and so-called "Fishing Fleet".

Castro's War Fleet has been tripled by the Russians since early in 1970. Presently it is made up of about 80 units. Among them are torpedo boats, missile boats, konsomal boats and sub-chasers. The Komar boats have two missiles with a range of 40-50 miles. All of these are for offensive purposes. Also, British sources have reported that the Russians have given Castro 8 small submarines. This brings the total of offensive naval units to 88.

The Castro Merchant Marine, under the direction of the Russians, now has 49 units with a displacement of approximately 327,000 tons. Of this number, some 18 units exceed 5,000 tons each. This Merchant Marine, as we will explain later, is completely dedicated to the transportation of men and arms for the expansion of international communism.

Finally, Castro, following the Russian dictates, has established the so-called "Fishing Fleet" in Cuba, made up of some 100 Russian made trawlers, each approximately 800 tons, and almost 100 wooden Lambda boats. The "Fishing Fleet" has everything except a fishing boat and its purpose is for the infiltration of international communist agents, transfer of arms, espionage and counter-espionage.

To sum it up, the Navy before Castro totaled 46 defensive units. Now it totals some 337 offensive units and has only one purpose: to export the revolution of the Castro-Communist regime.

In a rapid analysis of the twelve-and-a-half years in Cuba since Castro, it can be said that the economy is in ruin. The Cuban people are suffering from tremendous rationing and there is almost no fuel (charcoal or petroleum) in Cuba.

Now, how is it possible for Fidel Castro to maintain his present navy if Cuba's economy is in ruin? If there is no money to buy the articles of primary use, how were so many naval units obtained? If there is no fuel, how are these units operated? Where did he get the officers for a Navy that grew so fast?

It is our belief that there is only one explanation: Cuba is the Russian trampoline of the Caribbean. Cuba is being used as the base for military and political expansion of the Russians in the Western Hemisphere. The Russians have provided and today maintain Castro's Navy—even if the navy does fly the Cuban flag—for the exportation of international communism. The majority of the Naval officers of these ships were born in the Communist World even though their passports list them as Native Cubans. This is the Russian Navy with the Cuban flag.

How was this situation initiated? In the year 1963, according to reports received from the Cuban Patriotic Resistance, a Russian Admiral, Ivan Baikov, Director of the Russian Naval Academy in Leningrad, took charge of the Cuban Navy. That began a complete change. The Russian Admiral said that the traditional Naval Academy in Cuba,



in Mariel, was obsolete. It would be considered third level.

The Naval Academy was then transferred to the Monteverde farm, which was the property of a North American citizen, in the area of Boca del Mariel.

Later, two superior naval centers were created: One in Tarara and the other in Barlovento in Havana. The students of these centers receive strong communist training, as well as training in the sabotage of port installations, intelligence, espionage and counter-espionage. The most outstanding students are sent to Russia for final indoctrination.

Admiral Baikov declared that the new naval center in Havana was to be used as the seat of the Russian Joint Command in peacetime. And that underground installations should be built so that the Russian High Command could function in times of pre-war and war.

The Naval system in Cuba was operated by departments similar to that of the United States Navy. Baikov divided it up into sections and sub-sections.

In the center of the Port of Havana, it is easier to find a Russian officer in uniform than it is to find a Cuban. The orders which proceed from there are signed by Cubans, even if they are illiterate. Said orders are prepared by Russian bilingual personnel and later authorized by a Russian naval officer. In this way, secret cargo can be transported under the Cuban flag, never under the Russian flag.

Each Cuban boat has an experienced Russian officer who speaks Spanish and carries a native-Cuban passport (possibly with a Cuban name). He is the actual ship commander. Sometimes he is merely a first-class sailor.

Each ship is an integral part of Castro-Communist territory. This is why there is a Russian security officer on board. It is understood that at each port the communist agents know precisely who is on board each ship. For the few who are not communists and sail under Castro's flag, to transfer to a ship is to leave one prison for another.

The Russian Admiral (Baikov) authorized Captain Daniel Alvarez (alias Captain Ramirez) to direct Castro's Merchant Marine. Captain Alvarez is approximately 60 years old, with more than 40 years of naval experience in Spain's Communist Navy. He served on the cruise ship "Canarias", later seeking asylum in Algiers, France. From Algiers, he went to Moscow. There he was named an agent of the NKVD and had several interviews with Stalin. Later, he fell into disgrace and was deported to Siberia where he lost a lung. He was brought back to Moscow by Nikita Khrushchev and placed his former position. Currently, in Cuba, his title is "Delegate of the Soviet Union in Control of the Merchant Marine."

The flag ship of the Merchant Marine of Cuba is the Sierra Maestra and it displaces 17,350 tons. This ship was built in Eastern Germany and was first received and commanded by Jesus Jimenez Escobar. Escobar received several levels of communist indoctrination. Jimenez Escobar, along with Captain Alvarez (Ramirez), formed the shipping lines of Mambisa Navigation in different parts of the world to provide ports for Castro's ships.

In 1968, Jimenez Escobar was named to the Cuban delegation to the United Nations. Months later he was expelled from New York by the United States for his non-diplomatic activities. Apparently he was supporting the Black Panthers.

Presently, there is a Russian naval base at Cienfuegos and a military arsenal at Havana. There are two large docks. One is a 20,000-ton dry dock and the other is a 10,000-ton floating dock.

Operations are directed by eight high-

ranking Russian naval officers. Strong security is maintained by frogmen and an electric net. On land, there is a color-coded control system.

To describe how Castro's Navy performs espionage and the exportation of international communism, here are some examples:

In 1960, the ship "Bahia de Nipe" took arms from Cuba to the so-called "Liberation front" in Algiers, which was still under French jurisdiction. In 1962, the ships "Aracelio Iglesias" and "Gonzalez Lines" carried tanks and cannons, automatic arms and troops to take part in the war between Algeria and Morocco.

In 1965, the motor-ship "Uvero", weighing 10,250 tons, left with arms, men and equipment for Africa to Dar El Salam. We were told that all this equipment and some of the men later were sent to the guerrilla operation in Bolivia. During the voyage to Africa, the captain of the ship never spoke with the officers and meals were served to another high ranking person in the captain's cabin (no one knowing who he was). We believe it was Ernesto "Che" Guevara.

In 1965, the Sierra Maestra took a special trip to Communist China. It embarked from Cuba empty and was so important, that two Cuban freighters, "Antonio Maceo" and "Jose Marti", escorted her from the islands of Cape Green in South Africa to Santiago de Cuba, in Oriente province. She brought back a load of special arms which were unloaded in Santiago de Cuba. These secret arms were taken to Gran Piedra under great security. Gran Piedra is near the Guantanamo Naval Base.

Meanwhile, Castro's Russian masters have continued their expansion work in Cuba. Presently, great naval activity is reported on the two extremes of the island.

In Oriente Province, (in the region known as Saetia, to the north of the Bay of Levisa near the Bay of Nipe) the Russians are dredging as they did when they began their base at Cienfuegos.

At the Western tip it is reported that the prisoners on the Peninsula of Guancabibes have been removed and a military road is being built (more than 6 meters wide) from "El Cayuco" to the Cape of San Antonio. This area is totally deserted and a great distance from other activity on the island. It should be an ideal location for subversive activities. It is expected to help in the transportation of arms in barges to or from mother ships, anchored nearby. The initial analysis of this activity is that it will aid in the transportation of arms to Latin America.

This is a short and sketchy summary of the Cuban Naval situation under Castro-Communism. A navy which means a real and actual threat to the peace and tranquility of the entire American Continent. A Russian Navy with the Cuban flag.

#### DAVID ROCKEFELLER DISCUSSES NEW URBAN DEVELOPMENT PLAN

### HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. REUSS. Mr. Speaker, the June 7, 1971, issue of U.S. News & World Report contains an interview with Chase Manhattan Bank Chairman David Rockefeller in which he discusses a new plan for rebuilding U.S. cities. I commend Mr. Rockefeller's remarks to my colleagues:

#### WHAT IT WILL TAKE TO BRING CITIES BACK TO LIFE: INTERVIEW WITH DAVID ROCKEFELLER, CHAIRMAN, CHASE MANHATTAN BANK

Can anything be done to keep whole cities from decaying into slums? A plan to rebuild the cities—and establish new ones—with billions in federal and private funds is advocated by banker David Rockefeller. Mr. Rockefeller came to the conference room of "U.S. News & World Report" to explain his proposal.

Q. Mr. Rockefeller, are the big cities close to collapse, as some of the mayors say they are?

A. While that particular statement may be a little overdramatic, it certainly is true that the big cities are in real trouble.

Q. Why do you say that?

A. The school system, law enforcement, the welfare system, housing and other aspects of city administration have deteriorated markedly in the last several years, and perhaps at an accelerating pace.

Q. Is that because city governments need more money?

A. Revenue is certainly a part of it. But, more importantly, the problem stems from the changing composition of the cities. In the period since World War II, two basic trends have developed:

On the one hand, our nation—though it has become increasingly productive from an agricultural point of view—has become much more mechanized, so that the number of agricultural laborers has declined sharply, with the result that in the agricultural areas, particularly in the South, there is less employment than formerly. This has induced many agricultural workers to move to the large cities, where they felt there would be greater opportunities for them.

At the same time, the home-loan programs of the Federal Housing Administration and the Veterans Administration made it possible for a great many more people in the middle classes to build and own their own houses. By and large, they chose to build them in the suburbs rather than in the central cities. So we've seen an exodus of the middle-income groups from the cities at the same time that we've had an influx of lower-income groups to the cities.

This has had an important bearing on the economy of the city, for the city was required to provide more services for these low-income families that were moving in than it had for the middle-income families that were moving out. But the newcomers, with generally lower incomes, were producing less in taxes, so that there were decreased means to meet the larger requirements. And of course, at the same time, the trouble was compounded by inflation, which added still another burden on city finances.

Q. Do you think that the welfare system attracts Southern migrants to the big cities?

A. There is difference of opinion on that. Although I'm not sure that one could say it is the predominant inducement, it is at least a collateral inducement. It is surely true that the welfare benefits provided by the States have differed considerably—and, by and large, the Northern States have provided more generously than some of the Southern States. That probably does have some influence on migration.

Q. Haven't the States and the Federal Government been pouring billions into cities to help them meet their problems?

A. Yes. But in retrospect, the money hasn't been spent as wisely as it could have been. I think as we look back now at the federal program, which gained momentum in the '40s and '50s, there are two criticisms that perhaps could be made of it:

It concentrated almost exclusively on housing and not other related community activities, and I think this has proven to be a

mistake. The funds were not used to build a rounded community; they merely built houses. So while people were placed in new and better housing, they were not placed into a new and better form of community life. Often, in fact, the vital element of community life was less than it was before.

I think that if we were starting this program over again today, we would do it on a different basis.

The other difficulty is that most of the public housing was built in the core areas, and, since it was subsidized, it was only for the lowest-income groups. This exacerbated the trend of concentrating the poor families in the central cities, while the middle-income families were pouring into the suburbs. We're learning now that it's necessary for communities to be more mixed, in terms of income levels, if they're to be viable and acceptable communities.

Q. Do the cities have too many people who are unemployable?

A. It is surely true that there are more poorly educated people among the families in the "ghettos" and core areas, and this is partly the product of the fact that the cities haven't had the funds to provide good schooling. The quality of schooling in the inner cities seems to be declining significantly. But it's also the product of all the other social ills that go with "ghetto" life, such as broken families—which are encouraged by the present welfare system—dope addiction and crime.

All of these things have gone together, and the result is that a great many of the young people in the core areas are poorly educated, badly motivated and, hence—without special additional training—unemployable.

Q. Why do you say the welfare setup has encouraged drug use?

A. Because I think that people living in slum conditions, with very little opportunity for recreation or employment, are more subject to pushers who encourage young children to feel that taking drugs is the thing to do. They start them with marijuana, and all too frequently add a little heroin or opium with the marijuana so as to hook the youngsters, and then they're off. And this is what one sees to an increasing degree.

Q. Are you saying the drug users are people looking for an escape?

A. I suppose that's a factor. In any case, slum families are certainly exposed much more than others, although the use of drugs among the young is by no means confined to poor families.

Q. Do zoning regulations contribute to the concentration of poor families in the central cities?

A. Zoning has been an important factor in many areas. And in some cities, notably New York, rent-control laws, which have been maintained since World War II, have contributed importantly and are partly responsible for the abandonment of housing which is going on at a shocking rate in New York City today.

Q. Is that a growing problem?

A. Yes. The present rate of abandonment in New York is about 25,000 units per year, which is an enormous number. And, of course, when these homes are abandoned, they not only cease to be a source of tax revenue, but they are a charge on the city. They are broken into, often become havens for criminals, and are fire hazards.

Q. Isn't that process extending to stores and other commercial establishments in the blighted areas?

A. It's happening to them, too.

Now, the reason that rent control affects housing this way is that the landlords can't afford to make improvements, because they can't get rents that are sufficient to justify them.

Q. Rent control is a special New York problem, isn't it?

A. Yes. But there is widespread abandonment of buildings in other cities as well.

Q. You've been talking about families moving out of the big cities. How about businesses? Why are so many of them leaving the cities?

A. Businesses are leaving the cities for a variety of reasons. Crime, rising tax and insurance rates, and congestion are among the reasons. Also, many feel there is a more plentiful supply of better-quality labor in the suburbs. Others feel they are following their customers. Additional factors sometimes include room for expansion, aesthetics and convenience of commuting. However, the road isn't all one way, for many businesses are still flocking to the city—and others, having tried the suburbs, have come back, for they missed the dynamism, the excitement, the culture and the marketplace for the exchange of ideas that only the large cities provide.

Q. Is there any possibility of rebuilding the cities and making them attractive to people of all income levels?

A. I think there is. I have been studying with a number of my colleagues in the bank and outside what the causes are of insufficient construction and lack of a good development program within the cities, and it's our conclusion that there are two prime missing links:

On the one hand, fragmented land ownership, zoning laws and building codes make it difficult for developers to assemble and develop large tracts of land either within core areas of cities or outside. The private sector is willing to do its part, but our Government must foster private initiative by both identifying development opportunities and removing obstacles to appropriate projects.

We need a national urban-growth and development policy. I think that such a national policy should include the rejuvenation of existing cities, suburban areas, small towns and new communities.

Q. What's wrong with the present federal urban-renewal program?

A. It isn't broad enough. It only deals with segments of the problem. What needs to be done is to develop whole new communities rather than units of housing, or commercial establishments, or industrial areas separately.

Q. Do you mean whole new communities within cities?

A. And outside. It's estimated that there will be 75 million more people in the United States by the end of this century. To accommodate all these people in new cities would require 650 new cities of 100,000 people and 10 cities of a million.

Now, of course, it won't be done just that way. But this gives you some idea of the magnitude of the problem that we have to deal with. There's going to be a need for quite a number of new cities, and this is going to require the attention of the Federal Government, working with State and local governments, to develop the kind of sound, national, urban-growth policy which was called for in the Housing Act of 1970.

We are proposing that an agency of the Federal Government identify areas which are consistent with this national growth policy, help acquire the land, and make sure that the building codes and zoning for the land are consistent with an intelligent development program.

Q. Should the agency take over a big part of a city and decide what was going to be done with it, or would the city government have a veto?

A. Local communities and States have to have some degree of veto power. Just how this would be worked out is one of the things that need to be studied further. I think there must be effective power of eminent domain in the federal agency, but qualified so that the States and localities don't

feel they're just being ridden over roughshod.

Q. What can't the job of buying and developing land be done with private capital by private investors?

A. That brings me to the second part of our plan:

I said the first need is for an agency, which has to be governmental, which can identify and acquire land for development that would be in accord with an over-all policy. We're also proposing a quasi public or private bank, which we have suggested be called the National Urban Development Bank. This would be set up on a nationwide basis, perhaps along the lines of the Federal Reserve System, with a chairman who would be appointed by the President of the United States, and members of the board from each of the States and key cities.

This bank would get its funds partly from commercial banks, who would put in the equity, and partly from insurance companies and pension funds and other institutions of that kind who would make loans to the bank at favorable interest rates.

Q. Would investments in the development bank be guaranteed by the Federal Government?

A. No. The bank would go to the designated federal agency and say: "We will underwrite repurchase of the land which you have now acquired and assembled, find a developer, and make available to him the funds he needs to put in the necessary utilities, roads and so on. He won't have to start repaying immediately, because it is going to be some time before he puts in all the facilities and can realize a return."

It's this predevelopment money that is presently lacking. We see no reason why it could not be provided from private sources through this nonprofit corporation. The banks and insurance companies who put up the money would be doing so because they felt it was part of their social obligation to do so, and they would hope—we believe realistically—to receive a reasonable rate of interest and ultimately get back their capital.

Q. Would the developers get the land for less than cost?

A. For land for new cities outside the present cities, the developers would pay 101 per cent of what the Growth Administration had paid for the land. In other words, the federal agency would get back a small increment to help pay its administrative expenses.

Q. How about land for redevelopment in present cities?

A. The cost of assembling that land is already very high—uneconomically high. That is the reason the private builders haven't gone in and done something with it. So, in these areas, there would have to be a write-down on the value of the land—a one-time subsidy by the Federal Government.

RENEWAL: 50 BILLIONS IN 10 YEARS—

Q. Just how much do you figure all this will cost?

A. We estimate that to provide the predevelopment and land-acquisition money for new cities will take about 10 billion dollars over a period of 10 to 20 years. Redevelopment in the older cities might require four times that much—40 billion. So we are talking about a total of something like 50 billion in all. Spread over a period of about 10 years, that is not an unmanageable sum, because, during this time, some of the funds would be rolled over—that is, they would be used, repaid and then used again.

Q. How much federal money would be needed by the designated Government agency in order for it to make the initial purchases of land?

A. There, again, you are talking about a revolving fund. I would think maybe 1 or 2 billion dollars would do it.

Q. Is it likely that the new communities

you're talking about may aggravate the problem of the cities by encouraging more businesses and people to move out?

A. Part of the job of the Federal Government's agency responsible for an urban-growth policy would be to determine where these communities should go, how they fit into an over-all national growth policy. That's why I say that the Government entity is the first essential, without which this program couldn't work.

Q. As a practical matter, will most of the development you're talking about take place outside of the existing cities?

A. The population is so great that it has to take place both inside and outside.

I've already discussed this plan with a number of city officials in New York, and they're quite excited about the idea. They feel that there may well be areas in New York City where it could work. I'm sure the same would be true in other very large cities.

Q. What's the federal reaction to your proposal?

A. I am happy to say that there has been real interest. We've really run up against no one who has thought that we are way off base.

One of our major goals now is to continue to explain this proposal throughout the various branches of the Federal Government, for we have sensed that many persons of all political persuasions in the Congress, for example, have sensed the gravity of the problems and are, themselves, seeking solutions.

Q. After the land is acquired and the developer provides the basic facilities, then what happens?

A. Most of the development from then on would be done by private builders. The developer selected by the National Urban Development Bank would be the overall supervisor of the new community, as, for example, the Rouse Company is in the new city of Columbia, Md. They undertook that development entirely on their own—with the assistance of banks and insurance companies.

Q. Under your proposal, will the developer have to submit a plan to the national agency showing just what is going to be built?

A. Yes. And, with the help of the bank, it would be up to the developer to go out and find industries, merchants, builders and others to come in and put up the money to construct individual segments of the community—stores, homes, offices, factories. This is in addition to the 50 billion dollars for land and basic facilities.

Now, there will be some public money required, if it's a brand-new city. A local government would have to be created which could issue bonds and levy taxes for schools and public buildings of that kind. But the bulk of the funds would come from private developers and industries.

Q. Developers of some of the new towns being built today seem to feel they have to have federal loan guarantees in order to make development feasible. Why is that? Do you think your plan will work without guarantees?

A. Up to now, developments by and large have been too small. They haven't had the assistance of Government in acquiring land, or suitable zoning and building codes.

Depending on circumstances the developer may or may not have less money tied up under our proposal, but the land would be freer of restrictions, and development would take place according to an over-all plan which would envisage balanced, small communities and neighborhoods within the larger complex.

I think that is one of the interesting features of Columbia, that they are creating small integrated neighborhoods—integrated both as to income level and racial background—which promise to work extremely well. They are developing along lines that are acceptable to the people who move in.

Q. How could you apply that concept to a developed area such as Harlem? Would you wipe out everything and rebuild the area?

A. I suspect that for portions of Harlem that might be necessary. But there are areas in New York City—in Brooklyn and Queens and the Bronx and perhaps also in Harlem—which have gone so far downhill, have so many abandoned buildings, that it would not be impossible to acquire a very large area.

Q. Wouldn't you uproot a lot of people in the process?

A. Not if you started with one section involving a very small removal of families, and built on that first, giving people the opportunity to move from another section into it, and so on.

There are some areas where there are virtually no people living.

Q. Can the old buildings be renovated, or do you have to redevelop these slum areas with modern apartment houses?

A. A great deal depends upon the character of the buildings, but experience up till now with rehabilitating obsolete and deteriorated buildings has not been good. It has been terribly expensive, and by and large it hasn't worked. But when you say, "Put up modern apartments," that might or might not be the type of building a developer would choose.

I think the important thing is to try to create viable communities rather than groups of isolated apartment buildings. This is exactly where we made the mistake in the past.

One would hope to have many sizes and types of housing within each community, hopefully suitable for different income levels. For people with the lowest incomes, there would be a need for housing subsidies.

Q. Would a family of four that could afford to pay, say, \$450 a month rent on an apartment feel comfortable living next to a family that could pay only \$135?

A. I believe that if communities are developed the right way, giving adequate freedom of choice to the people who come in, income levels will not necessarily represent built-in incompatibility.

But what the proportions should be, and so on, I think these are things that have to be worked out. I don't pretend that I have a blueprint that would work everywhere. I'm sure it would vary from city to city.

#### "NEW SOURCES OF TAX REVENUE"—

Q. How would redevelopment help the cities to overcome their financial and racial troubles?

A. It would bring new life and new sources of tax revenue into areas which have progressively been producing less and less in the way of taxes.

Q. Do you think it might attract people in the suburb back to the cities?

A. This could well be. I don't think this is at all out of the question, if the development is done on a large-enough scale and with a good over-all pattern that makes it attractive.

If people can walk to work or can go to work easily in 10 or 15 minutes, they would much prefer it to the present setup, where many people in New York are commuting one and two and even three hours each way daily under very uncomfortable and unpleasant conditions.

There is under way now the development of housing along the fringes of lower Manhattan which is going to enable a good many thousands of families to live there and walk to work. This isn't a blighted area, fortunately, but 15 years ago there was a risk that it might become so. It came back as a result of the concerted action of the local landowners and businesses working in the closest harmony with the city, the State and the Federal Government.

Q. Can you see manufacturers moving back into New York and other cities they have left?

A. I don't consider this to be out of the question at all, provided they can be assured of a labor force.

Q. Is it your feeling that there is something good about cities—that people like to live in them?

A. Yes. After all, they did in the past. I still like to. And I think most people would like to much more if they saw the prospect of an improving community rather than a deteriorating community. But here, I think, is where you have to deal with large areas rather than just a few houses in a block.

Q. Mr. Rockefeller, you have just returned from a trip abroad. Are the Europeans ahead of the Americans in coping with the problems of the older cities?

A. I think many European cities have done a better job with housing than we have. They have created housing developments which have become much more attractive neighborhood centers.

Q. Are you speaking of public or private housing?

A. Both.

B. Big apartment buildings or small townhouses?

A. That varies from city to city. By and large, they tend to build walk-up apartments, not the high-rises we have. But somehow they have created a more pleasing atmosphere than I think we have in many of our cities.

Q. Have racial animosities made the problem more difficult in the U.S.?

A. I'm sure that is part of the problem. And another part is the cost of construction, which reflects many factors, among them building codes, zoning requirements and trade-union restrictions.

It all adds up to the fact that we have not yet been able to apply to housing—one of our most important industries—the mass-production techniques that we apply to automobiles or, for that matter, to house trailers. And one reason that we see a tremendous growth of mobile homes is that they are not subject to the same restrictions that non-mobile homes are.

Q. Is that good or bad?

A. Well, I think it's bad in the sense that some of the mobile-home parks are a blight on the countryside in appearance. I see no reason why it wouldn't be possible—if one could clear away these problems that I mentioned—to build attractive, permanent homes using the same techniques that have been used in the manufacture of mobile homes. Some day this will come.

Q. Do you expect the new cities to be made up mostly of apartment houses or single-family homes?

A. I would hope for a considerable mixture—some townhouses, some condominium-type, multiple-family units, and some apartment houses.

Q. What kinds of commitments have you been able to get from the companies that would have to put up the money for the development bank you are proposing?

A. We haven't asked for any commitments yet. We've talked with a number of banks and insurance companies, and on the whole we've gotten a favorable response.

I think that American business recognizes that it is in its own interest and the interest of our country to find a way to solve the extraordinarily great urban problems that we face, and that it has a responsibility to play its part. Business will put up the money, if it sees a way in which it can play a part without losing money but perhaps accepting somewhat less attractive terms than it would normally expect.

You're probably familiar with the fact that the insurance industry has already committed a billion dollars for urban housing. And the banking community recently pledged a like amount and is well on the way to investing that for specific projects in the cities.

So our plan is not completely new. It

simply is an idea that would enable a great many more institutions to invest. Favorable response to this proposal has encouraged us to further refine and test it. To this end we have retained the Real Estate Research Corporation, a management-consulting firm specializing in all aspects of real estate planning and development.

Q. Are the banks investing in large housing projects in New York City?

A. Yes. For example, we and a number of other banks are involved in one on the East Side of New York—in landfill on the river. Waterside is the name of it. This required a 75-million-dollar loan to put up mixed housing, a good deal of it low-income.

#### SHAPING "FUTURE OF OUR SOCIETY"—

Q. Do you consider your plan the big thing that's going to save the cities?

A. I can't believe that any one project is going to be their salvation. What we have done is to identify the roadblocks which have prevented large-scale redevelopment and new community building on a viable basis.

The future of our cities—indeed, the future of our American society—depends on the continuing renewal of older communities and the building of new communities. Major commitments by both the public and private sectors are essential. Government must do what it can do best through its powers of planning, co-ordination, regulation, land acquisition and subsidy. Given this, business will provide the management, manpower, material and financing needed to rebuild our existing cities and create new ones.

We, then, are proposing mechanisms for both the Government and the private sector to perform in their respective roles. One mechanism is a purely public agency for urban growth-and-development policy. The other is a private National Urban Development Bank. If these could provide what has been lacking, then I think this proposal could make a significant contribution.

Q. Do you think the President will look favorably on this proposal?

A. I am hopeful that he will. Thus far, the response from people at the White House has been encouraging.

### REPORT TO NINTH DISTRICT CONSTITUENTS

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. HAMILTON. Mr. Speaker, I include the following commentary on the tax situation:

WASHINGTON REPORT—CONGRESSMAN LEE HAMILTON

The American taxpayer can be excused if he gets a little numb. He pays taxes to local, state and Federal governments on what he earns (income tax), what he spends (sales tax) and what he owns (property tax).

He is probably unaware, however, that Federal income taxes, which seem to get most of the blame for "high" taxes, have been declining over the last 20 years.

Except for the 10 percent surcharge, passed in 1968 and now expired, individual Federal income taxes have not been raised since 1951—and even that increase was allowed to expire in 1953. In fact, the Tax Reform Act of 1969 provided substantial relief for many taxpayers.

State and local taxes, on the other hand, have been escalating during the last two decades. State and local governments have been forced to increase their tax levies as more and more demands have been made

upon them for new or expanded services. Spending for these services has jumped by 12 times since 1946. State and local government costs increased from \$11 billion in 1946 to \$132 billion in 1970.

Most of this cost is borne by sales and/or gross receipts tax, which, in 46 states, is the largest single source of revenue. Last year, only 27 states used corporate and personal income taxes for 20 percent or more of their total revenues. Eight states had no income tax, relying on sales, property and excise taxes for their revenue.

Although the taxpayer tends to generalize about all taxes, the power to tax is shared among the Federal government and state and local governments. The Indiana General Assembly cannot change the Federal income tax schedule, and the U.S. Congress cannot change the state's sales, property and adjusted gross income tax rates.

While the Federal income tax liability has remained relatively stable—or reduced in some instances—one type of Federal tax has increased in the last 20 years. This is the special purpose tax, the revenues from which do not go into the general receipts of the treasury.

User taxes make up a considerable portion of this category. Federal-aid highways are constructed with taxes from the sale of gasoline, tires, auto accessories and trucks. User taxes also are levied on airline passenger tickets, aviation fuel, air cargo, and on the registration of airplanes.

Perhaps the most significant development in taxation is occurring without much public attention or complaint. Federal payroll taxes are becoming an increasingly important part of our revenue system. This method of taxation now is the second largest source of Federal funds. Payroll taxes provide more income to the treasury than corporate income taxes, or any Federal tax, except the individual income tax.

The Federal income tax, enacted in 1913, is a progressive tax, meaning that the more each citizen makes, the more taxes he is expected to pay. But payroll taxes are not progressive taxes, and have little relationship to wage earner's ability to pay. The burden of the payroll tax hits hardest on low and middle income wage earners.

As an example, until 1950, the Social Security withholding tax was 1 percent of the first \$3,000 of income. Today, employers and employees each pay 5.2 percent on the first \$7,800 of income and further rate and base increases are scheduled. Unless the whole concept of financing social security is changed, periodic increasing of Social Security benefits will continue to require ever-increasing payroll taxes.

For the American taxpayer, there may be some consolation—although not much—if he knows the United States enjoys a level of taxation at all levels of government which is appreciably lower than most other industrial nations. Government at all levels took out of private income about 28 percent in this country, as compared to 35-to-40 percent in countries such as France, Germany and Sweden.

### THE HEAT GOT TO WALTER

**HON. ROBERT H. MICHEL**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. MICHEL. Mr. Speaker, I think it generally true that whatever profession or occupation an individual may have selected as his life's work, he is always

more sensitive to what others engaged in the same line of work or endeavor may have to say about issues and problems affecting that particular group.

With that in mind, I should like to call to the attention of my colleagues an editorial appearing in the May 25, 1971, edition of the Peoria Journal Star, entitled "The Heat Got to Walter," commenting upon a recent speech by Mr. Walter Cronkite of CBS News during which he made some rather dramatic charges against the Nixon administration. I include the editorial in the RECORD at this point:

#### THE HEAT GOT TO WALTER

Poor old Walter Cronkite!

He made a frightened speech before the "Radio and Television Society" the other day in which he charged the Nixon administration with a "conspiracy" to "destroy the credibility" of the "free press"—with TV as the prime target.

He admitted there was no evidence of such motives, but proceeded at length to describe this horrid "conspiracy."

He said it was natural for administrations to get "edgy" under the critical eye of the press—but said there is evidence to support THE SUSPICION that it has "conceived, planned, orchestrated and is now conducting a program to reduce the effectiveness of a free press."

Poor devil!

After massive, constant, unremitting attacks over a period of years on government decisions, somebody finally talked back to Walter—and HE immediately gets "edgy" at the appearance of a "critical eye."

It is rather funny and rather tragic. The fact is, of course, that Spiro Agnew accused CBS, particularly, and others of a kind of "conspiracy" of a political nature—and supported his point of view with item-by-item evidence of planning, polishing, and hand-tooling their presentations.

Although the "evidence" of the volume of criticism and the techniques used week after week and on subject after subject was prodigious as to the TV clique's attitude—such charges were regarded as hysterical, "McCarthyite," and shamefully irresponsible by the likes of Walter himself.

Now, on the same kind of "evidence" but much LESS OF IT, Walter is howling "conspiracy!"

If it's a matter of who has the thinnest skin—CBS wins hands down.

The real fuss is over their painful burns from a single recent fiasco—the "Selling of the Pentagon"—for which they heard such lively criticism as the classic letter which said that if a CBS documentary were carefully shaped for 10 months or more to reconstruct and present John the Baptist baptizing Jesus—it would present it as if John were trying to drown Jesus!

The truth is that "free expression" is not a function restricted to Walter Cronkite or the press, and there has never been a doctrine that in order to enjoy "freedom of speech" or press you have to be artificially "free from criticism."

The right of free speech does not make any of us above reproach, and "freedom of the press" is not a license for untouchable megalomania.

We may do a good job or a lousy one, and we certainly have the right to defend ourselves on that basis—but howling that any criticism is an "attack on freedom" is a cop-out.

The "press" has told many a victim in the public arena, "If you can't stand the heat, stay out of the kitchen." The same goes for people in the newspaper or broadcast business. (C. L. Dancy.)

FUNDS NEEDED FOR THE UNIVERSITY OF MISSISSIPPI SCHOOL OF MEDICINE

**HON. CHARLES H. GRIFFIN**

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. GRIFFIN. Mr. Speaker, the House soon will be considering important legislation dealing with health manpower. This legislation is a critical component of the Nation's efforts to create a better and a more meaningful life for all Americans—a life less burdened by disease and suffering.

The reason the forthcoming legislation is so crucial is that health manpower necessary to achieving the goal of better and more meaningful lives is in short supply.

We know, for example, that the United States right now faces a shortage of some 50,000 physicians, a shortage of 57,000 dentists, a shortage of nearly 150,000 nurses, and a shortage of more than 250,000 allied health personnel.

Yet the academic medical centers that educate and train health professionals are facing financial crises which prevent them from fulfilling their essential role in providing this manpower.

I firmly believe that national policy in support of medical education should be based on two concepts—that medical education is a function of national importance, and that the medical institutions involved are a national resource.

Only through viewing medical schools as a national resource and providing Federal support for their basic operations at substantial levels and in a continuing form can this structure of vital institutions and their indispensable functions be sustained.

Mr. Speaker, I was disturbed to learn recently of the severity of the financial conditions at the University of Mississippi School of Medicine, in my own district.

At the school of medicine, conditions of financial distress have forced detrimental changes in the content and quality of a number of programs. These are programs vital to functions of the school, and in some cases vital to my State.

As an example, lack of ability to pay competitive salaries has led to the loss of almost the entire department of anesthesiology. To rebuild this department will

cost approximately double the departmental budget.

Other examples abound. The school's ability to develop a full time department in family practice has been severely hampered. Funds are inadequate to staff badly needed full-time departments in plastic surgery, dermatology, and ophthalmology, and this deficiency is impairing the school's training programs.

Lack of funds has forced the school to forego the recruiting of faculty in a number of important fields, constituting very real handicaps in the training of students and house staff.

Due to lack of funds, the school is threatened with the loss of the only good, human drug toxicology laboratory in the State. The increase in the drug abuse problem makes the provision of toxicology support obligatory.

Furthermore, Mr. Speaker, in an attempt to increase class size and thus to help meet the national need for additional physicians, capital construction has been planned by the school. But the plans have fallen through due to the inability of the school to secure matching funds.

Mr. Speaker, I was shocked by these conditions of extreme financial distress in such a prestigious school.

Provisions in the forthcoming health manpower legislation for construction assistance and for operating support of medical schools can provide useful approaches for meeting the financial needs of Mississippi and of all the Nation's medical schools.

The legislation should be the opportunity for a giant step forward, toward recognizing our medical schools as a national resource. It can be the beginning of a laudable national effort to provide the schools with a fundamental base of support at a substantial level and in a continuing form.

**POLLUTION FIGHTER**

**HON. JOHN G. SCHMITZ**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1971

Mr. SCHMITZ. Mr. Speaker, for several decades our people have been indoctrinated with the idea that only the Federal Government can solve their ills.

Local governments, in line with this concept, have all waited to get the handout from Washington which, being slow in coming and deficient in amount, has made little progress possible, as witness the fight against pollution.

But the profit motive which accounted for our high standard of living and our great freedom, gets things done efficiently, quickly and without cost to the taxpayer. A good example is the extensive and expensive work done by the International Telephone & Telegraph Corp., as described in the following editorial which appeared in the Santa Ana Register under date of April 16, 1971:

**POLLUTION FIGHTER**

It is popular to point the finger of shame for all kinds of pollution at business. But if business has in the past sinned in this area, it is hastening to make amends.

Take for instance the International Telephone and Telegraph Corp. and its subsidiaries. Not only are they involved with developing new products and processes to benefit all of us, but they are rapidly moving into improvement of social-environmental relations so that more of us may be better able to enjoy the new products.

The numerous subsidiaries are trying to improve the quality of life. Stenberg-Flygt AB, maker of industrial pumps, has entered the pollution-control market for the paper industry with a highly efficient proprietary process that purifies and re-uses waste water. In Hoquiam, Wash., helicopters lower anti-pollution "digester caps" into place on gas recovery towers at the ITT Rayonier mill. When Rayonier adds to its mill for chemical cellulose production in Jessup, Ga., it will be equipped with the most advanced air and water protection equipment.

Also in Washington state, Rayonier allows public use of most of its 350,000 acres of land for recreation and provides camping areas with cooking facilities. It has a research unit of oceanographers, marine biologists and air pollution scientists who devote full time to solving and preventing environmental problems associated with company operations. It has invested \$22 million for water protection and \$3 million for air protection.

In human relations, various subsidiaries have provided equal employment opportunities and upgrading of skills, risked venture capital in supporting minority groups having difficulty in obtaining capital otherwise; sponsored 47 drug education seminars in 1970 and turned over a building in Honolulu, rent-free for a year, for a drug clinic; airlifted blankets to Peruvian earthquake victims; and contributed to business training schools.

The list of other voluntary efforts is long and the results are helpful. Perhaps instead of crying "Shame" so often, it is time to look around at good efforts by business and say "Thanks."

**HOUSE OF REPRESENTATIVES—Wednesday, June 2, 1971**

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

*We know that in everything God works for good.—Romans 8: 28.*

O God and Father of us all, who art ever calling us to live with good will in our hearts, help us so to open our hearts to Thee that this virtue may come to new life within us. Then, may we share it with one another and together share it with others across the seas that good will may

reign throughout the world and men learn to live together in peace.

In Thy holy name we pray. Amen.

**THE JOURNAL**

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

**SCHEDULE OF APPROPRIATION BILLS**

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

Mr. MAHON. Mr. Speaker, I have been working with the House leadership in connection with the House schedule on appropriation bills for the months of June and July.

We hope to pass six appropriation