

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

**ORDER THAT SENATE PROCEED TO CONSIDERATION OF AMENDMENT NO. 426 UPON COMPLETION OF ACTION ON AMENDMENT NO. 423 ON TOMORROW**

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that upon the disposition of amendment No. 423 on tomorrow, the Senate proceed to the consideration of amendment No. 426, which has been proposed by the distinguished junior Senator from Wisconsin (Mr. NELSON).

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

Mr. BYRD of West Virginia. Mr. President, a few days ago an order was entered limiting time on Amendment No. 426 by Mr. NELSON to 2 hours, to be equally divided. Am I correct?

The PRESIDING OFFICER. That is correct, and there will be one-half hour on any amendment thereto, to be equally divided.

Mr. BYRD of West Virginia. I thank the distinguished Presiding Officer.

The unanimous consent agreement reads as follows:

Ordered, That effective at the close of the morning business on Wednesday, September 22, 1971, the unfinished business, H.R. 8687, the so-called military procurement authorization bill, be laid before the Senate and that there be a limit of 2 hours of debate on the pending amendment No. 423, to be equally divided and controlled by the Senators from Wyoming (Mr. MCGEE) and Virginia (Mr. BYRD). Provided further, that on any amendment to amendment No. 423 there be 1 hour of debate, to be equally divided and controlled by the mover thereof and the Senator from Virginia (Mr. BYRD).

Ordered further, That following the disposition of amendment No. 423, amendment No. 426, to be offered by the Senator from Wisconsin (Mr. NELSON), become the pending business and debate thereon be limited to 2

hours, to be equally divided and controlled by the Senator from Wisconsin and the Senator from Mississippi (Mr. STENNIS). Provided that on any amendment to amendment No. 426, debate be limited to one-half hour thereon, to be equally divided between the mover and the Senator from Mississippi (Mr. STENNIS).

**PROGRAM**

Mr. BYRD of West Virginia. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 11 o'clock a.m. Immediately following the recognition of the two leaders under the standing order, there will be a period for the transaction of routine morning business for not to exceed 15 minutes. At the conclusion of the routine morning business, the Senate will return to the consideration of the unfinished business, which is the military procurement authorization bill. The pending question at that time will be on the adoption of Amendment No. 423. There is a time limitation on that amendment of 2 hours, to be equally divided, with an additional time limitation on any amendment thereto of 1 hour, to be equally divided.

Upon disposition of that amendment, the Senate will proceed to the consideration of the Nelson amendment, on which there is a 2-hour limitation.

There will undoubtedly be a rollcall vote on amendment No. 423 by Mr. MCGEE. So the Senate is on notice that a rollcall vote could occur at about 1 p.m. tomorrow, if all time on the amendment is used and not yielded back.

Upon the disposition of that vote, it is then assumed that there will be a rollcall vote following the expiration of the time on the Nelson amendment. So the Senate will further be on notice that there could be a number of rollcall votes on tomorrow.

**ADJOURNMENT UNTIL 11 A.M.**

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 37 minutes p.m.) the Senate adjourned until tomorrow, September 22, 1971, at 11 a.m.

**NOMINATIONS**

Executive nominations received by the Senate September 21, 1971:

**DEPARTMENT OF DEFENSE**

Dudley C. Mecum, of Massachusetts, to be an Assistant Secretary of the Army.

**U.S. COURT OF MILITARY APPEALS**

Robert M. Duncan, of Ohio, to be judge, United States Court of Military Appeals, for the term of 15 years expiring May 1, 1986.

**CONFIRMATIONS**

Executive nominations confirmed by the Senate September 21, 1971:

**U.S. CIRCUIT COURTS**

James Hunter III, of New Jersey, to be a U.S. circuit judge, third circuit.

James Rosen, of New Jersey, to be a U.S. circuit judge, third circuit.

John A. Field, Jr., of West Virginia, to be a U.S. circuit judge, fourth circuit.

**U.S. DISTRICT COURTS**

William Brevard Hand, of Alabama, to be a U.S. district judge for the southern district of Alabama.

Sherman G. Finesilver, of Colorado, to be a U.S. district judge for the district of Colorado.

**DEPARTMENT OF JUSTICE**

Robert A. Morse, of New York, to be U.S. attorney for the eastern district of New York for the term of 4 years.

**U.S. PATENT OFFICE**

Rodney Doane Bennett, Jr., of Maryland, to be an examiner in chief, U.S. Patent Office.

**EXTENSIONS OF REMARKS**

**FRESH FISH FOR ALASKA**

**HON. NICK BEGICH**

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. BEGICH. Mr. Speaker, while the fishing industry is one of the most important segments of the Alaskan economy, many Alaskans find fresh fish products unavailable in their local markets. Most fish caught in Alaska and available for distribution in the State are first shipped to the "lower 48" for processing. Needless to say, this is an unnecessary expense to the Alaskan consumer and an unfair practice to those Alaskans who enjoy fresh fish.

Recently, John Wiese, writer for one of Alaska's most distinguished newspapers, the Anchorage Daily-News, wrote an interesting article regarding the problem of making fresh fish available to Alaskans. At this time, I would like

to include into the RECORD the article Mr. Wiese wrote.

The article follows:

**FRESH FISH FOR ALASKA**

(By John Wiese)

A gripe that has persisted for fully half a century has been the unavailability of fish products for local retail distribution unless they had been first shipped to the lower 48 after being processed from stocks caught in Alaska waters.

A program instituted in Anchorage by the Whitney-Fidalgo people promises to substantially reduce some of the adverse effects of this situation.

In the past, with rare exception, items like canned salmon or crab meat or clams that grocers have stocked for urban Alaskan customers could not be obtained by the store keepers directly from plants where the products had been packed. This has been especially true with "name brands."

These items had to be ordered by the retailers through their established wholesale suppliers who shipped them north through Seattle. Obviously, convenience and cost suffered adversely.

Several reasons were always offered for this practice.

Processing plants in Alaska were not adequately equipped to make the relatively small sales represented in local consumption requirements.

Products are required to go through quality-control inspection procedures and these are arranged only in Seattle or Astoria or San Francisco or Bellingham. Changing this would cause undue costs.

Labeling or repackaging or otherwise finalizing the fish products was almost never done at the Alaska plants so the trip Outside is mandatory before they can be available for retail sales.

Whitney-Fidalgo has started an Alaska distribution facility in Anchorage that changes things. They are even warehousing a total of 3,000 cases of various types of canned salmon in Anchorage to be distributed to retailers and institutions in the state, according to Tom Doyle, superintendent of the firm's freezer and cold storage plant here.

The plan calls for a year-round operation from this plant which is located near Anchorage International Airport.

In addition to the canned products, fresh

and frozen fish products are also to be stocked. Some items are to be especially processed here for intrastate trade.

An instance of this is king and Dungeness crab. The firm has been bringing crab in from receiving points (chiefly Homer at present) and processing it here to accommodate a fresh-never-frozen requirement on a sustaining basis and, at the same time, preparing some of it for later sales by freezing it in both household and institutional packaging.

Stocks have also been arranged so that fresh halibut, sablefish and salmon is on hand locally with frozen products available when the fresh items are out of season.

A unique feature of this venture is an offering of filets and other prepared forms of ground fishes such as red snapper, ocean perch, sea bass, etc. that are being purchased from fishermen augmenting their otherwise-normal salmon fishing operations in places like Homer, Seward and Kodiak.

When these items have been offered in retail outlets heretofore they have been products brought here from Seattle, usually fresh-frozen. And some of them are actually stocks that were originally taken from coastal waters of the state.

This local fileting operation is on a pioneering basis and is contingent on the dual conditions of fishermen's persistence and successes as well as developing acceptable skills in the plant's crew of fish butchers and fileters. But if it succeeds technologically it should be a real boon for the local marketplace and consumers.

A major prospective user of this source of fish stocks is the military complex in Alaska. Included in the promotion is an effort to furnish the fish needs for both the military messhalls and the retail counters (PX) that provide foodstuffs for military families. Most of the fish products are now supplied from out of state.

Doyle reports that the Whitney-Fidalgo volume of business being handled at the present time is near the 6,000-pound-a-week level. And it has been in operation for less than two months.

The motivation for this innovation was admittedly no exclusively an altruistic desire to correct a chronic inequity by providing Alaska's non-fishing community with fresher and (hopefully) less costly products from their neighboring seas.

The major reason for the operation is strictly economic.

Whitney-Fidalgo operates two plants in Anchorage which is in a district that is not much of a fish source for industrial purposes. One of these plants is the cold storage plant and the other is the salmon cannery on Ship Creek flats that is usually termed the "Emard cannery" by old-timers.

These operations work with raw material that is hauled great distances, compared to the otherwise-normal processing stocks of fish factories. Some of their salmon was hauled all the way from Kotzebue in the Arctic (by air yet!) and some of their raw stocks come from as far east as Yakutat and as far west as Kodiak and Naknek.

Whitney-Fidalgo executives have said that they are convinced that the future is certain to witness the development of airlifted fish products—especially the more valuable varieties like some of the salmon species and shellfishes—and they are determined to be a part of such developments.

This means that they must operate, as economically as possible, on a year-round basis and must put together a technically efficient staff and labor force that can handle the stuff they hope to trade in.

These requirements obviously should also be able to provide the necessary skills to produce and handle the fish needs of Alaska without exposing the products to a needless round trip to Seattle.

## NEW IDAHO HIGHWAY ENFORCEMENT PROGRAM

### HON. FRANK CHURCH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Tuesday, September 21, 1971

Mr. CHURCH. Mr. President, the current issue of the FBI Law Enforcement Bulletin contains an article by Capt. Ervin T. Dunn, of the Idaho State Police, in Boise, describing a new system developed by his agency to help enforce highway speeding laws by use of aircraft.

Captain Dunn writes:

In our program, we attempted to reduce violations where they were known to be excessive and, at the same time, to make it possible to measure the reduction for evaluation purposes. We developed some new methods that could make the use of aircraft in speed control programs much more practical and effective.

I am highly pleased that my own State has taken the lead in finding new ways to reduce measurably the incidence of excessive speed on our highways, which is a prime cause of traffic fatalities.

I ask unanimous consent that Captain Dunn's article be printed in the Extensions of Remarks.

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

#### AN AIRCRAFT ENFORCEMENT TEST PROGRAM

(By Capt. Ervin T. Dunn)

Aircraft enforcement of speed regulations is not a new technique; it has been used and is still being used by many States. Even though the procedures from State to State vary to some degree, in a broad general sense they are quite similar.

These programs use various types of aircraft, different lengths of measured distances for determining speeds, and many methods of planning when and where the planes are to be used. There are numerous and varied markings on the highways for pilots to use in making their calculations and for the motoring public to see. Most of them have a decided psychological effect on the motorist.

In our program we attempted to reduce violations where they were known to be excessive and, at the same time, make it possible to measure the reduction for evaluation purposes. We developed some new methods that could make the use of aircraft in speed control programs much more practical and effective.

Our project was conceived on November 2, 1970, but, because of pilot difficulties and pilot training, it was December 8 before speed enforcement on the selected area began. Two months was the period of time allocated to the program, a short time as tests go, but we hoped this period would give the same picture as if it had been set up several months, or even a year. The program was to test whether aircraft patrol would reduce the number of accidents and fatalities on a given stretch of road; in this particular case, 150 miles made up of 82 miles of 70 m.p.h. divided interstate, 20 miles of 2-lane 70 m.p.h. road, and 48 miles of 2-lane 60 m.p.h. road. One hundred fifty miles is a long distance, of course, to patrol with one piece of equipment in hopes of influencing the behavior of drivers and, at the same time, measuring the effect within a 2-month period.

The program began with two main assumptions that seemed reasonable and valid. First, the bulk of serious accidents and fatalities are caused by speed, which almost always ranks first on "accident causes" lists. Second, data collected on fatalities over a specific stretch of road can be misleading because one accident can produce several fatalities and render the information practically useless or, at least, difficult to understand as far as control of fatal accidents over the given distance is concerned.

Further, we also knew that any data collected on accidents or accident rate for the test span of roadway could be adversely affected because this was the time of year when slick roads and sudden storms could bring a rash of accidents that would not be indicative of normal accident rates.

#### PRESSING NEED

Our need to have the information by a certain date was the reason the program was put into effect in the late fall and winter, but we were reasonably certain there would be enough clear days and clear highways to finish the survey. The program was designed to cover 60 days with approximately 44 days of flight time. However, because of inclement weather, the 44 days were reduced to 27 days in the air. On several of these days flight time was reduced by more than half, and it was impossible to cover all of the 150 miles of selected highway on those days. We checked all 150 miles only 14 times during the program.

Since the fatality rate and the accident rate would require such a long period before either would or could show a reasonable response to the aircraft enforcement program, a plan was adopted to control the speed violation rate which included measuring this rate from time to time to make certain of the desired results. We felt the control of the violation rate would eventually control the accident and fatality rates because both seemed to be directly related to the violation rate.

Vital parts of the survey, we feel, were the system used to measure the size of the problem before the aircraft was employed and the system used to measure the effect of the aircraft on that problem, from time to time, to determine if the program was doing the job of reducing the violation rate, and to what degree. This was done with a speed computer system the author designed and copyrighted. This computer system makes it possible to place the survey car from three-eighths to one-half mile away from any highway and instantly and accurately compute the speeds of vehicles seen traveling on that highway from that vantage point.

The advantages to this system are that speed surveys can be taken without the motorist's being aware that his speed is being computed, and his speed is not influenced by cars or equipment on the right-of-way, which does have a deterrent effect on getting accurate figures for speeds.

One feature of the program was the method of selecting cars to be checked. The speed of the driver was not necessarily considered for putting him in the survey or leaving him out. The chief requisite had to be that he was free to travel at any speed he might choose. In other words, it would not be beyond belief to visualize 100 cars strung out behind a truck they could not pass, and the result would be a 100-car survey with no violators of the posted speed. Large trucks were also eliminated from the survey because we felt aircraft would have little or no effect upon their speeds, and most of them were not free to travel at any speed they chose, being restricted by company policies, tachometers, and revolutions-per-minute recommendations for equipment. Loads,

themselves, would be restrictive to some degree. If a motorist was free to travel at any speed he might choose, he was entered in the survey. If not, he was left out.

100-CAR SEGMENTS

Almost all of the tests were based on 100-car segments because it was learned that 100 cars passing a given point on the highway would be indicative of how all traffic by that point for the balance of the day would proceed. Two studies were run for a 24-hour period to give a clearer picture of driving behavior at different hours of a day, but they merely bore out that a 100-car test would give a good cross section of what could be expected of the traffic.

The No. 1 survey, prior to putting the aircraft in the air on speed enforcement, was actually five separate surveys of the 150-mile selected stretch and was done to give a picture of the violation rate on the stretch under normal conditions. Most of the figures shown as violations in the surveys (see chart) represent speeds of 1, 2, 3, and up to 10 m.p.h. above the posted speeds. Speeds of 80 to 90 m.p.h. represented approximately 10 percent of the violations, and there were speeds of well above 100 m.p.h. (a little over one-half of 1 percent) on the freeway sections of the test area. Excessive rain at one position prevented the collection of any conclusive data.

SECOND SURVEY

The No. 2 survey was also five separate surveys and was taken after the program had been put into effect. One plane had flown the area for a total of about 60 hours and had assisted ground crews in making 87 arrests for speeding and in issuing 30 warning cards. The violation rates during this survey are shown in the chart. Milepost 162 on this survey represents the one that had previously been rained out. There are a noticeable reduction in the violation rates at three sites and an increase at Milepost 109.9 which was shocking to the survey crew. We later discovered that this was a patrol area posted 60 m.p.h. and bound on each end by a 70 m.p.h. posting. Drivers were coming off a 70 m.p.h. freeway, going through a small town, then right out into the 60 m.p.h. zone. In all probability, a reevaluation of the 60 m.p.h. posting will be seriously considered.

An aircraft enforcement program could well be a means of pointing out needs for speed posting reevaluations from time to time.

EVALUATION

A second evaluation of the aircraft program was made at the close of the flight program (completed after 141 hours flight time). At that time, the violation rates were taken again at four of the five selected locations, and most showed the movement of the extremely high speeder downward into speeds within our tolerance areas. We were again unable to make a survey at Milepost 162 because the road was broken up and repair crews were in the area. Milepost 109.9 continued to show increases in some of the high speeds. There were, however, excellent enforcement results on each flight, with many arrests made in the 90 to 100 m.p.h. range. There were approximately 140 arrests made altogether during the program with almost all violations for 85 m.p.h. or more. In addition, there were 40 warning cards issued for speeds above 75 m.p.h.

DOUBLE USE

Another interesting part of the Idaho Aircraft Enforcement Test System is that the same computer system used to make the initial survey was used in the aircraft to determine speeds of the motorists. The system does not require special measured distances or marks on the highways other than the white centerlines that are already there. The white centerlines are placed with mechanical accuracy that can be predetermined.

The three big advantages are: The system does not require measured distances painted on the surface of the highway and does not confine the plane to those places where measured distances appear. Because the speed of an approaching car can be checked in 4 to 5 seconds, it is possible to check the speeds of traffic coming toward the plane, and turnarounds are unnecessary except in those cases where an already checked violator is wanted. The third factor is that one patrol car can follow the plane at approximately 55 m.p.h. over long distances. The patrolman's getting 4 or 5 miles behind creates no problem because the pilot is checking the speeds of the heavy traffic going in the opposite direction from the plane. When the pilot finds a violator, he turns around and follows the speeder back to the trailing car, describing him to the patrolman by radio. It is possible to check the violator's speed several times while going back to the trailing patrol car.

The computer system makes use of the fact that every speed is directly related to every other speed through time and does not need measured distances to make the computations. The system has been in use in Idaho as an enforcement tool on the ground since 1956 and has been used from aircraft several times in selected cases.

EFFECTIVENESS

The aircraft enforcement program has proven a very effective instrument for bringing enforcement pressure on exceedingly high-speed drivers. One plane and a trailing patrol car using the system can cover from 50 to 75 miles of assigned highway with plenty of work to keep both pilot and patrolman busy. Highways with 300 to 400-cars-per-hour volume are ideal for this situation.

From his 1,000 to 1,500-foot up-in-the-air seat, the pilot can observe 5 to 6 miles of highway most of the time, check the entire 50 or 75-mile length in a very few minutes and pick out almost every violator of the posted speeds.

In addition to speed enforcement, the plane can also be used for other functions, such as, search for lost hunters, surveillance of slow-moving traffic problems, surveillance of school bus routes and problems, check of little-used highways occasionally, observation of double-line areas, and location of stolen, abandoned, and stripped cars in out-of-the-way places. These additional uses make the plane a valuable piece of standard equipment even if it were only assigned to speed enforcement on selected occasions.

Generally, the program was too short in length and covered too many miles. It is a good program where enforcement results are needed in connection with high speeds over open highways. There were problems with weather and a definite problem in connection with assignment of personnel to work the program. The program would work much better where plane and personnel needed are assigned to the project for the duration. Then one car could follow the plane over long distances and return the same day without assignment from separate districts.

COMPARISON OF COSTS

After making a comparison of costs for lease and purchase of a tandem 2-place plane and a 4-place plane, we decided to lease a 2-place aircraft. The cost of the program will run slightly over \$2,300 over and above regular budget items. There will be around \$2,000 collected in fines and costs.

OBSERVATIONS

Final reports on arrests and fines are not complete at this time. The program can bring a tremendous amount of enforcement pressure on speeders in well-selected areas. Results can be tabulated and evaluations made, but a continuing program of this nature needs much more planning and preparation than was possible for this project. The project would work exceptionally

well for special occasions and problem assignments.

MILEPOST 90

[In percent]

	Survey No. 1 (928 cars)	Survey No. 2 (100 cars)	Survey No. 3 (100 cars)
71 to 79 m.p.h.....	20.6	20	34
80 to 89 m.p.h.....	10.5	9	6
90 to 99 m.p.h.....	1.6	1	0
100 and above.....	0	0	0
Nonviolation.....	67.3	70	60

MILEPOST 109.9

[In percent]

	Survey No. 1 (100 cars)	Survey No. 2 (100 cars)	Survey No. 3 (100 cars)
61 to 69 m.p.h.....	34	45	55
70 to 79 m.p.h.....	24	30	21
80 to 89 m.p.h.....	4	3	6
90 to 99 m.p.h.....	1	0	0
100 and above.....	0	0	0
Nonviolation.....	37	22	18

MILEPOST 147

[In percent]

	Survey No. 1 (100 cars)	Survey No. 2 (100 cars)	Survey No. 3 (100 cars)
71 to 79 m.p.h.....	38	40	27
80 to 89 m.p.h.....	22	3	5
90 to 99 m.p.h.....	3	0	0
100 and above.....	1	0	0
Nonviolation.....	36	57	68

MILEPOST 162

[In percent]

	Survey No. 1	Survey No. 2 (100 cars) (percent)	Survey No. 3
71 to 79 m.p.h.....	(1)	28	(2)
80 to 89 m.p.h.....	(1)	8	(1)
90 to 99 m.p.h.....	(1)	0	(1)
100 and above.....	(1)	0	(1)
Nonviolation.....	(1)	64	(1)

<sup>1</sup> Rained out.

<sup>2</sup> Road broken up, survey impossible.

MILEPOST 195

[In percent]

	Survey No. 1 (1,297 cars)	Survey No. 2 (100 cars)	Survey No. 3 (100 cars)
71 to 79 m.p.h.....	40.7	25	39
80 to 89 m.p.h.....	12.7	9	8
90 to 99 m.p.h.....	1.3	1	2
100 and above.....	.003	0	0
Nonviolation.....	45.3	65	51

Note: The groups of numbers under surveys 1, 2, and 3 show the percent of violations at five separate locations taken under similar circumstances and weather conditions.

MINNEAPOLIS HEALTH HEARINGS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. FRASER. Mr. Speaker, the health needs of our youth were aptly demonstrated by two witnesses who testified

during the recently held Minneapolis health hearings. Pointing out that the health needs of our youth are vastly different from those of other age groups, Mr. Jim Brink discussed the operation which he heads, the Southeast Drop-In Center.

This organization, comprising interested laymen, attempts to deal with problems facing juveniles on a preventive basis. Recognizing that most young people with drug problems will come to the center needing treatment, members of the center attempt to move from strictly treating bad trips to discovering the underlying reasons for drug use. These dedicated laymen have discovered that some of the young find it extremely difficult to deal with the larger, public institutions in the twin cities. The drop in center, therefore, provides a middle ground between the public institutions and the concern which leads to involvement of those people who wish to help. When the problem becomes extremely serious, referrals to professionals are made.

Mr. Brink argued persuasively for everyone to consider youth drug problems as essentially mental health problems. It is his belief that only by starting from this premise and involving the lay members of the community can the serious drug problem of youth be prevented.

Another center attempting to solve some of the problems facing youth in the twin cities is the Children's Health Center and Hospital. This organization established a teen-age medical service and a walk in counseling center.

At the hearings, Dr. Elizabeth Jerome detailed some of the activities of the center. The medical center, for example, is staffed by 15 volunteer physicians, 35 nurses, and five volunteer lab technicians. These professionals see approximately 500 youths per month. Open 3 nights a week and 3 mornings during the week, the medical center draws from all areas of the twin cities.

The walk in counseling center is opened every evening and is staffed by 30 volunteer professional psychologists. These psychologists supervise approximately 50 students in training who serve approximately 6 months at the center. A further breakdown of the services provided is enclosed at the end of the report.

One of the startling discoveries related by Dr. Jerome was the degree of alienation of these youth. Many were medically alienated from their family physician or from their own parents. These youth sought service at the clinic. Also, many parents bring their own children to the center. That is a significant tribute to the need that the center fills.

Since the hearings, the Children's Health Center has received financial assistance to continue these two programs. A statement explaining that financial award in more detail appears below.

These centers, the teenage medical service and the walk in counseling center are major innovative steps attempting to deal with the specific problems facing youth. They deserve encouragement from elected officials and require broad support from the community. They are examples of a response to a need that is

not based on financial incentives. We should look at the motivation of the laymen and professionals who donate their time and expertise. Ignoring these motivations may cause us to develop a system concerned only with financial rewards.

The statement follows:

CHILDREN'S HEALTH CENTER, INC.

TEENAGE MEDICAL SERVICE

Annual report for 1970

The following is a summary of the work done at the Teen-Age Medical Service, 2425 Chicago Avenue, during the year of 1970. This is a clinic staffed with voluntary nurses and physicians. The ages of patients treated range from 10 to 20 years old. There is a social worker available every evening as well as psychological counseling services available every evening.

Area of residence

Model neighborhood.....	705
Other neighborhood.....	862
Suburbs of Minneapolis.....	546
Out of city and/or State.....	247
Total patients seen in 1970.....	3,762

Patients seen in January 1970.....	80
Patients seen in December 1970.....	423

Patients referred by

Friends.....	968
Yes.....	549
Schools, organizations and agencies.....	504

Reasons why seen

Physical exams with forms to fill out.....	306
Medical patients.....	725
GYN patients.....	473
Suspected venereal disease.....	631
Confirmed venereal disease.....	124
Rechecked venereal disease (Past 5 mos. only).....	58
Birth control interviews (Past 7 mos. only).....	385
Birth control exams (Past 7 mos. only).....	238
Possible pregnancy.....	582
Confirmed pregnancy.....	382

MAJOR GRANTS TO CHILDREN'S HEALTH CENTER BROADEN AID TO TEENAGERS

Two grants totaling \$182,930 have been awarded to Children's Health Center, Inc. of Minneapolis (CHC) for its satellite clinics, the Teen-Age Medical Service and affiliated Walk-In Counseling Center.

A grant of \$72,460 was awarded from the Department of Health, Education and Welfare to develop demonstration projects in the two clinics for the health care of teenagers. "The money is to be used to develop a more personalized style of health services for that group of teenagers who are currently not accepting health services through our established institutions," according to Dr. Arnold S. Anderson, Principal Executive Officer of Children's Health Center, Inc.

The two clinics function as a bridge across the "generation gap" and the developmental monies from this grant will be used to strengthen that bridge.

"Initially, development funds will be used to explore means of re-establishing family involvement in health problems of "alienated" teenagers, and to explore the use of consumer inputs from the teenagers themselves in the management of the operations," said Dr. Anderson.

Fifth District Representative Donald Fraser was helpful in making known to the Office of Child Development in Washington, D.C. the unique value of the functions of the two clinics.

The second grant, totaling \$60,470, comes from the Governor's Commission on Crime Prevention and Control through the City of Minneapolis. It will enable the clinics to establish a project to evaluate their programs and centers; to coordinate their activities; to establish liaison with criminal justice and

health agencies; and to gather data on the kinds of problems they see and treat. The information will be made available to other community resources and to colleges and universities for use in training social workers, police officers, health professionals, etc.

The Teen-Age Medical Service and Walk-In Counseling Center operate out of two older houses located side by side at 2425 and 2421 Chicago Avenue, Minneapolis. Opened in 1969, the Teen-Age Clinic has treated over 8,500 youths between the ages of 10 and 20 free of charge. Together, both clinics have seen over 11,000 patients.

The site of the new Children's Health Center building, now under construction, is a half block south of the free clinics at 25th and Chicago Avenue.

U.S. CHROME ORE SUPPLY

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, September 21, 1971

Mr. BYRD of Virginia. Mr. President, an excellent editorial on the subject of the U.S. position with respect to its chrome ore supply was published in the Hopkinsville, Ky., New Era of August 28, 1971.

I ask unanimous consent that the editorial, entitled "Wrong Direction," be printed in the Extensions of Remarks.

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

WRONG DIRECTION

Does it make sense that a nation should be dependent upon a potential enemy to supply a material which would be needed in case of armed conflict?

Sen. Harry F. Byrd Jr., the Virginia Independent doesn't think so, but he seems to be having a hard time convincing enough people around official Washington that the old cavalry would never have pushed the Indians out of the West if the Army had had to wait for the Redmen to sell the soldiers enough arrows to wage war.

But the Virginia senator refuses to be discouraged and has introduced a piece of legislation which is vital to the future of the United States as a free nation. Presumably the Congress will get around to taking up the Byrd bill when the recess is over next month.

Byrd's bill provides simply that importation of strategic materials from a Free World country cannot be prohibited so long as imports of the same commodities are permitted from a Communist country.

The purpose of this provision is to correct an almost insane situation which has been permitted to develop and which now endangers America's capacity to defend herself in case of Soviet aggression. This is the refusal of the United States to buy chrome ore, vital to defense production, from Rhodesia, and its increasing reliance upon none other than Russia for this strategic material.

The United States refuses to trade with Rhodesia because it is ruled by a minority government and allegedly is a threat to international peace. As a consequence, the U.S. now buys a major portion of its chrome ore from the Soviet Union, a country which is ruled by a brutal one-party dictatorship and constantly instigates threats to world peace.

The result is that the United States has made its defense production dependent upon the very nation we are supposed to be defending ourselves against. Dependence now is estimated at more than 50 percent. It will go higher to the point of paralyzing American

defenses unless our elected representatives stir themselves.

Byrd's legislation would have the effect of reopening trade with Rhodesia and easing the Soviet grip on America's defenses. The issue is nothing less than our survival as a free and independent nation, but official Washington today is so caught up in false hopes of peace that neither the administration nor Congress will act unless they hear from the people.

We may be foolish enough to arm the Soviets in case a shooting war gets near, but you can bet the Russians wouldn't do the same for us.

## PROSPERITY AND PRODUCTIVITY

### HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. PELLY. Mr. Speaker, the nationwide response to President Nixon's wage-price freeze has surprised some of the previous critics of his economic policies. In the first month following the President's historic speech on the economy, Americans in all walks of life have indicated newly restored confidence in the measures proposed by Mr. Nixon to end inflation and bring prosperity to the Nation. Meanwhile, there seems to be a willingness to sacrifice, and, while the program, and especially the wage-price freeze, creates some inequities, and, in some instances, hardships, the reaction of Americans in general is one of patriotic determination to do their part toward making the freeze work voluntarily.

So, Mr. Speaker, we can look back at the last 30 days with satisfaction and now turn our attention to a phase 2 plan to follow the 90-day freeze. This issue is not to play politics with the presidential election next year. The plan to protect our economy involves the living standard and livelihood of the American worker who has a vital stake in the stability of the American dollar and the ability of our Nation to maintain its industrial leadership in the face of ever-growing foreign competition.

Economists do not all agree as to the proper and fairest solution. However, I venture to say America will not halt its inflation and restore prosperity until in this country production per man-hour is in balance with the cost per man-hour. Rising costs have priced U.S. goods out of the marketplace both abroad and at home and U.S. capital has fled to foreign countries to meet this situation.

I do not blame labor for seeking more for its services. I do blame management for yielding on wages without gaining assurances of increased production. Collective bargaining seems to be failing and the strike weapon seems neither to benefit the worker nor management but instead penalizes the consumer and the public.

So, Mr. Speaker, as I see it today this country must seek alternatives in labor-management relations and greater production should be the basis of increased wages if we are going to curb inflation and reduce unemployment.

Congress will try to meet the economic crisis with a new tax program, but I

doubt if such a plan succeeds unless there is greater incentive to workers and management alike for increased productivity.

## AMERICANS WANT TO PRAY; CHURCHES DO NOT WANT THEM TO

### HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. RARICK. Mr. Speaker, while the people of America want their children to be able to pray in school, the churches object, claiming this would "take away religious freedom."

We now learn that 208 of the 218 required Members of the House have responded to public opinion and the outpouring of faith from the people and signed the discharge petition to force a House vote on the prayer amendment that would restore the right of American schoolchildren to engage in nondenominational prayer, a right that all Americans had enjoyed until abrogated by judicial fiat in the Supreme Court decisions of 1962 and 1963.

We are also told that the principal opposition to such a prayer petition comes from religious groups including the American Baptist Convention, Baptist that would restore the right of American Baptist Conference, the executive council of the Episcopal Church, United Methodist Church, Church of the Brethren, Lutheran Church in America, United Presbyterian Church, Unitarian-Universalist Association, Churches of Christ, Mennonites, and 12 different Jewish groups.

I include a related news article detailing this paradox in the RECORD:

[From the Washington Star, Sept. 20, 1971]  
SCHOOL PRAYER FIGHT REKINDLED IN HOUSE  
(By Ronald Sarro)

The long-smoldering school prayer controversy has been rekindled in the House and may come to a vote soon.

Few members anticipated that Rep. Chalmers P. Wylie, R-Ohio, would have much success when he filed a petition April 1 to force a House vote on the issue.

But at the close of House business last week, 208 of the 218 members required had signed the petition, and it appeared Wylie might obtain the remaining 10 signatures.

Opposing religious groups have just launched a counter campaign to get Congressmen not to sign, or to remove their names if they have signed.

At issue is a proposed constitutional amendment, locked in the Judiciary Committee for years. Wylie's petition would force the committee to release the amendment for a House vote.

Supporters say the amendment would put prayer back in the classrooms and overcome 1962 and 1963 Supreme Court decisions banning organized prayer in public schools.

Opponents say the amendment actually would take away individual religious freedom. A committee of 38 national religious leaders and organizations urged Congress Friday to reject the amendment.

Support for a vote in the House has been building steadily, mainly because of the lobbying efforts of Mrs. Ben Ruhlin of Cuyahoga, Ohio, and her 30-member Prayer Cam-

paign Committee. They have lobbied both in Washington and in home congressional districts for signatures on the discharge petition.

Wylie says public petitions bearing more than 100,000 names stimulated him to take up the school prayer fight, which previously had been led by the late Sen. Everett M. Dirksen, R-Ill.

Wylie is critical of the Judiciary Committee, which decided against any action after extensive hearings on the prayer issue in 1964, for refusing to bring the issue to the House for a vote.

Wylie says, "Every public opinion indicator shows that (a school prayer amendment) has been continuously supported by an overwhelming percentage of the American people."

The Rev. Robert G. Howes, an associate professor at Catholic University and national coordinator of Citizens for Public Prayer, says a poll earlier this year by Opinion Research of Princeton, N.J., indicated 80 percent of the nation favors the return of school prayer.

The Judiciary Committee chairman, Rep. Emanuel Celler, D-N.Y., says it carefully considered in 1964 all of the proposals for prayer amendments, including Wylie's language, and came to the conclusion that it would be highly dangerous to tamper with religious freedom under the Constitution.

Wylie's proposed amendment says: "Nothing contained in this Constitution shall abridge the right of persons lawfully assembled, in any public building which is supported in whole or in part through the expenditure of public funds, to participate in nondenominational prayer."

Celler and others have attacked the specific language, particularly the term "nondenominational prayer." One opponent contends such a prayer could only begin with the words, "To whom it may concern."

The petition opposing the amendment was sent to Congress last week by religious groups including the American Baptist Convention, Baptist General Conference, North American Baptist Conference, the executive council of the Episcopal Church, United Methodist Church, Church of the Brethren, Lutheran Church in America, United Presbyterian Church, Unitarian-Universalist Association, Churches of Christ, Church of the Brethren, Mennonites, and 12 different Jewish groups.

"We express the long-standing official position of the nation's religious faiths which affirm the adequacy of the First Amendment to protect religious interest and to insure religious rights," the petition said.

The proposed amendment would wrongfully allow government to determine both the place and content of prayer, they added.

They added that "we affirm the right of school children or any other segment of the population to engage voluntarily in their own prayers without government authorization or supervision. This right is adequately protected by the First Amendment as it now stands."

## TRIBUTE TO A POLICEMAN

### HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. QUILLEN. Mr. Speaker, recently the members of the Johnson City, Tenn., police department were presented with the First Union of Policemen Charter in the State of Tennessee. In honor of these fine members and the law enforcement profession, Mr. U. S. "Steve" Nelson authored a special poem entitled "Tribute to a Policeman."

Mr. Nelson is a young man who is active in civic affairs related to young people and public education. A native of Erwin, Tenn., he serves as a staff writer for the Johnson City Press-Chronicle, in addition to being director of public information for the Sullivan Central High School, Blountville, Tenn.

He attended Steed College and East Tennessee State University, Johnson City, Tenn., and often assists in projects at local high schools, civic, and religious organizations.

He was awarded the 1969 George Washington Honor Medal by the Freedom's Foundation, Valley Forge, Pa., and he has received numerous other awards.

The members of the law enforcement profession are certainly to be commended for their dedication and devotion to the well-being of all Americans. Mr. Nelson's tribute is excellent, and I feel it is a very fitting tribute to this profession. It is my pleasure to make it available to readers of the RECORD:

#### TRIBUTE TO A POLICEMAN

(By U. S. "Steve" Nelson)

- His is a noble profession, an honorable profession.
- The dignity of his profession is surpassed only by a sincere dedication to duty.
- Caution is his unwritten, unbreakable law of survival, and justice is the only yardstick with which he can measure his actions.
- His is an awesome position of power. A decision, made in a split-second of justice and judgement can open the door of opportunity for a productive life, or, it can slowly and surely close that door, ending that life itself.
- His is a continual effort of understanding, but compromise is the cardinal violation of his oath.
- His first rule is to respect, but his due is to be respected by those whom he may serve.
- His service knows all hours of the clock, and his vigilance finds its conclusion only in the exhaustion of a total effort.
- His effort is limited only by the demands placed upon him by those who request his services.
- His mission is destruction—Destruction of those forces which would undo our civil way. At the same time, however, his is a mission which demands the building of a stronger force, free from any and all political manipulation.
- The tool of his mission are ideals of constructive purpose, and nothing less than total commitment to his purpose will suffice if his mission is to be successful.
- He is a servant of destiny.
- His presence insures the continuation of justice and protection.
- His absence is the guarantee of chaos, confusion and less than desirable conditions for the society in which we live.
- He is not the toy of selected officials. Nor is he to be abused, misunderstood, disrespected, nor taken for granted.
- His appointment to his office demands gratitude and respect as our citadel of security and our first line of civil defense.
- His satisfaction in his service and knowledge of a job well done, places him far above the judgment by any of us whom he so faithfully serves.

#### U.N. AMBASSADOR GEORGE BUSH

### HON. WILLIAM L. SPRINGER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. SPRINGER. Mr. Speaker, our former colleague from Texas, the Honorable George Bush, has made an excellent impression on the international community in New York City in his new role as U.S. Ambassador to the United Nations. This is no surprise to those of us in the Congress who became familiar with his engaging personality and the energetic way in which he went about discharging the responsibilities of his office. As the U.N. General Assembly opens another session I believe we can all be satisfied that the interests of the United States will be well represented by George Bush.

The following profile of George Bush by Associated Press U.N. Correspondent William L. Ryan appeared in the Washington Sunday Star of September 19:

#### U.S. ENVOY

(By William L. Ryan)

UNITED NATIONS, N.Y.—The way he tackles diplomacy, Ambassador George Bush doesn't really have to be an athlete in top condition. But it helps.

The former Navy flier who will pilot U.S. policy through the U.N. session starting this week finds that a 16-hour working day has become more rule than exception.

Evidently he thrives on it. His enthusiasm for the job seems to have infected his entire staff at the 12-story U.S. mission building across the street from the U.N. complex.

The session opening Tuesday will, among other things, consider the complex question of China's representation. In his first General Assembly appearance as ambassador, Bush has a tough assignment: to champion President Nixon's "two-Chinas" policy, which both Red China and the Nationalists on Taiwan reject.

How will it work out? Bush says that if the two-Chinas policy does not succeed, it will not be for lack of trying on his part.

"Some people are saying the United States isn't really trying very hard to keep Taiwan in, but if that's so, nobody's told me about it," he says.

Bush's remarks to an interviewer suggested two outstanding traits: loyalty and irrepressible optimism. He is loyal—some say to a fault—to President Nixon and frequently quotes him in conversation. And his personality is such that pessimism for Bush would seem next to impossible.

George Herbert Walker Bush, 47 years old, is a self-made Texas oil millionaire. He had been transplanted to Texas, however, from New England, and he combines shrewd Yankee humor with Texas affability.

As a Republican congressman from Texas, Bush once was considered a strong possibility for the 1972 Senate race. He still looks to some Republicans like a prospective answer to the Democrats' acquisition of New York's Mayor John Lindsay.

#### VOTE GETTER

He has the engaging manner of a natural-born vote-getter.

"I sure wish he was a Democrat," a Democratic leader was once heard to murmur wistfully.

President Nixon noted the potential in a bantering way last February when Bush was sworn as ambassador. Nixon recalled how President William McKinley had lost an Ohio race and gone on to become president, "but I'm not suggesting what office you should seek and at what time."

What about political aspirations as of now? Bush grinned.

"In this job I am not a political person. I can't be. You can't indulge in political partisanship in this job. If you asked me could I conjure up a set of facts involved in the elective political process, I would have to admit that, yes, I am still a political animal and keep my interest in elective politics. But there's no time here to think of such things.

"As a cabinet member, of course I keep up with domestic affairs and would be prepared to discuss domestic and international issues. But I am a strong believer in the policies President Nixon is embarked on now in the United Nations, and he is entitled to total advocacy here."

The President gets it; Bush does not spare himself.

The ambassador rises at about 7 and switches to a news program which takes exactly 12 minutes. That's how long Bush stays on his exercise.

"The exercise session is boring. Nobody wins, nobody loses, no competition, and I hate every minute of it, but I feel I ought to do it. I don't ever eat much breakfast and I leave my apartment at the Waldorf about 8, to be driven to the mission. I get here every morning about 8:10."

The ambassador's 11th floor office commands a view of the U.N. complex. The walls have photographs of the President, vice president and secretary of state, the U.S. astronauts on the moon and various Bush family scenes. On a table near a window is a bust of Abraham Lincoln, and near the desk is an old globe on a stand, which Bush calls "the antique."

For an informal conversation, Bush abandons his desk and seats himself in an easy chair. Recently back from a stay at a vacation retreat in Maine, he looks tanned and relaxed. But as he talks, the relaxed manner fails to hide the fact that he is a bundle of energy. Glasses pushed back on his head, he pops out of his chair, reaches the desk in a couple of long strides and fishes out his appointment calendar.

"First thing in the morning, my secretary, Mrs. Aleene Smith, brings me the morning's telegrams to read and I have a session with my executive assistant, Tom Lias."

He thumbs the desk calendar and chooses a typical day. It includes the morning staff meeting, appointment after appointment with ambassadors and U.N. officials, luncheon engagement, receptions in the evening, and a formal dinner. Invariably at least one dinner and one reception must be attended. Sometimes two or three diplomatic receptions occur on the same day and he must make all of them. He regards that as devotion "above and beyond the call of duty."

"I try to get to bed by 11:30 if possible, but often my calendar is so filled that I fall behind in my work and have to take it home with me."

He travels frequently to Washington for Cabinet meetings and other chores, to say nothing of speaking engagements around the country. So it helps to be physically fit.

Bush was born June 12, 1924 at Milton, Mass. His father is Prescott S. Bush, an investment banker who served as U.S. senator from Connecticut in 1952-62. His maternal grandfather was George Herbert Walker, donor of the international golf trophy, the Walker Cup.

Bush's family moved to Greenwich, Conn., the year he was born. The ambassador remembers with a trace of awe the imposing figure of his tall and handsome father presiding as moderator over Greenwich's town meeting.

Bush still was in prep school at the time of Pearl Harbor.

On the day he turned 18 he enlisted in the Navy, and before he was 19 had his commission and wings as a Navy pilot. He flew torpedo bombers from a carrier in the Pacific and was shot down off the Bonin Islands. Luckily, he spotted a U.S. submarine and

swam for it; "I set a new record for free style."

Bush left the Navy as a junior grade Lieutenant in 1945, with a Distinguished Flying Cross and three air medals. He completed his education, emerging from Yale in 1948 as a Phi Beta Kappa with an economics degree. With his bride of 1944, the former Barbara Pierce of Rye, N.Y., he headed for Texas, made Houston his home and entered the oil-field supply business. Eventually he founded Zapata Petroleum Corp., an international drilling contract firm and Zapata Offshore Co.

#### HOUSE RACES

The "political animal" in him would not be denied. He ran unsuccessfully in 1966 and 1968 for Congress from Texas, 7th District. He was critical of rockbound Republican conservatives, feeling that the party should be dynamic and not frightened of change.

"Would you consider yourself a sort of liberal conservative?" he was asked.

"People in Texas used to ask me that in the campaigns," he replied. "Some even called me a right-wing reactionary. I like to think of myself as a pragmatist, but I have learned to defy being labeled. I don't object, particularly, but I feel labels mean different things to different people, and it's impossible to make them objective. What I can say is that I am a strong supporter of the President. If you tell me what he is, I can tell you what I am."

"I exercise some discretion, of course, but I would not exercise any that would conflict with the President's policies. If I did find myself in conflict with them, my conscience would dictate that I get out. If I couldn't support the President's policies with enthusiasm, vigor and energy, then the United States and its President would be under-represented here."

As ambassador, Bush must entertain extensively at his Waldorf Hotel suite, but the Bushes always have been enthusiastic hosts.

"Barbara likes it," he says. "We like people. We have a feeling of friendship and mutual respect when we deal with the various ambassadors."

In those encounters he likes to keep the atmosphere informal and avoid an atmosphere of "diplomatic stuffiness. There's a place for protocol," he said, "but it can be overdone."

As ambassador, Bush cheerfully admits his lack of a diplomatic background, but feels any critics on that score should withhold judgment until his first U.N. assembly session ends in December. He admits he has changed his mind on some things, including the China question. Seven years ago he was quoted as saying that if Peking ever should be voted into the United Nations the United States should get out.

"That was 1964, a long time ago," he observes. "There's been an awful lot changed since . . . A person who is unwilling to admit that changes have taken place is out of things these days. President Nixon is not being naive in his China policy. He is recognizing the realities of today, not the realities of seven years ago."

Bush approaches his job from the standpoint that his first duty is to his own country.

"If I became an international civil servant, that would be wrong. What is going to make the United Nations stronger is its function as a melting pot for different viewpoints. The United States should be strongly represented and we should try to bring out what's good about our country, be prepared to stand up in behalf of our country whenever necessary."

At the same time he is an eager salesman for the U.N. ideal. He wants to stimulate interest in it around the world, possibly by means of a U.N. session once in a while in another country.

"For example, let's see what happens if

a U.N. session is held in a Communist bloc country. Why not let others see what the problems are, what it means? It could revitalize the whole organization. The costs would be high, but if the Olympic games, for instance, can be taken to Tokyo, why not the United Nations to another country?"

#### CHRISTINE VALMY—AESTHETOLOGICAL PIONEER

#### HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. HOGAN. Mr. Speaker, we are all aware that the very foundation of our Nation's history is anchored to the promise of new beginnings and unlimited opportunities for people from other lands. The pages of our history books are rich in reminders of the contributions made to the strength and character of America by immigrants in the pursuit of happiness, but it becomes too easy amid today's whirl of national and international controversy to overlook more recent inspiring examples of this basic human right.

I would like, therefore, to bring to the attention of this Congress, the achievements and contributions to our Nation that have been made by a most remarkable woman, Mrs. Christine Valmy. Born and educated in Rumania, Mrs. Valmy came to the United States in 1961, as a pioneer in her chosen field of aesthetology—skin care—and cosmetology, and during the past 10 years, has succeeded in establishing her field as an honored profession in this country.

In doing so, she has gained the highest respect and admiration of her worldwide colleagues, as well as that of the American public, and has made numerous contributions to this country's structure and image, both here and abroad.

Her contributions to education in America have been realized through the creation of the first school for skin care specialists in the United States, the Christine Valmy School for Aestheticians in New York City. Licensed by the University of the State of New York—Education Department—the school offers in-depth training in the latest techniques, theories, and methods of scientific skin care, and the entire curriculum was devised by Mrs. Valmy. She has, in effect, created a new, exciting avenue of careers for the young people of America, and already hundreds of her graduates are building enterprising careers at their own skin care salons throughout the country.

In the same way, Mrs. Valmy has created a much needed new outlet for many of the Nation's unemployed, who have retrained and attained new skills at her school, and then gone out to take their place among the productive work force in America. She has further assured these people of continued employment, and in fact heightened the dimensions of this new job market, by striving to educate the American public to the importance of personal hygiene through proper skin care, to the point where there is an in-

creasing demand for skin care salons across the country.

Her success in this venture has attracted the attention of her colleagues around the world and has attracted other aestheticians and cosmetologists to America. She has organized this group into the American Association of Aestheticians, which she serves as president, and represents them as president of the Friends of the International Committee of Aesthetics and Cosmetology, Zurich, Switzerland. In holding these offices, she has heightened our Nation's image throughout the world and provided a shining example of the opportunities available here through the free enterprise system.

She brought further honor on herself and America in 1968 by receiving the highest honorary award ever presented to an American citizen in her profession. This award was presented by the Eighth French National Congress of Aesthetics and Cosmetology in Paris for special merit in promoting esthetics in the United States.

Mrs. Valmy has also served America as a member of the Advisory Committee of the Jersey City Job Corps Center for Women in New Jersey, the largest of its kind in the Nation. By working personally with many of the girls at the center, and advising on the center's curriculum of beauty and fashion training, she has helped avert many dead end careers, and turned many potential social misfits into concerned and productive citizens of their community.

All of Mrs. Valmy's achievements will be culminated in August 1972 when the American Association of Aestheticians plays host to the 26th International Congress of the International Committee of Aesthetics and Cosmetology in New York City. It is through her efforts alone that the American Association of Aestheticians was able to attract the over 2,500 members of the committee, representing all Europe, South America, Africa, and the Orient to America, arrange their itinerary, and act as good will ambassador for this country in welcoming these visitors. I have no doubts that every one of them will leave with the highest regard and respect for American society and our democratic way of life, and will carry this image back to their countries of origin.

Mr. Speaker, I think Mrs. Christine Valmy deserves special recognition for her service to America, and for exemplifying our basic tenets of free enterprise, unlimited opportunity, and democracy to the entire world.

#### MAN'S INHUMANITY TO MAN—HOW LONG?

#### HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 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?

THE UNITED NATIONS:  
A NEW CHALLENGE

SPEECH OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 20, 1971

Mr. RODINO. Mr. Speaker, the U.N. General Assembly convenes today and I would like very much to salute U.N. officials and offer my continued support in their daily deliberations in the quest for peace throughout the world.

We have in the past experienced many anxious days for mankind and the United Nations has, by accepting its responsibility, helped reduce the tensions, and ease the frustration. Today we are still somewhat shadowed by past crises, but we are surrounded with rising hope.

Never before has man had such capacity to control his environment, to overcome his hunger and thirst, to conquer poverty and disease and put an end to human misery.

It is with these goals in mind that I see an overriding need for world organization. To accomplish this necessitates the long overdue restructuring and strengthening of the U.N. Charter.

The U.N. Charter was formulated at the end of World War II and no longer meets the needs of our changing world. If the United Nations is to be effective, certain reforms must be made.

The gap between rich and poor nations is expanding. Elements of mistrust and fear accompany this situation and it is becoming more difficult for nations to work together. Each nation is becoming increasingly protective so that she may ward off any encroachments on her sovereignty.

The United Nations has during the past decade made a number of solid achievements. The decade of the 1970's has been declared as a disarmament decade. A Treaty on Principles Governing the Activities of States in the Exploration and the Use of Outer Space has been unanimously acclaimed. Another concern to the United Nations has been the development of the seabed and ocean floor. The General Assembly has urged all States and organizations to help the oppressed people of South Africa against the policies of apartheid.

The General Assembly designated the 1960's as the United Nations development decade and now in 1971, the United Nations second development decade is in process. It has launched an unprecedented effort to raise living standards in the less developed countries and to insure the maximum use of natural and human resources.

The promotion of human rights and the elimination of racial discrimination are of utmost importance to the United

Nations. And, it has also speeded the process of decolonization and eased the transition to independence for over a billion people.

We should not only allow ourselves to celebrate the achievements of the past but we should strive for renewal and reform so that we can continue to meet the future problems of mankind.

The task of building peace and a better world for all lies with every nation's leaders and none can remain uncommitted.

MINNEAPOLIS HEALTH HEARINGS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. FRASER. Mr. Speaker, Mrs. Mary Mantis testified before the recently concluded Minneapolis health hearings on the cost to the United States for our misuse of our environment. As Mrs. Mantis so aptly demonstrates in her prepared comments which follow, the cost to the United States is staggering, about \$35 billion a year. She also points out in her remarks that even though the fertility rate is declining, demands for power, fuel, consumer goods, and services are rising. In 1950 the fertility rate for all women of child-bearing age in the United States was 3.35 per thousand; in 1960 it was 2.78 per thousand, and in 1970 it was 2.45 per thousand. I commend the very important remarks of Mrs. Mantis to all my colleagues:

HIGH MEDICAL COSTS DUE TO THE ENVIRONMENT

First I would like to commend Congressman Fraser for introducing a Health Package Bill that is designed to serve all the people. However, my statement does not intend to support or oppose the cost of medical bills but simply to bring to your attention that we, the people, are partly responsible for this outcome.

Even though the birth rate is decreasing in this country, the per capita demands for power, fuel, consumer goods, and services continue to rise dramatically. As a result we have many and varied ills.

Dr. Paul Kotin, Director of the National Institute of Environmental Health Science, spoke before the 17th Biological Sciences, said that man's misuse of the environment is costing the Americans 35 billion dollars a year. This loss would not be tolerated if it were not hidden by steady increases in the over-all cost of health services. He said that the nation's total bill for health services is now (Oct. 6,) about 70 billion a year, and that 7 billion of this goes for treating illnesses resulting from the environment. Americans lose 25 billion dollars a year additionally through missed wages and services attributable to environmentally caused illnesses.

Of all pollution, air may be the most serious, because it has direct impact upon our health. There are two kinds of air pollution: First one is made up of smoke containing sulfur dioxide, and the other chemical substances from industry and power production. The second is the photochemical pollution for which the automobile is primarily responsible. The director of the air pollution control for the Federal Government said that 12 ppm (parts per million) of carbon monoxide has been measured in the streets of Chi-

cago and Philadelphia. Even though 12 ppm is not enough carbon monoxide to cause death, many scientists believe that the steady exposure to the above levels do cause many physical and mental illnesses. The danger level is exceeded from 30 to 50% of the time in those two cities and 40% in Los Angeles. According to Dr. Steward, former U.S. Surgeon General "there is little doubt that air pollution is a contributing factor to the rising incidence of chronic respiratory disease, lung cancer, emphysema, chronic bronchitis, and asthma."

Union Carbide has a plant in Alloy, W. Va., that disperses 28,000 tons of black smoke and dust particles each year. Mr. Nader accuses the company of spreading poisons and bringing threat of early death and diseases to the 228,000 people of this industrial and coal mining valley. The smoke is so thick that it blacks out the sun. I think there is a suit brought against Union Carbide by the local residents.

Each year 700 million lbs. of lead is used in high octane motor fuel, and the lead impairs the function of the blood, kidneys, and the central nervous system, and leads to heart disease. Asbestos dust is known as a cause of cancer, especially among people who work with the material. Autopsies of 1100 people in three cities showed that 25% had asbestos dust lodged in their lungs. Dust burnt off auto brake linings by friction may be a health hazard to a fourth of all Americans.

Dr. Kotin said that a health policy based on preventive measures including the achievement of a more healthful environment was the only adequate solution to the problem.

Health costs could be reduced substantially if future legislation includes enforcement provisions for controlling pollutants.

ROSWELL PARK INSTITUTE HEAD SUPPORTS CANCER BILL

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. DULSKI. Mr. Speaker, the House Subcommittee on Public Health and Environment of the Interstate and Foreign Commerce Committee is holding hearings on the Conquest of Cancer Act and related legislation.

At today's hearing, chaired by our colleague from Florida (Mr. ROGERS), testimony was heard from Dr. Gerald P. Murphy, director of Roswell Park Memorial Institute, located in my home city of Buffalo, N.Y.

Roswell Park is the oldest and one of the largest cancer institutes in the world, receiving financial support from New York State, as well as from Federal and private funds.

I am a cosponsor of the Conquest of Cancer Act which was introduced earlier in the session and I am familiar with S. 1828 which has been approved by the Senate.

I support the Senate measure, but I recognize that questions have been raised by the House subcommittee which open the possibility that the legislation can be improved as a result of the current series of hearings.

I am gratified at the announcement by Chairman ROGERS and a distinguished member of his subcommittee, the Honor-



able JAMES F. HASTINGS, my neighbor from western New York, on plans for a hearing by the subcommittee at Roswell Park Institute next month.

Roswell Park is an outstanding example of a cancer research facility and I am certain that the subcommittee can benefit greatly from a visit as well as the opportunity to hear testimony from experts in the field.

There is no question about the need for improving the budgetary control and the access to funds for cancer research. There also is need for speeding-up and improving the system for handling grants.

As part of my remarks I include Dr. Murphy's statement before the subcommittee today:

STATEMENT OF DR. GERALD P. MURPHY, DIRECTOR, ROSWELL PARK MEMORIAL INSTITUTE, BUFFALO, N.Y., BEFORE THE HOUSE SUBCOMMITTEE ON PUBLIC HEALTH AND ENVIRONMENT

The proposal of a greatly expanded cancer research program based upon the expert advice of large numbers of scientific and medical leaders throughout the United States has presented convincing evidence to many that recent scientific advances and research developments are sufficiently promising to merit a national major commitment to a Conquest of Cancer program.

While cancer may be the second leading killer in the United States today, it is the number one health concern of the American people, as confirmed by recent national polls.

Launching a major cancer research effort is felt to be justified by recent advances in work in cancer research and by the scientific opportunities that now exist for making significant strides toward more effective treatment and prevention of a number of cancers.

A realistic plan of a cancer research program should include three essential ingredients: first, effective administration with clearly defined authority and responsibility; secondly, the development of a comprehensive national program for a combined and systematic attack on the complex problems of cancer; third, sufficient long-term fiscal support.

These plans must essentially include not only individual research but also, where appropriate, additional increases of more coordinated researches between individuals and institutes throughout the country and perhaps, if justified, with certain cancer institutes abroad.

#### ORGANIZATION AND GOALS

Previous national consultants for the most part have set forth a scientific and managerial program for the fulfillment of these objectives of a cancer research program.

They have proposed a large-scale coordinated multidisciplinary research and development effort aimed at producing the means by which significant reductions in mortality in human cancers may be achieved over the next five to twenty years.

The program and its attendant problems have been identified by national consultants and other people working in the field of cancer. At present, it would seem that in delineating these program approaches, great concern has been manifested for further detailing the plans and requirements necessary for implementation.

To effect proper implementation, all concerned with the cancer problem must join in a single national cancer program. Commitments to the program objectives, accompanied by high-quality performance, must be achieved in a timely manner. Some of our current efforts are able only in part to handle this expanded requirement.

#### NEED FOR CENTRAL PROGRAM

Previous proposals for a new governmental agency responsible for carrying out the current activities of the National Cancer Institute (NCI) plus additional activities required for such expanded research programs on cancer have been distributed.

It has been recognized that a National Cancer Agency should be responsible for the fundamental and clinical training programs, development and demonstration of methods of treatment, and the establishment of international cancer research data banks.

Construction of cancer research facilities with federal support should also be expanded and new ones established.

As Institute Director of the oldest and one of the largest cancer institutes in the world—supported by New York State as well as federal and private funds—I feel as my colleagues do that there is much to commend this national effort to conquer cancer as proposed in S. 1828.

This proposal keeps the Cancer Agency within the National Institutes of Health (NIH) where it still can derive all the closeness of cooperation of all the biomedical sciences whenever necessary.

Moreover, peer review in grant and contract mechanisms I believe are enhanced and strengthened by such an Agency approach, and thus may eliminate possible existing or proposed layers of bureaucratic delay. Cross-fertilization and intellectual interactions are strengthened rather than hampered by such a Cancer Agency.

#### MUST HAVE AUTONOMY

The Agency, however, must have the kind of autonomous organizational framework administratively and fiscally so that funds and other resources may not be diverted from it. Only in this way, then, can cancer related programs not be changed by the individuals who do not have a close commitment and who are not familiar with or involved in cancer research.

The maintenance of the grant mechanism and the systems underlying it, such as peer review and study sections, obviously can and should be maintained. Grants and contracts for funds for research to individuals and institutes should be increased on a long-term basis whenever necessary.

Since the objective of the Cancer Agency is the conquest of cancer at the earliest possible date, immediate support for clinical and research training programs must be expanded.

Cancer research programs not only require integrations of various disciplines in a climate of free exchange of ideas with individuals with personal commitments to cancer research but, too, the mobilization of resources must be integrated.

In my opinion and as well as those of my colleagues at Roswell Park Memorial Institute, this can best be achieved by the establishment of a Conquest of Cancer Agency being an independent agency within the National Institutes of Health.

#### PROBLEMS OF BUDGETING

It is well recognized that at the present time the budget administration policy of the various Institutes within the NIH must be reviewed and approved by six higher levels of bureaucracy before there is a final funding of research and contract grants.

At every level there is administrative scrutiny of all budget activities with competing priorities. With the continuance of this type of organizational framework undoubtedly funds and resources necessary to accelerate objectives of a Cancer Agency would be hampered.

By giving the Director of a new Cancer Agency the prerogative of formulating his own budget and submitting it directly to the Office of Management and Budget for Presidential approval, we feel will by-pass

this constant competition for funds and other resources. Also, it would make the handling of problems and programs of a specific medical subject, cancer research, more efficient since the Director of the Cancer Agency would report directly to the President.

Needless to say, more often than not, the reality of this administrative arrangement would allow personnel in the Agency to speed up the approval of worthy grants and contracts, to pinpoint areas in need of administrative support and to respond to changing priorities.

It would in no way obliterate the NCI nor even alter drastically its internal processes, as some people have feared, since the present NCI would become a part of the Cancer Agency. With this arrangement, NCI could launch and fulfill the objectives of coordinated cancer research program as outlined in S. 1828.

#### REMAIN ON N.I.H. CAMPUS

By the NCI being part of the Cancer Agency and with the National Cancer Advisory Board with its wide proposed representation evaluating annually cancer programs and budgets, the location of the Cancer Agency on the Bethesda campus of NIH would maintain all the cooperative benefits the NCI and NIH have previously enjoyed.

Moreover, with this new administrative arrangement for NCI, it could achieve more effective inter-relationships with other Institutes on the Bethesda campus of NIH.

The great interest in cancer research today and the establishment of a Conquest of Cancer Agency will generate increasing concern with all health problems and will encourage developments of other biomedical programs.

It must be remembered that cancer is a multifaceted problem involving all disciplines of science and these disciplines have to be brought together on a coordinated level to meet the objectives that we want to fulfill. We do feel by a creation of a Cancer Agency, a closer association with all aspects of biomedical research and the scientific community within NIH and throughout the country can be achieved.

The scientific community should not fear that funds will be expended on contracts seeking specific objectives to the detriment of less goal-oriented structured grant mechanism.

#### NO FEAR RE NATIONAL APPROACH

As directors of existing cancer institutes, we do not fear a national coordinated attack on a disease that causes such disability and death. Many cancer institutes have had to mobilize their funds and resources toward a coordinated attack on cancer and in doing so have not deprived the rights of clinicians and scientists to the high degree of independence needed for creativity in cancer research.

The American public expects this type of coordinated effort on cancer and is anticipating its implementation that might lead to scientific breakthroughs in controlling and curing cancer.

A new Cancer Agency with streamlined administrative support, as outlined in S. 1828, could produce the means to achieve the greatest benefits leading to a solution of the cancer problem.

Therefore, Mr. Chairman and members of the Subcommittee, I as well as my colleagues at Roswell Park Memorial Institute strongly support the enactment of S. 1828.

Mr. Chairman, I am pleased, as Institute Director of Roswell Park Memorial Institute, to be able to present some of our views on S. 1828 and I thank you for the opportunity to present this testimony. Whatever opinions we share on implementation of the federal effort for the Conquest of Cancer, it is not the intentions of any of us to impede the fulfillment of the program.

AMERICAN MERCHANT MARINE  
MUST BE ACTIVE

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. MILLER of California. Mr. Speaker, during a recent visit to California, I had the privilege of attending a banquet sponsored by the National Defense Transportation Association in San Francisco. Mr. Harold J. Romain, Chief, Office of Market Development for the Western Region of the Maritime Administration, was the principal speaker on this occasion. Mr. Romain made reference to the Merchant Marine Act of 1970 which he said:

Has opened the door for a modern and realistic Merchant Marine, but only if American capital is willing to invest in the potential future of our industry.

He stressed the necessity of an active and aggressive merchant marine to carry the products of this country across the oceans which surround us. I was very much struck by his pertinent and timely comments and I am happy to insert his speech as a part of these remarks.

REMARKS BY HAROLD J. ROMAIN

I must preface my remarks by acknowledging the current situation that exists in our industry. The devastating strike is indeed critical to all involved in or about the maritime industry. However, we in the Office of Market Development must look forward to the time when the Pacific Coast ports are again working. The references I will make to labor are about the partisan labor organizations that man our ships.

The Office of Market Development has been established to assist the American Merchant Marine in their endeavor to survive. The use of the word survive is not a trite statement. If the American Merchant Marine continued on the path it was going, there would have been a rate of attrition which could have conceivably phased out this segment of our American economy. This obviously cannot come about. Our market development program will stress the positive aspects of our present fleet, but most important, the modern fleet that we anticipate in the short years ahead. The United States has pioneered the Merchant Marine from the sailing class to steamship to container vessels, and now the lash and seabee concepts. The Merchant Marine must utilize the great assets possessed by American ingenuity for efficiency and must continue to use this capacity for innovation. The Clipper ships were unsurpassed in their day, the U.S. flag container ship led the way in the container revolution, and now the LASH and Seabee is further evidence of our efforts to keep ahead.

The Merchant Marine Act of 1970 has opened the door for a modern and realistic Merchant Marine, but only if American capital is willing to invest in the potential future of our industry. These ships will only be built if there is a demonstrated profit potential from adequate cargoes at compensatory rates and equally important, a labor management relationship which will insure the confidence of American and Foreign shippers on these vessels. No longer can the labor management gap exist as it did a few years ago as both these groups have mutual interests—one is to operate ships profitably and the other is for job opportunities on them.

The Maritime Administration, in setting up its Market Development program, has decentralized and established areas of responsibility on the East Coast, Gulf, and Pacific Coast, as well as Chicago for the Midwest Area. The initial step, in the program, for the Western Region (San Francisco, Pacific Northwest and Southern California) was to find a staff of experienced professionals. This we have accomplished. These people have cumulative experience of nearly three quarters of a century with U.S. flag steamship companies. This experience encompasses container development, freight forwarding, intermodal operations, statistics and varied marketing and management responsibilities.

The first problem that we addressed ourselves to was to insure that government impelled cargo destined by law for American flag carriers, did move in U.S. flag ships. This has been accomplished by publishing in the Federal Register, new standards to be observed by all government agencies handling cargo subject to U.S. flag preference laws. The responsibility to set up these procedures was enacted in the Merchant Marine Act of 1970 and delegated to the Maritime Administration.

For example, in the recent past a National Aeronautics and Space Administration Tracking Station was booked by their contractor from Seattle to Australia on a Chinese flag vessel, until Bob Manahan, our representative in the Pacific Northwest, alerted us. Through quick action by the Seattle, San Francisco, and Washington offices of Market Development, an official ruling that this was government-impelled cargo was obtained. The shipper was required to use an American flag vessel. In this instance, some \$350,000 in freight revenue was put back into our economy. Another example—the 1970/71 movement of Export/Import Bank financed cotton totaled 800,000 bales. Under the cargo preference law, at least 50 percent of this must move on American flag vessels. In this case, 500,000 bales were to move from the Gulf with 300,000 bales for Pacific Coast loading. As the one American line in the Gulf was able to accommodate only 100,000 bales, a determination was made in Washington that to make an even fifty-fifty split, all 300,000 bales on the Pacific Coast must move on American flag vessels, and it has now moved on American ships. The Pacific Coast U.S. flag operators are very pleased to have this additional cargo available to them.

The preference cargo problem is better and will continue to improve as it is our intention that American flag carriers are not to just receive 50 percent, but are to receive at least 50 percent—this rule is a floor, not a ceiling. But we still have a formidable situation with commercial cargo. Obtaining commercial cargo for U.S. flag ships is our primary objective. We conduct a planned program of interviews with Exporters and importers which is designed to influence them to use American flag vessels. In the main, the response to these interviews has been favorable. However, there are shippers who are not easily persuaded to use American flag ships. We try to determine the reasons for their reluctance.

It may be that the shipper feels it costs more to ship on American flag vessels. This is completely untrue when using conference vessels. It is frightening to find that knowledgeable people in our industry are still under the impression that it costs more to ship on an American conference vessel. We must dispel this misinformation. All conference members charge the same ocean freight rates.

It may be that the shipper thinks he can get better service from foreign flag opera-

tors. This again is untrue. American flag service in principal trade routes is more than adequate. The liner services of American carriers feature all varieties of technological advances. Container ships are in plentiful supply, the finest break bulk services and unitized cargo facilities are available, and the LASH and Seabee vessels with the best features of breakbulk, unitization and containerization are now sailing under our ensign.

It may be a fear of disruption of service because of seagoing labor problems. We try to get the user of ocean transportation to share our conviction that labor and management now are aware of the need for cooperation in order to survive. This is substantiated by recent statements in the press by many labor leaders. Sometime ago Paul Hall, speaking in New Orleans said, and I quote, "We've got to stop the work stoppages that exist now, from the beginning of a contract to the end . . . it doesn't make sense to die together, when together we can live a wonderful way of life." Unquote. When Mr. Hall says "All of us", he means labor and management—the industry as a whole.

Even though we meet with these objections at traffic management levels, the encouraging aspect is that in most cases top executives are cognizant of the need for American ships and are determined not to be dependent on other nations to carry their products to and from the United States.

We have been successful in alerting these executives to the need that their corporate policy to ship American flag is carried out at all levels in their organizations. Top level contact by the Office of Market Development has made it possible to arrange productive executive meetings between carriers and shippers. This door opening technique has already benefited American flag steamship companies.

The demands of the marketing process will of necessity bring carriers and shippers into close working relationships that should revive the ancient concept of trade as a joint venture. This partnership of interest also requires the shipper to articulate his needs. The ocean transportation services ultimately available to shippers will be in proportion to the rapport they establish now with the carriers.

The Maritime Administration, knowing full well the need for positive action, has come up with some ideas that had not been tried before. One such idea is a new way of encouraging industry to cooperate and work together for the general cause. That is why the United States Maritime Industry Foundation has been conceived. Through cooperation of labor, management, shipbuilders and allied industries, a concerted effort will be made to impress upon all segments of our citizenry the vital need for a well staffed, efficient and modern merchant marine. The Foundation has been set up as a nonprofit organization and is sponsored and supported by leaders at the highest level in the industry.

Tom Patterson, Bill Galstan, other members of the Western Region MARAD staff, and I have made joint visits to leaders of labor and management. The results of these meetings have proven one thing—a genuine desire of all segments of the maritime industry to promote their mutual interests in this positive manner. We have laid to rest the widespread opinion that labor and management cannot get along together. In fact, the Unification Dinner held on June 2nd which sat together the leaders of all these segments, showed the shippers in attendance the solidarity of the maritime group.

This dinner was so conceived that the shippers sat with the labor and industry

leaders and had an opportunity to engage in conversation with these executives. There was no head table and speech making was held to a minimum. It was the intent of the dinner for the attendees to get acquainted or reacquainted with each other. As one leading member of the steamship fraternity said, "This was not a dinner, it was a miracle."

The Foundation is nonprofit and open to anyone who is a friend of the maritime industry. A donation is not required to become involved in this Foundation. However, should an individual as well as a company wish to donate to this project, it will be most welcome. The main point is not the amount of money, but to get people interested and involved. Of course, the Foundation does need funding to conduct its activities.

The first concrete project was a painted billboard depicting our past heritage as a leader on the high seas and our present superior technology. This billboard carries the theme "IT COSTS NO MORE." The billboard is presently located on the Bayshore Freeway, South of Grand Street in South San Francisco.

We are following up this initial billboard with some 100 free public service billboards which will be erected up and down the Coast and as far inland as Chicago. These are on a space available basis. Those of you who will be attending the luncheon at the Oakland Hilton Inn during the International Containerization Exposition and Congress will probably pass by the first billboard which is erected on Doolittle Drive near the entrance to the Airport.

Future plans will be continued use of public service TV and Radio spots and soon messages will appear in printed media and direct mail.

On the broader National scene, Andrew Gibson, Assistant Secretary of Commerce for Maritime Affairs, has convened and is sponsoring the new National Maritime Council. This joint council is also a nonprofit corporation and has a membership drawn from carriers, shipyards, shoreside and seagoing labor and the Maritime Administration. It is planned that the United States Maritime Industry Foundation will carry on the Western Region activities of the National Council.

To augment the program I have mentioned we are planning an SOS (Ship our Ships) Task Force Program. This concept embodies an American Merchant Marine marketing team composed of MARAD OMD and top level representatives from Unions, Operators, and in some areas will include banks, insurance companies, shipyards, or other elements of the industry.

This team will approach participants in American International trade throughout the Western Region to convince them that they should be substantial supporters of U.S. flag ships. The contacts will be through sponsoring groups such as transportation clubs, foreign trade associations, Chamber of Commerce, etc., who will provide the forum for the presentation. This team will provide the sponsoring group a packaged program in which MARAD would present the OMD program and introduce the carrier and labor representatives, who in turn would talk in a positive manner about the harmony within the industry.

Time will be allowed for a question and answer period. This meeting will be supplemented by press conferences including TV and radio. To capitalize on the good will created in the general meeting. The team would make personal calls on executives of the major exporters and importers in the area.

Denver has been chosen for their initial effort and will be followed by visits to other major cities within the 15 state Western Region. The Director of the Office of Market Development, Washington, D.C., will coordinate a National Task Force unit involving

teams from our Western, Eastern, Central and Midwest Regions.

These programs I have discussed tonight all converge on the same goal—a healthy Merchant Fleet which will not only have the capacity to carry our exports and imports during times of peace, but will have sea lift capabilities to move vital supplies and equipment should an emergency arise. No one questions the role our fleets have played in past crises, and this fourth arm of defense ability is a critical part of our National security.

Our dedication is to foster the American Merchant Marine and all of you have a sincere interest in the continuing prosperity of our Merchant fleet. Your help is solicited and your ideas are encouraged to help us achieve the goals of the Office of Market Development and those set forth in the United States Maritime Industry Foundation.

#### A SLIPPED DISK IN THE NEW ECONOMIC POLICY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. BINGHAM. Mr. Speaker, it has been widely heralded that President Nixon's new economic policy contains many inequitable elements which provide greater relief for corporate America than working America. One proposal which has not received much attention to date is the President's plan to provide a tax deferral for a new kind of subsidiary corporation known as DISC—domestic international sales corporations. This proposal would provide a billion dollar tax loophole for existing large corporations with little, if any, additional benefit for the American economy, says Harvard law professor Stanley Surrey in the Washington Post, September 19, 1971. By enabling companies with foreign sales to establish a paper subsidiary through which exports could be channeled, corporations could escape paying income taxes on profits earned. Cloaking the relief in terms of a deferral, the administration seeks to encourage exports. But, the deferral is in truth a tax exemption according to Mr. Surrey. Furthermore, he notes:

No one—not even the Treasury—has offered any public documentation and serious economic study of just how and to what extent and for what goods this windfall to exporters will increase our exports. On the contrary, most economists believe just the opposite, that the change will have only a slight effect on our exports out of all proportion to the revenue loss involved.

Mr. Surrey's article follows:

DISC: A BILLION-DOLLAR TAX LOOPHOLE HIDDEN IN NEW ECONOMIC POLICY

(By Stanley S. Surrey)

The President's speeches on the New Economic Policy do not mention the "DISC" proposal, and so it receives almost no notice in the daily press discussions.

This silence cloaks the efforts of the Treasury Department once again to slide the DISC proposal into the tax law. Last year the attempt was made as part of the Trade Bill, when the fierce legislative battle waged over import restrictions permitted the DISC proposal to pass through the House, almost unnoticed and unseen and certainly not under-

stood. Fortunately, the Senate Finance Committee then viewed the proposal with suspicion and it died at the end of the session.

There is good reason to keep the DISC proposal out of the spotlight. The proposal opens up a billion-dollar loophole in the income tax, through permitting U. S. exporters—especially our largest corporations—to escape that tax.

It would be a cruel irony to have the first significant technical income tax legislation to pass the Congress after the 1969 Tax Reform Act—the kind of legislation that only technicians and experts can follow—open up one of the largest tax escapes ever legislated by the Congress. Yet we find the Treasury Department being the moving force behind this attempt.

A DISC—Domestic International Sales Corporation—would be a new type of corporation conjured forth by this change in the tax law designed to "defer" the income tax on the "export profits" received by a domestic corporation engaged solely in the export trade. The quotation marks are used because the words they enclose turn out, as is so often the case in tax legislation, to have a significance far beyond their normal usage.

American businesses manufacturing goods that are sold abroad would be expected to organize DISCs—which need be only paper subsidiaries—through which their present exports would be channeled. The profits of a DISC from its export sales would not be subjected to income tax if the profits are used in export activities of the DISC or loaned to the parent-manufacturer corporation for "export-related activities"—again the significant quotation marks. This is the way the Treasury describes the proposal.

But under the terms of the actual legislation, it turns out that "deferral" would in practice become exemption; that "export profits" would very often include manufacturing profits; that "export-related activities" of the parent-manufacturer become activities having nothing to do with exports, extending even to investment for manufacture abroad; and that the references in title and description to "domestic" export subsidiaries cloak in practice an inducement to form foreign subsidiaries and, moreover, to form them in tax-haven countries, thus bringing back a pattern of abuse against which Congress legislated in 1962.

These are aspects that the Treasury does not talk about when it urges the proposal. For example:

1—The Treasury stresses in urging DISC that only a deferral of tax is involved, in terms that imply deferral is really not much—the tax is not paid now but must be paid a bit later on. Indeed "deferral" for most Congressmen is a word that lulls them into believing very little is being given away. But the Treasury and corporate controllers know better. Thus, a high Treasury official, in talking recently to a professional group on aspects of accounting, said:

"I need not tell this group that tax deferral is the name of the game. A tax deferred one, two, or several years is simply a lower amount of tax on those who achieve such deferral—a burden that must be assumed by all other taxpayers."

For a profitable company, the present value of 15 years deferral—at the least the period the Treasury and business have in mind under DISC; indeed the deferral for many will be indefinite—is just about worth the amount of the tax itself, which makes deferral the equivalent of exemption. The reason is that the deferred tax-money that a company keeps over such a period (in effect an interest-free loan for that period) can be put to work earning additional money. In a typical case, the real cost to a profitable company for each \$100 in deferred taxes would only be \$18 to \$20.

2—The Treasury stresses that domestic subsidiaries will be used and that this is

helpful to unsophisticated businesses. But the tax experts who study the technical details know that the arrangement which gives the greatest tax windfall under the proposal is to combine DISC with a foreign tax haven subsidiary—a Swiss or Panamanian company. In 1962 the Congress rightly legislated against tax haven abuses. Now in 1971 under the cloak of a few technical words in the DISC proposal, the Treasury is sweeping away that legislation and directly legalizing and encouraging the widespread use of these tax havens.

3—The Treasury stresses that the profits of a DISC, freed from taxes, will be used to promote export activities. But the tax experts who study the technical details know that these tax-free funds can be used for activities that have nothing to do with exports. Thus, the funds can be used by large manufacturing companies, who are presently exporters, for purely domestic activities where the favored companies are able to compete with tax-free DISC money against companies not so favored. They can be used even to build manufacturing plants abroad—and thus reduce the export trade of the United States. The DISC money is simply made available to the companies and the Treasury will ask no questions on how it is so used.

The purpose claimed for this proposed tax-favored treatment of our exporters—exempting an entire activity from the income tax—is that it will stimulate our export trade and thereby help our balance of payments. But the revenue loss in the billions occurs even if not a single dollar of new exports occurs. Moreover, no one—not even the Treasury—has offered any public documentation and serious economic study of just how and to what extent and for what goods this windfall to exporters will increase our exports. On the contrary, most economists believe just the opposite, that the change will have only a slight effect on our exports out of all proportion to the revenue loss involved. No other country, even among those most incentive-minded, has adopted such a sweeping tax escape from its income tax.

When the questions are asked why is our tax system so unfair, why are there such gross escapes for some from the tax burdens borne by others, why do we have so much difficulty in focusing our scarce funds on pressing needs, the DISC proposal is a sharp and bitter answer.

Some corporations are of course pushing for the legislation, as are some law firms which see profits for them in reorganizing the business structures of their clients to fit DISC into the corporate organization charts. But to their credit, many a business concern and its executives, as well as their tax advisers, know the proposal is wrong—wrong for them because it means a windfall received which will not materially affect their level of exports and wrong for the country in terms of our national priorities. But it comes hard not to offer support when the Treasury pushes for their backing of the proposal.

In fact, I suspect almost everyone concerned knows DISC to be a bad tax provision. Surely the House Ways and Means Committee which initiated the tax reform legislation in 1969 should know better. One can believe that it does know better—after all, a dissenting report filed last year by some committee members explained in detail how the proposal was seriously wrong and had no place in our tax system. One suspects also that the Treasury tax experts know better. Nevertheless the proposal has found a place in the New Economic Policy of the President.

One suspects a cultural lag. Last year, pushed by Commerce, the Treasury came up with the DISC proposal to show it was trying to “do something” about exports. This year in August, however, the Treasury moved directly to get at the crux of our trade imbalance—the unfairness to our trade that

resulted from the relationship of our dollar to foreign currencies—and is now seeking a realignment of those currencies. It is also using a temporary device—the 10% surcharge on imports—to emphasize the need for currency adjustments and other trade related changes such as removal of unfair restrictive practices in other countries.

But the DISC proposal, which will not really help our exports and instead will create a large tax escape, was left around from the earlier blueprints. It is now being quietly carried along as a windfall to business, even though we have a new set of blueprints really designed to do the job that must be done to improve our trade position.

The DISC proposal should simply be dropped as a bad idea—a major loophole if viewed as a tax provision; utterly in conflict with our national priorities if viewed as an expenditure device; ineffective and now supplanted by meaningful, direct steps if viewed as a trade measure.

### NORWALK LIBRARY OBSERVING ITS 75TH BIRTHDAY

HON. STEWART B. MCKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. MCKINNEY. Mr. Speaker, an inscription on the State library at Berlin reads “food for the soul.” What better way is there to describe a library—a vast wealth of knowledge which never falters—but can continually enrich and fulfill the individual.

The library is one of the most useful public services available today and in that light, Mr. Speaker, I would like to offer by congratulations today to the Norwalk Library, which is celebrating its 75th anniversary this year. Its dedicated staff, not only of today but of yesterday, deserves the heartfelt gratitude of all for its superb contributions to the people of Norwalk, Conn. over the years.

I know that the Members of this House will join with me in saluting this fine institution on its birthday year.

Recently, Mr. Speaker, the Hour, Norwalk's newspaper, presented an in-depth look at the history of the Norwalk library. I would like to share that fine article, written by James T. White, with my colleagues today:

ANNIVERSARY YEAR: NORWALK LIBRARY OBSERVING IT'S 75TH BIRTHDAY  
(By James T. White)

The history of the Norwalk Public Library is an interestingly unique one. The library, which observes its 75th anniversary this year, and which has been in its present location at the corner of Belden and Mott avenues for 68 years, was incorporated in May, 1879, as a small circulating library with a membership fee of \$2, and became the old city of Norwalk Library in 1896.

At a meeting of the Common Council, held on Feb. 3, 1896, at the Town House on Mill Hill, Councilman Smith, chairman of the Library Committee, reported that the committee had leased a small store at 20 Wall street for the library room—the yearly rent to be \$400. Situated next to the Boston Store, a familiar landmark for many years on the northwest corner of Wall and Main streets, in a new business block (demolished in recent years during the re-development of the up-town business section) that had been recently constructed, the library was immediately

a busy center of cultural activity. Subsequently, as the facility's book collection continued to expand in size, the Library Committee was forced to seek more spacious quarters in the First Taxing District area, and when the library was moved to temporary quarters in the old Norwalk Club building at 67 Wall street, its shelves, thanks to the generosity of an enthusiastic group of local citizens, contained an impressive collection of volumes for use by its members. Thus, before the turn of the century, the Norwalk Public Library was fulfilling its purpose and being brought to a reality. Its earliest years saw the modest institution render an invaluable service to the residents of the area—years during which those with an appetite for varied reading material (long before the advent of radio, talking pictures or television)—could enjoy the leisure company of good books.

The original charter of the old City of Norwalk did not make any reference to the Norwalk Public Library. But, research into the historical background of the library prior to the year 1903, however, while being greatly limited due to lack of available material, has not been entirely fruitless especially in the examination of city news items that have appeared in old issues of The Hour, which has produced a considerable amount of pertinent information in regards to the early years of the library.

#### THE BEGINNING

Prior to 1893 there was a private voluntary organization known as “The Norwalk Library Association,” which maintained a “circulating” reading room at various locations in the area that now comprises the First Taxing District. Ancient records of the minutes of a meeting of the Common Council of the old City of Norwalk, held at the Town House on Mill Hill on Sept. 2, 1895, reveals what is undoubtedly the first official mention of the library. At the historic meeting “A communication was read by the mayor from the Norwalk Library Association tendering the books and fixtures of the library to the city for a public library. After debating the matter it was voted that the mayor appoint a committee to look into the matter and to report at the next meeting.

Minutes of the next meeting of the Common Council on Nov. 4, 1895, two months later, reveal that the committee appointed by the Mayor to look into the matter of a public library (composed of Messrs. Wheeler, Smith, Chinery and Boyer, members of the Common Council of the City of Norwalk at the time), rendered a unanimous report in favor of accepting the offer of the Norwalk Library Association and recommended that the matter be brought before a special city meeting. Said meeting, attended by more than sixty interested voters, was held in the Old Town House on Nov. 21, 1895.

Eugene Olmstead, a prominent resident of the city, presented a resolution at the historic meeting whereas the offer of the Norwalk Library Association to give the city its books, shelves, furniture and fixtures upon the conditions outlined in said offer be accepted. Other resolutions voted upon and declared that same evening were that “The Council of the City of Norwalk be hereby instructed to establish and maintain a public library, and that the thanks of the city be extended to the Library Association for its generous offer.”

Commencing in 1897. In accordance with the by-laws adopted the previous year (by the nine directors of the Norwalk Library and Reading Room, who had been appointed by the mayor at a meeting held on July 6, 1896), governing the operation of the institution, the board of directors began submitting an annual report to the City as well as to the District.

It is of interest to note that at one time during the late 1890s a tax of one mill for support and maintenance of the library was

levied against the properties of the district. In February of 1898 the mayor was advised by the attorney for the city that the library was definitely a city-operated institution and that all bills for the library should be presented, and paid, in the same manners as for other city departments. Also, as adopted in October of 1896 by the Common Council in its ordinances relative to the rules governing the operation of the library facility, the Chief of Police was responsible for collecting fines for late returns of volumes. Also in regards to the city's participation in the operation of the library, the ordinance also stipulated that the Chief of Police of the old city officially assist the library in the return and recovery of lost or stolen books.

#### ANDREW CARNEGIE GIFT

In 1902, a few years after the library had been taken over by the old city of Norwalk and opened as the city of Norwalk Public Library, a concerted drive was launched to establish larger and more modern quarters to house the rapidly-growing library facility. Again, prominent local citizens who had created and sustained the Norwalk Public Library, eager to aid in accommodating the reading public of Norwalk, came forth to assist in outlining a plan. And their efforts again proved fruitful. The drive skillfully carried out under the direction of Dr. James G. Gregory, the first president of the library's board of directors; Congressman E. J. Hill; Miss Datha Stone Pinneo, head librarian, who had been appointed by the board in July of 1896; members of the library's board of directors as well as other prominent citizens who were dominant figures in the effort to gain for the library a new and permanent home of its own, a tremendous success. Andrew Carnegie, the industrialist and philanthropist gave \$20,000 for the construction of the building and Hubert Bishop, a prominent resident of the city, donated the grounds on which it stands.

In 1903, the main floor of the present structure was erected on the corner of Belden and Mott avenues. The lower floor facility was completed in 1912 through the efforts of Miss Pinneo, the Civic League and Mrs. Marie P. James, who bequeathed the library the sum of \$1,000. Again a number of interested citizens joined in the movement to see the Norwalk Public Library prosper, and through their efforts and generosity more than \$5,000 was raised in contributions to be used for furniture and fixtures. Library records state that under Miss Pinneo's direction, the library, regarded as a highly essential institution for residents of the area, steadily prospered.

The terms of the Carnegie Grant had been that the foundation would give \$20,000 to construct a suitable building for Norwalk if the community would (besides providing a suitable site) agree to contribute the sum of \$2,000 a year for the maintenance of the library. A stipulation to which officials of the Norwalk City Council readily agreed. Under the direction of John A. Osborn, head of the building-committee appointed by the City Council (also consisting of Mayor Charles L. Glover, John P. Treadwell, Mr. Bishop and Dr. Gregory), the committee accepted plans drawn-up by the architectural firm of W. & G. Audsley of New York city and advertised for bids from local contractors. Scaling the exterior and interior in size to fit within the range of the \$20,000 Carnegie appropriation, Norwalk contractor Albert R. Malkin had the building finished in April of 1903. Generous donations from some 15 local citizens was sufficient to adequately furnish and decorate the upstairs rooms.

Conceding to Mr. Bishop's wish not to use his name on any plaque or memorial as donor of the land, the plaque beside the entrance mentions only "a citizen of Norwalk" as the one who gave the land. The name engraved in the stone above the door is "City of Norwalk Library."

In 1913, the year Norwalk and South Norwalk were consolidated into one city, several paragraphs in the new charter as specifically related to the First Taxing District stated that "It (the First Taxing District) should succeed to and possess all the rights and privileges heretofore possessed by said City of Norwalk in respect to the Public Library of said City and shall continue to support and maintain the same."

Another paragraph of the 1913 charter duly authorizes the Commissioners "to appoint directors of the Public Library of said district as vacancies shall occur." The charter further states, in defining the responsibility of funds for support and maintenance, of "making the annual appropriation for the maintenance of the Public Library" at the yearly meeting of the District.

By 1912 the institution could boast of some 12,000 volumes and over 6,500 card holders and the staff of two was increased to three when Miss Pinneo and Miss Margaret Wilson (the assistant librarian) were joined by Mrs. Anna Risi. The library prospered and continued to grow in popularity.

Library records of 1930 show that the local facility was constantly maintaining its popularity and useful service to its ever-widening circle of readers under the capable direction of Miss Wilson, successor to Miss Pinneo. Offering residents of the community a well-organized library service, under the guidance of a staff thoroughly trained and experienced in library science, the Belden avenue institution had a collection of well over 30,000 volumes on its shelves. Miss Wilson, who made the Children's Book Week, an annual program initiated by Miss Pinneo in 1918, one of the most successful of the library's numerous undertakings, also found time outside of her regular work-schedule to give explanatory talks before schools, civic groups and clubs as well as to groups of boys and girls at the library. The records of 1930 also show that working with Miss Wilson were nine directors, each appointed for a term of three years. Dr. James G. Gregory was president of the board and Thomas C. Balcom was secretary and treasurer. The First Taxing District supported the institution with an appropriation of \$9,000, and the circulation of books in a yearly total was said to be nine to every man, woman and child patronizing the facilities.

#### HEADS STATE ASSOCIATION

Miss Wilson was also recognized in library circles outside of Norwalk by being elected vice-president of the Connecticut Library Association for 1929-30 and in 1931 she became president. Miss Marion L'Hommedieu succeeded Miss Wilson as head librarian and on her retirement in 1946, Miss Ruth Currie, who had joined the staff in 1925, succeeded her.

With many more people using the facilities offered in the building for study, reference and research, there was a substantial increase in book withdrawals shown for each successive year; particularly the years 1933-1935, at the peak of the depression, the two years marking the highest annual increase on record for the institution up to that time.

There was a significant drop in book-circulation and library activities during the years of World War II, but the building was doing its bit for the war effort, with the lower level being used first by the Red Cross Volunteers and then by the Civilian Defense Agency. But beginning in late 1945 there was a tremendous increase in circulation. Many of the returning servicemen were attending school on the GI Bill, and this created a significant demand for all types of literary and technical volumes and material.

In the library's 50th annual report, released in March of 1947 by Miss Currie, it indicated that the landmark on Belden avenue had one of its most active years in the long period

of ministering to the cultural needs of the community, with the total circulation of books reaching a high 87,786 in 1946, an increase of almost 9,000 over the preceding year.

#### CHANGES OCCUR

Departing from the standardized procedure of appointing head-librarians from among the members of the staff, the trustees selected an experienced person from an out-of-town library, with Mrs. Jane Mitchell being chosen to succeed Miss Currie who resigned in 1951. Mrs. Mitchell had a BA and a BS in Library Science and had been librarian at the Seventh Day Adventist Theological Seminary before she came to Norwalk. By 1953, when Mrs. Mitchell was required to leave Norwalk due to her husband's illness, the library had a total of 38,500 volumes and an annual circulation of close to 95,000. After Mrs. Mitchell left Mrs. Risi served as acting librarian until her death in 1954. Alfred E. Poneleit served as librarian to September of 1955 when he left to accept a position at another library.

Since 1955, when John J. Hallahan was appointed to direct the library, up to the present year, the library's growth has been truly phenomenal, particularly in the increase in circulation. Norwalk residents do read books! Vividly evident, statistically, is the steadily-increasing card memberships—men, women and children, of all ages. In 1962 the total circulation was over 192,000 with more than 50,000 volumes in the library's collection. And last year, in accord with the yearly trend of steadily-increasing growth, the total circulation was close to 200,000 with some 57,000 books available for circulation.

During the past fiscal year (which runs from July 1 to June 30), there were close to 4,500 families holding cards at the library. Donald Yazgoor, who came to the Norwalk Library in 1960, and who succeeded Mr. Hallahan as head librarian in 1966, pointed out that with the steadily-growing increase in the number of members who borrow books throughout the year from the local library, the number of volumes presently on hand should be greatly increased in quantity—at a minimum of 150,000 to 200,000 volumes. Mr. Yazgoor also explained that the library is presently having a statement of building program undertaken by a consulting firm from Chicago to determine precisely what type and degree of refurbishing and expansion the local institution should undergo to improve its efficiency and services to its ever-increasing numbers of members.

In April of 1970, the Common Council approved in principle the city take-over of the First District Library (effective July 1 of that year) for use as a central library to serve the entire city, something the city has wished to establish for several years.

Under the terms of the agreement worked out between the city and the district commissioners, as stated in a news item in The Norwalk Hour of April 15, 1970, "the city will take over the facility to use as a library with the stipulation that the property shall revert to the district if the city should fail to maintain a library at the location."

The city news item further went on to relate that "The city will also take over the responsibility for the salaries of the library staff, who will henceforth be considered and treated as city employes except in regard to already established pension equities." The only other restriction listed was that at least six of the nine members of the library board shall be First District residents. Thus the Norwalk Public Library became a central unit for the entire city.

Members of the library's board of directors are Louis Padula, chairman; Louis E. Bredice, vice chairman; Howard F. Hall, Richard E. Hallooran, Charles S. Marshal, Mrs. Frank E. Raymond, Mrs. Bettye Nash, and Mrs. Martin E. Karp, secretary. Mrs. Aase van Dyke is children's librarian and Mrs. Barbara Hudgens is in charge of the cataloging and reference departments of the library.

THE "JOB DEVELOPMENT CREDIT"  
MEANS HIGHER PROFITS, NOT  
MORE JOBS, TIMES REPORTS

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. REUSS. Mr. Speaker, an excellent article in the September 20 New York Times demonstrates what those of us opposed to the investment tax credit have been saying right along—it is not a device to create jobs, as the administration contends, but rather a scheme to pad corporate profits. After surveying businessmen and economists throughout the country, the Times reporter concluded that the proposed "Job Development Credit":

Appears more likely to increase corporate profits than to create additional jobs for unemployed workers next year.

I include the article in the RECORD at this point:

TAX CREDIT SEEN AS A SPUR TO PROFITS, NOT JOBS; MINOR IMPACT ON SPENDING EXPECTED  
(By Michael C. Jensen)

President Nixon's proposed tax credit of 10 percent on business investments in new machinery and equipment appears more likely to increase corporate profits than to create additional jobs for unemployed workers next year.

And although the tax credit has been almost universally welcomed by business leaders, it probably will not have a major effect on capital spending plans for 1972, particularly during the first half of the year, according to a New York Times survey.

Most companies said they will replace machinery and equipment at about the same rate they had planned before last month's announcement of the proposed tax credit.

The program that was billed by President Nixon as one that will create more jobs for Americans may do precisely that in the long run.

IMPACT IS ASSESSED

But for the next six months to a year at least, its impact will be more strongly felt on corporate profit-and-loss statements, industrialists and economists asserted.

Few new jobs will be created quickly through plant expansion or in the industries supplying new machinery, the survey indicated. Most businesses, however, will reap extra profits if the tax credit is passed, because it applies to equipment already ordered and to machinery that would have been ordered even if the tax credit had not been announced.

It was generally agreed by those surveyed that the consumer holds the key to prosperity because of his accumulated savings. Also the general level of economic activity will be a more important factor in determining capital spending than the investment tax credit.

No businessmen were willing to go on record as opposing the credit, since it gives them a significant tax advantage for their machinery and equipment spending, whether or not such spending was planned before the announcement.

Most industries, however, said they would not substantially increase their level of capital spending. An exception was the railroad industry, which predicted a heavy influx of freight car orders if the tax credit is passed.

Many businesses, it was pointed out, have long lead times for their major capital projects, sometimes as long as five or six years.

This reduces the short-term impact of a tax credit.

Economists generally agreed that the immediate impact would be slight. Albert H. Cox Jr., chief economist of Lionel D. Edie & Co., the economic forecasting arm of Merrill Lynch, Pierce, Fenner & Smith Inc., said capital spending will probably rise by about 8 per cent next year if the credit is allowed.

He explained, however, that the increase would probably be 6 per cent even if the tax credit were not passed by Congress and if new, liberalized depreciation guidelines were eliminated.

Mr. Cox noted that "a goodly part of capital spending for 1972 is already firmly in place," and said "remaining decision over the next six months at least, will depend to a very large extent on the tempo of incoming orders and production."

Martin R. Gainsbrugh, chief economist of the Conference Board, an organization of businessmen, agreed that the tax credit historically has had a stimulating effect, but with a six-month to nine-month time lag.

"Its impact won't be very great," he said. "It will be a minor rather than a major role, but is nevertheless a significant one."

Mr. Gainsbrugh was critical of the provision of the tax credit that restricts it to purchases of equipment made in the United States.

"Exclusions of that type can only lead to restraint of trade," he asserted. Furthermore, he said, for maximum effectiveness, a tax credit should be spread out over a protracted period. The President's proposed 10 per cent credit is for one year, with a 5 per cent credit thereafter.

Pierre A. Rinfret, president of Rinfret-Boston Associates Inc., a consulting company, predicted that the credit may be made retroactive to April 1 rather than Aug. 15 as proposed by Mr. Nixon. He also was optimistic about its impact on spending.

"My hunch is that it will make a difference next year," Mr. Rinfret said, noting that it usually takes three months after passage of such a tax credit for investment decisions to be made, and six months for the impact to be visible.

The tax credit, Mr. Rinfret pointed out, applies to machinery and equipment at the point it is placed in service, not when it is ordered or paid for.

NO SPEED-UP PLANNED

This means, he said, that the formula specifying a topheavy 10 per cent credit for one year is virtually meaningless, because most heavy machinery cannot be ordered and put into service within a year.

It seems likely, he observed, that a flat 7 per cent continuing credit will be adopted.

"The tax credit's initial impact will clearly be an improvement in the bottom line (of the profit statement)," he said, "but we should begin to see new orders moving forward by the second quarter of 1972."

Many businessmen asserted, however, that they had no intention of substantially speeding up their purchases of machinery and equipment next year.

A spokesman for American Metal Climax, Inc., a mining and manufacturing company, said the concern's capital spending next year probably will match this year's \$170-million rate.

"The tax credit isn't going to make an awful lot of difference to us," he said. "On a one-year basis it's really meaningless in making decisions. We're in favor of it, though, because it will help business generally and stimulate demand for the things we produce."

An executive for one of the country's large steel producers said it was doubtful whether any capital spending programs in his company would be accelerated by the tax credit.

He pointed out that the industry has just finished a major round of capital improvement and is currently operating at only about 50 per cent of capacity.

A generally cautious attitude was found in the chemical industry. A spokesman for E. I. du Pont de Nemours & Co., Inc., said it would be difficult to pinpoint any short-term effect of the tax credit on du Pont's capital investment program.

NEEDS ARE CONSIDERED

The company makes decisions based on the needs of the business, he said, rather than on tax advantages. He noted, however, that over the long term, the credit will provide more funds for investment and could have a stimulating impact on future construction spending.

Gordon Grand, president and chief executive officer of the Olin Corporation, a chemical and metal producer, said that the investment tax credit would have little or no short-term effect, since the company's capital spending is scheduled on a long-range basis.

"However," the executive said, "to the extent that the credit would make additional cash available for capital projects, it would tend to speed up spending on those projects that were being deferred until more funds were available. The question often is not whether to go ahead with a certain project but when, and the tax credit might reduce the waiting time."

The impact of the tax credit in the chemical industry may be diminished, one observer said, by the amount of excess plant capacity, currently about 25 per cent. Surges in capital spending normally occur only when production reaches about 90 per cent of capacity, he asserted.

SOME CRITICISM VOICED

In other heavy industries, similar comments were voiced, as well as specific criticisms of the proposed credit. The controller of a major glass producer, who asked not to be identified, said he would like to see the Government be more consistent on the percentage of the credit.

Changes in either direction, he said, made corporate investment planning very difficult. President Nixon recently indicated he would accept a 7 per cent tax credit if he could not get a 10 per cent credit through Congress.

In the airline industry, the official position was spelled out by Stuart G. Tipton, president of the Air Transport Association.

He said restoration of the investment credit "would be one of the most important steps that could be taken to ease the financial distress within the airline industry."

However, Donald Lloyd-Jones, executive vice president for finance of American Airlines, said he doubted whether a restoration of tax credit would have much effect initially, because the airlines have most of their equipment purchases in place for the next few years.

RISE IN ORDERS UNLIKELY

"Because of a certain amount of overcapacity," he said, "it is doubtful that orders will be increased by the domestic carriers for some time."

Mr. Lloyd-Jones explained that the airlines have been unable to take full advantage of accumulated investment credits in recent years because their earnings "have been so low." His own company, he said, has \$39-million in unused credits.

One exception to the generally reserved outlook for increased capital spending was the railroad industry. Frank E. Barnett, chairman of the Union Pacific Railroad, predicted a "great influx" of orders for new railroad equipment if the investment credit is restored.

He recalled that in 1966, when a 7 per cent credit was in force, the railroads ordered 112,898 new freight cars, whereas last year their new orders fell to 58,201.

Mr. Barnett emphasized that the investment credit was critically important to the railroad car and equipment builders. "I hope

to God they don't mess with it too long," he said.

#### INQUIRY ON ORDERS

Mr. Barnett's prediction was borne out by Samuel B. Casey Jr. president of Pullman, Inc., the world's largest freight car builder. He said that within 72 hours of the President's speech, his company had received inquiries regarding possible purchases of about 10,000 cars representing an investment of \$150-million to \$200-million.

"This is the same kind of exercise these railroads went through in 1961 and again in 1966 so they could be assured of delivery of cars in the event the credit was granted," he said.

A spokesman for the Norfolk & Western Railway, said the investment tax credit deliberations would be a "significant factor" in his railroad's consideration of its 1972 capital budget. In 1971 the N. & W. is spending \$103.2-million on upgrading and improving its plant and equipment.

Representatives of leading paper companies said the investment tax credit was not likely to have much impact on their capital spending plans. The key reason, they said, was the current level of sluggish demand in the industry, a situation that has created considerable amounts of spare productive capacity.

Paul A. Gorman, president and chairman of the International Paper Company, the largest in the industry, offered this comment:

#### POLICIES SUPPORTED

"While the International Paper Company solidly supports the Administration's economic policies, the capacity situation in the paper industry is such that investment tax credit proposals are not likely to have an immediate influence on our capital spending plans."

Peter J. McLaughlin, a vice president of the Union Camp Corporation, Wayne, N.J., said it was difficult to gauge the impact of the investment tax credit until its exact terms were known.

"A 7 per cent or 10 per cent credit by itself," he said, "should not be enough to sway a decision on equipment that's going to be used for 20 years."

A more important factor, Mr. McLaughlin explained, is the rate of return on investment. "Right now, returns in the paper business are so low that we are not planning any major expansion of capacity," he said.

"A more logical avenue" for paper companies, Mr. McLaughlin said, would be expenditures for relatively minor types of equipment that can help to reduce costs and improve the efficiency of existing larger equipment.

#### ACCELERATION OF PROJECTS

J. W. McSwiney, president of the Mead Corporation, Dayton, Ohio, said the company's capital spending plans would not be "much different" because of the investment tax credit but said some projects might be accelerated from 1973 into 1972.

Mr. McSwiney said the credit would be "a welcome help to cash flow and a good incentive for the future."

In the same vein, Mr. McLaughlin of Union Camp said that the investment tax credit would "help profits" and also be a "significant" contributor to cash flow.

He noted that Union Camp's earnings in 1970 and early 1971 were enhanced substantially by the completion of projects that began under the earlier investment tax credit program.

Some businessmen were wary of the tax credit. For example, L. Allan Schaffer, president of Elgin National Industries, Inc., which imports and assembles watches and other consumer products, said the uncertainties about the timing of the credit have created confusion.

Some industries that are not capital intensive, like the pharmaceutical industry, said they did not oppose the tax credit, but did not find it particularly helpful either.

A spokesman for the Warner-Lambert Company said: "We believe the investment tax credit will be helpful to business in general and to Warner-Lambert. But since we are not a capital intensive industry, we won't be making 'go-or-no-go' decisions on plant expansion based on the proposed regulations.

"Our capital investment program in 1971 will again be in the area of \$60-million, and therefore the proposed regulation should have a favorable effect."

A Pfizer, Inc. spokesman added that there had been no decisions on capital spending that were induced by the President's proposals.

The textile industry, like others, welcomed the investment tax credit as a significant earnings development.

James D. Finley, chairman of J. P. Stevens & Co., Inc., said:

"The investment credit proposed by President Nixon could be very significant to the United States textile industry. The industry is losing jobs because of imports, and I believe the investment credit will do some good toward rectifying this situation."

#### PLANS HELD UNCHANGED

James Robison, chairman of Indian Head, Inc., said: "The tax credit is very welcome but it does not change any of our plans. We lay out our capital expenditures program on a three-year model plan—and any single type of credit is not enough to make a margin investment viable. We have been investing \$17 or \$18-million a year steadily over the last few years—and it doesn't change much when business gets bad. Of course, we do take advantage of special situations as they arise, but that has nothing to do with a tax credit.

Ely Callaway Jr., president of Burlington Industries said his company's investment plans are based on the needs of the market and are not particularly influenced by tax credits. In the case of Burlington, he said, it has been subject to a disadvantage by the fact that large investments for knitting machinery made in Europe constitute a large part of the company's capital improvement, and there is no tax credit on foreign machinery.

Capital spending in the auto industry is expected to rise in 1972 spurred by both the incentives of the President's new economic policy and the sweeteners offered to car buyers by the elimination of the excise tax on purchases, observers said.

The elimination of the excise tax should increase the number of cars sold, putting pressure on existing plants and equipment while the capital spending portion of the program will encourage equipment purchases in 1972 rather than 1973.

The lower labor costs of foreign cars manufacturers will make plant automation more attractive, with a likely increased commitment to this form of capital spending.

#### CAPT. LARRY J. KLUEVER

#### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. LONG of Maryland. Mr. Speaker, a fine young man from Maryland, Capt. Larry J. Kluever, was recently killed in action in Indochina. I would like to commend his courage and to honor his memory by including the following article in the RECORD:

#### MARYLANDER DIES IN INDOCHINA

The Defense Department yesterday released the name of a Maryland Army Officer who was killed in action in Indochina.

He was Capt. Larry J. Kluever, son of Col. and Mrs. Emile E. Kluever, of the 4600 block West Ridge place, Camp Springs.

#### MINNEAPOLIS HEALTH HEARINGS

#### HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. FRASER. Mr. Speaker, Mr. Marvin C. Lundin, the administrative director of the Minnesota Optometric Association, expressed his concern for the visual health of all Americans at the hearings I recently held in Minneapolis. In his statement, he focused on the young and the old and their need for adequate health care. His very articulate statement follows:

#### PROFESSIONAL HEALTH CARE DELIVERY AS A LOCAL AND NATIONAL PROBLEM

Congressman Frazer: I recall the pleasant experience I had about two years ago in meeting with you, and other members of the Minnesota Congressional delegation, in Washington on basically this same subject. Your interest and concern for public health were most apparent at that time. We wish to compliment you for your continued leadership in this most complex problem of society.

The members of the Minnesota Optometric Association would like to express their concern for the visual welfare of the people of your district as well as all citizens in the State of Minnesota. Optometry as a profession is concerned with the visual well being of our citizens. Our concern begins when the child enters school and is faced with the processes of learning which is predominantly visually oriented. To aid this child in his learning years, optometry sees the necessity for a more comprehensive health care program with vision care being a primary need.

There is ample evidence and ample rhetoric identifying the need for youth and children to succeed in our academic environment. If the literacy battle is to be won, there must be greater understanding of the learning processes of every child. Literacy is dependent on the ability to read. Reading is dependent on vision and perception, which leads to performance. The development of these skills are called learning. As our young adults enter their productive years, we are concerned with the visual welfare of our work force. Labor's visual skills have become more demanding with the greater complexity of our industrial society.

Emphasis should be placed on the aging since the prevalence of blindness increases with age. Almost one half of the legally blind population are past 65 years of age. More than 50% of new cases of blindness occur in persons 65 years or older. We feel that vision care under a federally sponsored program is justified to provide more adequate vision care to the elderly.

The average American has a visual examination every several years. This is too infrequent. Project "Find", a report prepared by the Office of Economic Opportunity lists poor vision as the leading ailment amongst the elderly.

We feel more adequate programs of vision care should be emphasized by public and private agencies to meet the needs of children and youth. Greater concern should also be shown for the prevention of blindness in the elderly. Our profession looks forward

to working with all interested groups, political leaders and agencies of government to bring about better utilization of our skills so that people of all economic groups will benefit from our services.

God's most precious gift next to life itself is good vision. Thank you for this opportunity and your personal attention.

SPECIAL GREETINGS TO WORLD  
FEDERALIST, U.S.A.

**HON. ROBERT F. DRINAN**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. DRINAN. Mr. Speaker, I had the honor of giving the address on the occasion of the 25th General Assembly of World Federalists, U.S.A. in Boston on September 11, 1971.

Many national and internationally recognized persons sent their greetings and congratulations to this very important organization on the occasion of its silver anniversary.

I am pleased to attach herewith some of these messages addressed to the distinguished Senator Joseph S. Clark who for the past 2 years has exercised his characteristic resourcefulness, his great ability and his profound idealism in his role as the President of the World Federalists, U.S.A.:

SPECIAL GREETINGS EXTENDED TO  
WORLD FEDERALISTS, USA

Mr. JOSEPH S. CLARK,  
President, World Federalists, USA:

Best wishes for a successful conference. Your deliberations will help us and other World Federalists to go forward towards one world.

HARRY WEITHS,  
President, World Federalists of Canada.

[Telegram]

To the World Federalists of the United States gathered for their 25th Anniversary I send my best wishes and warmest regards. May your efforts bear fruit and may your ideals be echoed far outside your own ranks and guide the steps of the decision makers of your country, thus rendering a service of paramount importance to your nation and to our common world community. Good luck.

THOR HEYERDAHL.

HON. JOSEPH S. CLARK,  
President, World Federalists, USA:

DEAR JOE: It is a pleasure to send greetings to the 25th General Assembly of the World Federalists, USA, as it meets in Boston.

In this era of negotiation, there is always a demand for new thoughts and new conceptions of what we can do for our country. We appreciate the dedicated work of World Federalists, USA, as a citizen-based contribution toward the achievement of a strong and permanent world peace and welcome your continued support in this effort.

With best personal regards.

Sincerely,

WILLIAM P. ROGERS,  
The Secretary of State.

HON. JOSEPH S. CLARK,  
President, World Federalists, USA:

My thoughts are with you and all the World Federalists as you continue your good work for peace and international understanding. Warm regards.

CHARLES H. PERCY,  
U.S. Senator.

SPECIAL GREETINGS TO WFUSA

Miss NANCY WESSELMAN,  
Chairman, World Federalists Youth, USA:

On behalf of the WFY-International Executive Committee and the 35 member country organizations around the world, I wish to extend my greetings to the Assembly and Cabinet Meeting of WFY-USA.

The past year is another page in the history of the advancement of the Federalist Youth movement: the emergence of new national organizations in Hong Kong, Singapore, Gambia, India, West Cameroon, and East Pakistan; the establishment of a WFY Sub-Office in Nice, France; the opening of regional offices in Bogota, Colombia and Lagos, Nigeria; the development of concrete relationships and contacts in Moscow and Geneva; political action to protect the human environment, fight for human rights in Greece, and abolish Apartheid all contribute to the development of WFY-International.

On a bilateral plain, WFY-International appreciates greatly the consistent outflow of information about your activities received here at IHQ from the WFYUSA office in San Anselmo. In particular we are impressed with the WFYUSA newspaper, "To Free Mankind", and its superb quality and value for the instruction and stimulation of political action. I congratulate WFY-USA's leaders and Executive Director for this indispensable publication which sets an example for all our member organizations.

We also wish to congratulate you on such activities as the telephone war-tax suit, draft repeal and your relation with the People's Coalition all of which confirms WFYUSA's political significance in accord with the WFY-International principles and approach. We are especially impressed by WFYUSA's achievements in Mundialization activities this past year, and encourage further efforts in this area.

Wishing you continued successes for your work in the USA,

Sincerely,

ICHI MORITA,  
Executive Director,  
World Federalists Youth.

COPENHAGEN, DENMARK.

Mr. JOSEPH S. CLARK,  
President, World Federalists, USA.

DEAR JOE: I am delighted to have this opportunity to extend to you and all of the other delegates to the 25th General Assembly of World Federalists, USA, my warmest best wishes for a fruitful and effective gathering September 9-12 in Boston. May you enjoy continuing success in the vigorous pursuit of your objectives.

Sincerely,

NELSON A. ROCKEFELLER,  
Governor, State of New York.

HON. JOSEPH S. CLARK,  
President, World Federalists, USA.

DEAR JOE: My praise for World Federalists is infinite and you have done a fine job in carrying on its excellent tradition.

World Federalists has been an extremely throughout our country on such vital issues significant force in mobilizing support as arms control and the strengthening of the United Nations. The work of this great organization, which means the work of all its chapters throughout the country has been instrumental in fostering a faith in the necessity for world peace through world law and through a strong international organization.

The job is not done. The world is still plagued by war and is still threatened by nuclear holocaust. Many of our leaders are still skeptical about throwing their weight behind world government.

But I firmly believe that time marches against the skeptics and in favor of the

"world federalists". In 25 years the seed has been planted and has begun to grow. In the next 25 years I am convinced it will begin to bear fruit.

What we harvest will depend upon how we care for what we are growing. For the care and for the harvest, I look to the support and guidance of World Federalists, USA.

My most sincere congratulations! With best regards,

Sincerely,

HUBERT H. HUMPHREY,  
U.S. Senator.

HON. JOSEPH S. CLARK,  
President, World Federalists, USA.

DEAR SENATOR CLARK: As one who is working in the field of arms control, I would like to express my appreciation for the unflinching support which you and the members of your organization have given to Arms Control and Disarmament efforts. The road to world stability and peace is a difficult one at best, but how much more difficult it would be if there were not men, such as those in World Federalists, with ideals and the courage to express them. Particularly on the occasion of your 25th General Assembly, I am sure that thoughtful men everywhere must applaud the example you have given.

With all best wishes,  
Sincerely,

GIRARD SMITH,  
Director, Arms Control and Disarmament  
Agency.  
WASHINGTON, D.C.

HON. JOSEPH S. CLARK,  
President, World Federalists, USA

DEAR JOE: It is with great pleasure that I note the 25th Anniversary of the World Federalists, USA, and the World Federalists Youth, USA. I regret very much that my obligations in the Senate will prevent my being with you on this occasion.

The efforts of World Federalists, USA, over the last 25 years to establish a community of mankind has been one of the few hopeful developments toward international stability and the creation of a livable universe in the post-World War II period.

I commend you, and wish you future success.

Sincerely yours,

J. W. (BILL) FULBRIGHT,  
U.S. Senator.

JOSEPH S. CLARK,  
President, World Federalists, USA

DEAR JOE: It is a great pleasure for me to salute the World Federalists, USA, on the occasion of their 25th General Assembly.

Founded in the dying flames of a desperate world struggle dedicated to the belief that men and nations can indeed resolve their differences without resort to war, the world federalists have provided insight and inspiration to a generation of our people.

I salute the courage and the vision which is yours, and pray for the fulfillment of our common goals.

Sincerely,

EDWARD W. BROOKE,  
U.S. Senator.

25th GENERAL ASSEMBLY,  
World Federalists, USA.

DEAR FRIENDS: It is a sincere pleasure to extend warm and sincere greetings to all attending the 25th General Assembly of World Federalists, USA. Through my past association as a U.S. Delegate to the United Nations 25th General Assembly, I share your deep commitment to a strong and vital United Nations.

The United Nations is imperative to the establishment and maintenance of peace and



freedom throughout the world, and your organization may take pride in its accomplishments in support of a good and just life for all men.

With best wishes,  
Sincerely,

JACOB K. JAVITS,  
U.S. Senator.

WORLD FEDERALISTS YOUTH, USA:

Congratulations on the occasion of your 25th Anniversary. In a world divided by suspicions and conflict your efforts to bring about a harmonious community of mankind is to be commended.

I share your concern, commend your endeavors, and support your objectives.

The work you are doing is of the highest order. Your have my best wishes for a most productive and successful meeting.

SENATOR MIKE GRAVEL.

Rev. NORMAN E. LEACH,  
Executive Director, World Federalists Youth,  
USA:

Deeply regret that expected votes in the Senate this week will prevent my attending what I know will be a most inspiring assembly of the World Federalist Youth. Warmest best wishes to you and your colleagues as you sit down together in the spirit of cooperation and international brotherhood. Cordially,

EDWARD W. BROOKE,  
U.S. Senator.

MESSAGE TO THE 25TH GENERAL ASSEMBLY OF  
WORLD FEDERALISTS, USA

It is natural, I suppose, for you to feel depressed at the sad state that the world is in, in spite of your efforts during the last year and before. Violence, civil and international, continues in many parts of the world, accompanied by unspeakable horrors in some places. Racial, religious and ethnic prejudices remain a feature of our lives. We seem to be as far removed as ever from the kind of world that you have been labouring to bring about in the last twenty-five years.

But are we really? I wonder, for there are one or two sizeable mercies for which we should be thankful and from which, I submit with respect, you might take comfort as you enter upon the next span of your useful existence. The famous "China question" seems headed for a realistic resolution. So does the question of Berlin. Equally importantly, the student protest is becoming less violent in the physical sense and at the same time more meaningful in terms of constructive goals.

So, dear friends, be of good cheer and soldier on, knowing, as you do, that your labour is not in vain.

S. O. ADEBO,  
Executive Director, United Nations Institute for Training and Research.

JOSEPH S. CLARK,  
President, World Federalists, USA.

DEAR MR. CLARK: My own message would be to say that any words coming from a citizen of the D.K. (Disunited Kingdom) at this time should be more like an appeal along the lines of,

"O World Federalists gathered in Boston, now we have another tea party on our hands, this time in Belfast, Ulster. The Picts and Celts are at it again; can you send us a world government?"

Yours sincerely,

PATRICK ARMSTRONG,  
Honorable Clerk, Parliamentary Group for World Government, House of Commons, London, England.

CAN ARMY SURVIVE THE QUESTION: "WHY?"

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. CARTER. Mr. Speaker, an editorial in the Louisville Courier-Journal goes to the heart of the causes of disaffection within our own Army. It is recognized by the vast majority of our country and the vast majority of its representatives here in the House that the gravest mistake in the history of the United States was made when we first intervened in South Vietnam.

Let us take heed that when our troops are committed they are committed for the defense of the people of the United States. The article follows:

CAN ARMY SURVIVE THE QUESTION "WHY?"

Soldiers who wish to be a hero

Are practically zero;

But those who wish to be civilians,

Jesus, they run into millions.

Anonymous

The two ultimate functions of a soldier—to kill and to be killed—have never been particularly popular among the majority of civilized men. And to persuade men to engage in them, it often has been necessary to clothe those functions in trappings magnificent enough to make killing and dying appear to be worthwhile. Glory. Honor. Country. Flag. The sacrifice of the few for the many, we've been told, is beautiful and good. There are values more precious than life itself.

But in a nation based on the idea that human life is intrinsically precious, a society in which each individual is said to have the right to help guide his own destiny, the benefits accruing from killing and dying must be particularly read and important if arms are to be shouldered willingly. If Americans believe they're being called upon to kill and die for goals that are less than vital, all the beautiful reasons for sacrifice become mockery. Free men won't be sacrificed willingly for cheap goals.

FIGHTERS WITHOUT A CAUSE

That's why the war in Southeast Asia threatens to destroy the U.S. Army. The men who have served in that long, bitter war, the generals tell us, are among the finest fighting men ever to wear their country's uniform. They're stronger, brighter and better equipped than any of their predecessors, we're told. Yet, they've been sent to kill and die over the protest of a large number of their fellow countrymen. The reasons for their killing and dying remain unclear or unconvincing to many of them. Huge sacrifices are being required of the few in the field, while no sacrifices at all are being rendered by the many at home. The nature of the war itself, and now our dwindling role in it, have left our confused young soldiers with hours and days of idleness to fill, as best they can, in a strange and hostile land.

The disillusion and bitterness acquired in Vietnam accompany the soldiers back home, or to their new bases in Germany, Korea or elsewhere, and are transmitted to other young soldiers who have never experienced the war themselves.

The results: thousands of drug addicts. Robbery, thievery and extortion in the barracks—necessary for the support of an expensive vice on soldier's pay. The death of esprit de corps. Time and the inclination to engage in racial discrimination, racial rhet-

oric and racial conflict. Time to read and ponder accounts of American military atrocities and scandals. Time to wonder about the honor of officers who lie—who say the Army has no drug problem, when there's a narcotics ring operating in one's own barracks.

Besides the effects of the war on individual soldiers, there's the cost it has wrought on the Army as a whole. Pentagon officials say that at least nine of the 11 American divisions on duty outside Southeast Asia are incapable of waging immediate, full-scale war because of the manpower and training shortcomings created by our involvement in Vietnam. This is the legacy of the Johnson administration's decision five years ago to wage war abroad without waging it at home—to allow politics and economics to prevent the call-up of reserves, the levying of a huge draft, the mobilization of the nation's economic resources in support of a war.

Then there's the plight of the veterans when they come home—many of them not only maimed but also wondering what purpose their lifetime handicaps have accomplished. Many of them decorated for valor abroad, yet ignored or rejected at home, their lament was summarized succinctly by a much-decorated former staff sergeant for *Courier-Journal* reporter Bill Peterson: "Sometimes I feel like crying. You risk your life and then you come home and can't find work."

Meanwhile, our President, reflecting the rising anti-war sentiment in the country, promises an all-volunteer Army by 1973.

A TIME FOR QUESTIONING

How? Who will join once the risk of the draft has expired? Those questions worry the Army itself, and they should worry the nation's citizens as well. The Army's leaders are trying desperately to regain the respect of the citizenry. Their sincerity is attested by their uncharacteristically candid appraisals of an Army in the current *Courier-Journal* series, written by a team of *Washington Post* reporters, about the Army's problems. They've hung out the Army's dirty linen for all the country to see. And the guidelines handed down by General Westmoreland for reform and humanization of the nation's largest fighting force may—if they're really followed—finally save the Army.

But they can't succeed without accompanying reform in the thinking of those who guide the destinies of our Army and the young men and women who serve in it. The Commander-in-Chief and the Congress—and the public—must restore the Army to its rightful role as the defender of the homeland. It must be used no longer as the helpmeet of one faction against another in the internal affairs of another sovereign country.

"These young soldiers, they question you," says a disgruntled non-com in the *Post* series. "They say, 'Why?' They ask why you want to go to Vietnam, and you say, 'Well, you go because you're a soldier.' And they say, 'You're nuts. You're out of your gourd. . . .'"

Asking questions is a fine old American tradition. If the country wants to keep its Army, and its security, it must have some better answers ready the next time it wants somebody to do some killing and dying.

NOT NATURE ALONE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. HUNGATE. Mr. Speaker, a solution to the problems of ecology and the

environment is not as simple as it may seem at first blush. In fact, it may be important to make certain we are moving in the proper direction before we try to move too rapidly or spend too much money on what may be ineffective programs. The following article "Not Nature Alone" outlines some of the dilemmas we confront:

NOT NATURE ALONE  
(By Richard Neuhaus)

Some of my best friends are card-carrying members of the ecology movement. Real friendship is enriched by honest disagreement; or so I will have reason to hope when they have read this. I am presumptuous enough to think they should read it, because those inside the movement are best able to change its direction. I believe some thorough changes are in order, for what has emerged as the ecology movement is in important respects a diversion from—and a distortion of—the radical demands of justice in a hungry world.

At its least exceptionable, ecology is a housekeeping movement, wiping up the mess, teaching industry better toilet habits, and exerting political pressure to restrain the engineers of technology who give little thought to the social or natural consequences of "progress." At this level the ecology movement makes an important contribution, nurturing a type of modesty and care not usually characteristic of American actions at home or abroad. The movement has also asked us to consider the possibility that the biosphere is in imminent danger of collapse—a prospect that, if true, is indeed a serious problem.

We must not forget, however, that the ecology "crisis" is in part simply a result of our successful indoctrination in ever-rising needs and ever lower levels of tolerance. The idyllic past wasn't always so idyllic. In fact, much of nineteenth-century life would strike us today as being brutally harsh. As late as 1850, the life expectancy of the average American was less than forty years. As for pollution, the mid-nineteenth-century home in the major American cities took in more carbon monoxide than it does today. In Manchester, England, in 1843, there were thirty-three privies for 7,000 people, and even where there were sewers they ended abruptly, dispensing their contents into the middle of a street. Equally abhorrent conditions existed in America.

Subsistence has been redefined; what was luxury becomes necessity; inconveniences once accepted become intolerable. The man for whom enough food might once have been a political issue now has two cars, and he and his family are irritated by the crowded conditions in the parks where they go camping, and indignant that the air in Queens does not smell as sweet as that of the remotest valley of Vermont. The point, obviously, is not that we should be satisfied with things as they are. The point is that we should not permit ourselves to be seduced into mislocating the "crises" of our times.

We should also beware of mislocating the ecological villains. Telephone service in New York City has now regressed to about the level of pre-World War II France. It has become fashionable to describe this abominable service as a sign of "technology reaching its limits." Public hearings have established that, far from being overwhelmed by technological demands, the New York Telephone Company knew five years ago what would be required to maintain the system in the 1970s but deliberately skimmed on the necessary expenditure. In the same vein, it was announced in the fall of 1970 that there would be a dire shortage of oil and natural gas for heating in the coming winter. The eco-prophets immediately pounced on this further evidence of our technological exhaustion of the earth's resources. The problem, as it turned out, was avaricious oil com-

panies attempting to maintain artificially high prices.

Pogo's observation that "we have met the enemy and he is us" is frequently encountered in ecology meetings and literature. Considering the strong accusation carried in Pogo's judgment, it is repeated with suspicious ease.

Sometimes one might suspect that "us" is nobody, a ghostly diversionary tactic. Most of the choice places at the barricades are taken by the executives of the corporate giants. According to the trade paper *Advertising Age*, companies rushing to buy prime time for Earth Day included Procter & Gamble, General Electric, Goodrich, Standard Oil of New Jersey, DuPont, International Paper, Phillips Petroleum, Chevron Oil, General Motors, and Atlantic Richfield. There they stood, bold and unflinching in the face of nobody.

The spectacle of polluters leading the anti-pollution crusade puts one in mind of Herbert Marcuse's theory that the masters of a society can control protest by bringing it out in the open and even appearing to identify with it, thus neutralizing the protest and even gaining credit for responsiveness. The process is sometimes called "repressive tolerance." If there were no anti-pollution movement, the polluters would have to invent one; which, of course, is precisely what some people think happened.

Consider one TV commercial. First on the screen is a little baby, then we see it being taken home from the hospital by its young mother and father. In the background is the gentle strumming of a guitar, accompanied by the humming of a very "folkish" singer, creating the mood for the "message." The young father, wearing modified granny glasses but otherwise quite respectable, looks out-over the landscape. There is the skyline of a city, blanketed in smog. The young father frowns, looks concerned, and then his face is transfigured by one of those idealistic looks. The folk singer breaks into song: "What can one man do, my friend?/What can one man do?/To fight pollution in the air/Closing in from everywhere?" The young father knows what one man can do. He and his wife and their little baby get in his big red car and, with the determined yet somehow calm air of the revolutionary who has made his irrevocable decision, he pulls up at the Amoco leadfree pump and says, "Fill 'er up." This commercial brought to you by courtesy of the ecology movement.

Ecologists who would be quick to object to the cynicism of this commercial are less able to detect the cynicism in the easy use of Pogo's judgment. Doesn't "us" usually mean "them"—other people? Like aristocrats of other times, we fear the masses and find our own technique for keeping out the poachers—whether it be America lecturing the world on the population explosion or conservationists trying to preserve the wildlands.

Loren Eiseley, in *The Invisible Pyramid*, mourns the loss of "the unfrequented wilderness" of his youth to the "fungus" of spreading suburbia with its "radiating lines of transport gouged through the naked earth [leading] to cities clothed in an unmovable haze of smog." He decries "the incipient illness as it spreads with all its slimy tendrils through the watershed." What formed this "fungus upon a fruit"? People, of course, fortunate enough to acquire their own homes and wanting a way to get from house to work to school to play. It may be bad urban planning, but they are not fungus; and their neighborhoods, such as they are, are not slimy tendrils.

Shouldn't Eiseley's real sorrow be for the poor people who must live in the "cities clothed in an unmovable haze of smog"? There is nothing in the context of *The Invisible Pyramid*, nor in the larger context of the ecology movement, to suggest that this is the focus of concern. Were the concern for the poor, it might be assumed that the movement would be informed by the

demands of the poor: demands for decent housing, equal job opportunity, a chance at an education, honest cops, and a fair share of political power. As the man said, "Who wants to breathe clean air in a racist society?" No poor person should be fooled, nor do I know any who are, by the ecology movement's professed concern for their welfare.

Many ecologists resent such suggestions of class bias. And it is possible that they have reason to take offense, though not the reason they think. In a chillingly profound way, they sometimes seem to be saying that "the enemy" is a most egalitarian "us," thereby revealing a suspicion of mankind altogether, not just the poor or powerless.

YOGIS AND COMMISSARS

Wilderness is a bench mark, a "touchstone," writes eco-enthusiast Kenneth Brower. "In wilderness we can see where we have come from, where we are going, how far we've gone. In wilderness is the only unsullied earth sample of the forces generally at work in the universe."

What kind of history would be written by "the bench mark" of wilderness? Man's religions, music, philosophy, politics, cities, and friendships as well as his wars, acts of genocide, and abiding brutalities—these presumably only obscure "where we have come from, where we are going, how far we've gone."

There is no denying the allure of the natural in a world of plastic packages, synthetic clothes, and artificial stimulants. Everyone who suffers at times from urban shell shock can be enticed by the call of the wilderness and the country. There are nights when, before I sleep, I turn my mind from the cacophony of Brooklyn's crises to the tranquility of the Ottawa Valley: the pure cold water of the Ottawa River flowing by the azure backdrop of the Laurentian Mountains, where it was possible for the child that is me to believe that he discovered forests and groves where never man had set foot before.

Escape to the country can be more than escape, more than temporary relief or the indulgence of idiosyncrasy. It can supply, as it did for Thoreau, "a place to stand"—a frame of reference distinct from the present turmoil.

But the wilderness has never provided an adequate set of values for man, as H. Paul Santmyre suggests in *Brother Earth*: "The American passion for wild and cultivated nature in the nineteenth century and later was predicated more often than not on a flight from oppressive social realities." We turn toward nature as a mistress who yields to our every fantasy because she cannot talk back, except with the words our projections give her. In this she is so unlike the city, so unlike politics, so unlike people.

Nowhere is the weakness of this vision more evident than in its political implications. The goal is to put an end to politics. Charles Reich writes about "transcendence" and "liberation" from the strictures of politics. But when the "new consciousness" moves beyond privatized tripping and conceives of a new order of humanity it becomes emphatically political. It becomes the worst kind of politics: the politics that refuses to see itself as politics. Far from being radically progressive in its consequences, this kind of politics is almost always conservative and reactionary. The Church, for example, has usually considered itself "above politics" all the while its supposed neutrality was reinforcing the sanctity of things as they were.

This apolitical dream leaves one to wonder just how some eco-enthusiasts really plan to implement coercive measures for which they see an urgent need. Garrett Hardin, one of the chief prophets of doomsday, writes that it has become necessary for a central authority to start determining who should

be permitted to have children, how many children they can have, where they can live, and what they are allowed to consume. "A Madison Avenue man," writes Hardin, "might call [the necessary measures] persuasion; I prefer the greater candor of the word coercion. Coercion is a dirty word to most liberals now, but it need not forever be so." Hardin goes on to assure the reader that he has nothing to fear from this kind of coercion. "The only kind of coercion I recommend is mutual coercion, mutually agreed upon by the majority of the people affected."

Hardin is only one of the "commissars" in the ecology movement, and their prescriptions should jar every one of us back into the most earnest kind of politics. These hard-nosed defenders against eco-catastrophe may share at times the romanticism of nature's yogis, but they want to be understood as relentless realists. Others in the movement, the gentler folk, do not always look carefully at what the warriors are up to. But they know the more brutal types are necessary for the dirty work that will preserve their gentle world. So they pay their soldiers' bills, promote their field manuals, and welcome them into the charmed circle of the ecologically conscientious.

How far the relentless are willing to go can be seen in the works of Paul Ehrlich. "The battle to feed all of humanity is over," writes Ehrlich. "In the 1970s the world will undergo famines—hundreds of millions of people are going to starve to death in spite of any crash programs embarked upon now. . . ." Ehrlich further explores the prospects in a new book appropriately titled *How To Be a Survivor*. What are the risks we should take, he asks, now that it is clear that the United States "does not have the capacity to feed the needy of the world over the next decade or so"? There has been "only one realistic suggestion in this area," says Ehrlich. He endorses the proposal put forward by William and Paul Paddock in their book, *Famine—1975!*

The proposal, Ehrlich explains in *The Population Bomb*, employs the concept of "triage," borrowed from military medicine.

The idea briefly is this: When casualties crowd a dressing station to the point where all cannot be cared for by the limited medical staff, some decisions must be made on who will be treated. For this purpose the triage system of classification was developed. All incoming casualties are placed in one of three classes. In the first class are those who will die regardless of treatment. In the second are those who will survive regardless of treatment. The third contains those who can be saved only if they are given prompt treatment. When medical aid is limited, it is concentrated only on the third group—the other are left untreated.

We should, Ehrlich says, "devise a similar system for classifying nations." Libya might be an example of the country that should be cut off from food aid because she could probably survive without it. India, on the other hand, is probably one of the countries that should be cut off because its people "are so far behind in the population-food game that there is no hope that our food aid will see them through to self-sufficiency." Ehrlich expands the Paddocks' proposal in terms of giving nations in "the last tragic category" at least one more chance. If they are prepared to undertake rigorous measures of population control right now, we might continue to give them some food aid.

It is difficult to know just how Ehrlich would impose his solution should India fail to respond as we demand. But if the predicted famine were to follow, enforcing the "triage" solution would undoubtedly produce crises involving desperate emigrants and unsanctioned relief efforts. Can we foresee United States soldiers firing on emaciated Indians trying to flee into Burma, or American jets shooting at planes trying to smuggle in food packages from the Ladies Aid of the First Baptist Church of Kankakee, Illinois?

It is not clear whether Ehrlich wants all 540 million Indians dead before the embargo is lifted. That would seem most sensible, however, since any survivors of several years' rampant cannibalism and total absence of social order would be unlikely candidates for the "quality environment" we desire.

#### SURVIVAL AS MORAL PURPOSE

I have, of course, met conservationists of gentle and humane temperament who are embarrassed by Ehrlich and the other commissars.

These innocents who have joined the ecology movement believe its basic purpose is to preserve some uncrowded land for wandering and recreation, to make the rivers fit for swimming and fishing, to reduce the number of beer cans along the highways, to end strip mining and other despoliations of the countryside. These are all eminently desirable goals. The movement's followers would do well, however, to listen to some of the commissars and to entertain the possibility that the movement is in fact much more ambitious than these goals suggest; that its propagandists are serious when they claim the movement is a "revolution in values."

The essence of this revolution has received perhaps its most cogent treatment in an oft-reprinted essay by John Fischer, former editor in chief of *Harper's*. Although he starts with a program for the renewal of higher education, he ends up proposing a redirection of the whole society.

The problem, says Fischer, is with the liberal-arts schools, which, unlike the professional schools, do not train toward any "coherence and visible purpose." Education was not always like this, he writes, and it need not be fragmented now. In the earliest European universities, students were trained "for the service of the Church," and in nineteenth-century England they were trained "to run an empire." Today the university must be reshaped, "founded on a single guiding concept." Fisher has been checking out his fretwork with professors, administrators, and students, and he thinks he has struck upon the one idea that might pull everything together. "It is simply the idea of survival."

Fischer's "Survival U" will be unabashedly moralistic. The professor "will be expected to be a moralist; for this generation of students, like no other in my lifetime, is hungering and thirsting after righteousness. . . . In every class it will preach the primordial ethic of survival." Students will be trained to wage holy war against "the earth's cancerous growth of population" and a long list of thoughtless technology's violences to the earth and our "quality of life." Mobilizing this society and the world against ecological disaster requires the asking of "hard questions." Fischer has the courage to contemplate the possibility that we might have to "sacrifice some of our hard-won liberties" in order to assure the coherence of society around the theme of survival.

A doctrine of survival may grow appropriately from a Darwinian interest in nature, and the argument may sound attractive, but it is wrongheaded and misleading. Survival can never provide for man a moral purpose for his life. Survival may be a precondition for developing a moral purpose, but survival itself is not a moral purpose.

In his brilliant study, *Death in Life: Survivors of Hiroshima*, Robert Jay Lifton reports on his searching interviews with the *hibakusha*, those Japanese who survived the atomic bombing.

By speaking of "true hellfire" the survivor means not only massive death and devastation, but the psychic flames of death guilt. . . . The survivor [feels] that his survival was made possible by others' deaths: if he had not survived, someone else would have. . . .

Lifton was dealing as a social psychiatrist with people who had, if anything happens by chance, survived by chance. Many of them

had performed acts of great heroism in attempting to save other victims of the bomb. The "flames of death guilt" would be infinitely more searing if, as some ecological enthusiasts recommend, the American people were deliberately to sit back and observe the death by famine of hundreds of millions of fellow human beings, and not to take any action to prevent it but, in fact, to accept—if not to welcome—it, as the necessary price to be paid for our continued existence and quality of life. Under such circumstances and among such a people, survival would be a damnation.

To say this does not mean we should dismiss the ecologist's concern with survival. We have every reason to try to achieve a stationary world-population level before it is brutally forced upon us by the absence of space for more people. One of the real contributions of the current ecology consciousness is to challenge the simplistic creed of "the bigger the better." The evaluation of life in qualitative rather than quantitative terms is an enormous step forward.

But the fundamental answer to the commissars is that the important questions are political and moral, demanding the intelligent participation of all of us. The goal is not survival, but survival as human beings.

Gunnar Myrdal is among those wise people who understand that realism without morality is politically unrealistic. He noted, in *An American Dilemma*, that the greatest strength of the United States in dealing with its racial problems was the popular idealism by which the majority restrained itself from the most obvious and "natural" course, namely some Germanic "final solution." This was the popular idealism later seized upon by Martin Luther King. It is the same idealism so distrusted and denigrated by American intellectuals. Myrdal's argument is that political leaders have set the American people up for disappointment when they choose realism over idealism, as when they cast foreign aid in the rationale of Cold War self-interest.

#### LOAVES AND FISHES

I suggest that we should strive to redefine American purpose by developing a new, and yet very old, covenant of accountability—a "Covenant with the Poor." The metaphor of the Covenant is rooted in the Biblical tradition that lays the foundation for our society's moral constructions. It is an integral part of America. This metaphor suggests approaches and priorities in meeting a whole range of ecological questions. Consider, as an example, the problem of world hunger.

If six of us sit at the head of the table with great heaps of food—almost half of everything available—while twenty starving brothers are at the other end of the table, the humane decision is not, as some ecologists urge, for us simply to eat less—a desirable action, but no response to the real problem. As Pope Paul urged in his 1965 speech before the United Nations:

You must strive to multiply bread so that it suffices for the tables of mankind, and not, rather, favor an artificial control of birth, which would be irrational, in order to diminish the number of guests at the banquet of life.

I am not a Roman Catholic and have little sympathy for what I believe to be the Pope's regressive record on numerous Church and social issues, including the issue of contraception. Nevertheless, I believe his U.N. declaration is an admirable statement. It suggests a theme, an overarching metaphor that, unlike survival, can motivate and satisfy our humanity.

The "Covenant with the Poor" could take dramatic form if the United States were to devote 2 per cent (approximately \$20 billion) of its annual Gross National Product in nonmilitary assistance to underdeveloped countries. Some will immediately decry paternalism and condescension, but we should not reject compassion because it is so easily

distorted. Others will say that the Covenant falsely assumes that America has what other people want. In fact, we do have enough food, reasonable freedom from onerous physical labor, and a life expectancy beyond age thirty-five. And there are millions of people on this planet who desperately want to share these despised elements of our decadent system.

On a more intelligent political level, others will point out that there is a real danger that the United States, even with the most generous motives, will try to impose its social systems and values upon others. They are right, of course, and this is precisely why political attention in this country must be relentlessly focused on the nature and consequences of American aid. In a nation revived by its "Covenant with the Poor," political activists must press to see that American aid is *responsive* to and not *prescriptive* for the will of other nations. This means that assistance must be thoroughly demilitarized. At the same time, U.S. commercial interests abroad must be brought under stronger political control.

It is not our business as Americans to take sides in the conflicts and revolutions of other countries. And the power we have should be used only the way each nation desires it. Given the fact that many countries have bureaucratically incompetent and unrepresentative governments, the American people should make sure only that the assistance it offers is utilized in as effective and equitable a manner as circumstances permit. It may be that our motives will be better trusted if our Covenant is carried out by multilateral and international institutions.

I am aware that I have vastly oversimplified some of the most complicated questions involved. But it all comes back to the question the ecologists have raised: Do we multiply and redistribute the bread, or reduce the number of guests at the table?

Ehrlich's choice is the latter. His response to the Pope's statement is, "We have already seen that the 'banquet of life' is, for at least one half of humanity, a breadline or worse." There may indeed be a breadline, but even that may sustain life itself and the hope for justice that is life's constant companion.

There is an elitist arrogance in the assumption that life on a breadline is not worth living. A distinguished medical proponent of abortion on demand once assured me that no one should be forced to be born who was not guaranteed "the minimal requirements for a decent existence." Among the minimal requirements he included a stable family life, loving parents, quality education, and the economic security to have an equal start in competition for the best that American life has to offer. When I pointed out that by his criteria, most of the people I work with in Brooklyn should have been aborted in the womb, he responded with utmost sincerity, "But surely many, if not most, of the people who live in our horrible slums would, if they could be objective about it, agree with me that it would have been better for them not to be born." This naive viewpoint is by no means rare among more affluent Americans, who apparently find it inconceivable that life itself could be as precious—yes, even a banquet—to the wretched of the earth as presumably it is to the rich.

#### ASW IN DEFENSE OF THE TRIAD

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. SCHMITZ. Mr. Speaker, at this point in the RECORD I would like to insert an extremely interesting article which

appeared in the September issue of the U.S. Naval Institute proceedings. It deals with a possible Soviet SLBM—Submarine Launched Ballistic Missile—attack on the continental United States and the role of ASW forces—Anti-Submarine Warfare—in defending the land based increments of our strategic deterrent.

The authors point out that there is no point within the United States which is more than 900 nautical miles from open sea, that approximately half of our urban industrial targets lie within 500 nautical miles of many SLBM launch points in the Atlantic Ocean, and that an SLBM having a maximum range of 1,500 nautical miles and a normal flight time of 15 minutes using a depressed trajectory could reach any target in the continental United States in less than 7 minutes. I might point out that Soviet Y-Class ballistic nuclear submarines, of which there are currently 20 operational and which the Soviets continue to build at the rate of 8-10 per year, each have 16 SLBM's with a range of approximately 1,500 miles.

It is heartening to see an article appearing in a naval publication and co-authored by a Navy man which emphasizes that land based bombers and missiles are key elements of our nuclear deterrent and views one of the jobs of our naval forces as contributing to the defense of these vital increments of our triad through countering the Soviet naval threat to same, rather than arguing for their abandonment in favor of what is known as the "blue water option."

I think that all my colleagues will find this article well worth reading and be particularly interested in the scenario with which Captain Winnefeld and Mr. Bulder lead into their argument for an ASW role in defense of the continental United States.

The article follows:

ASW—NOW OR NEVER

(By Capt. James A. Winnefeld, U.S. Navy, and Carl H. Bulder)

(NOTE.—The U.S. Navy must rethink the ordering of its ASW mission priorities for, with the emergence of a significant Soviet sea-launched ballistic missile capability, the survival of essential elements of all our nuclear forces is now, more surely than ever, measured in minutes.)

Item from page 2 of the London Times, Wednesday, 25 September 1974: "It is only now, some three months after the terrible events of 17 June, that some of the extraordinary details of the surprise attack on the United States are becoming available through the deductions of Western European military experts. While it was almost immediately apparent that the attack was intended to neutralise the United States in a single, stunning blow, most of the world found the outcome to be either incredible or inexplicable. Now, however, it is even more astonishing to learn that the attack was far from an all-out effort. Early accounts assumed that the crippling of U.S. strategic nuclear forces resulted from a massive attack by intercontinental ballistic missiles. But experts sorting through the available evidence have concluded that not a single ICBM was fired by either side. Perhaps the most revealing statistic of the attack has come from an Admiralty report recently submitted to the Defense Minister showing that the entire attack, from the closing of the first switch to the last nuclear blast, probably took no more than 10 minutes.

"The Admiralty report summarises a priority study demanded by the DM immediately after the Havana Conference in July. It provides, for the first time, an official explanation of how U.S. nuclear forces were either destroyed or paralysed in a matter of minutes and why the Soviets were able to take over most of West Germany in the ensuing strategic standoff. Up to now, there has been much speculation on why the U.S. strategic forces, despite elaborate precautions to insure their survival, were unable to respond during the world's first nuclear war. The explanation offered in portions of the Admiralty report released yesterday. . . ."

Excerpt from Admiralty Report No. NAV-ANAL/PLAN-0014, dated 7 September 1974: "From the foregoing consideration, we believe that the following conclusions may be reasonably drawn:

"1. The attack while carefully planned and executed, was both daring and risky. The opportunities for failure were numerous, and the remarkable success of the attack must be attributed to the bold acceptance of the enormous risks. There was no certainty of the U.S. response even if the attack was a technical success; but this risk, too, was apparently accepted by the Soviets because of the gravity of the German situation. Reference 14 shows that the German political crises of May were far more alarming to Moscow than to London or Washington.

"2. The attack on North America appears to have been carried out entirely by means of missile submarines in a carefully coordinated strike from close upon the Atlantic, Pacific, Caribbean, and Hudson Bay coastlines. Two types of submarine-launched ballistic missiles were employed, one type having multiple warheads. Most of the missile trajectories were purposefully lowered to shorten flight times and delay detection. It is estimated that the total number of submarines involved need not have exceeded a dozen, but the actual number may have been higher. In any event, there is no evidence that the Soviets augmented their normal on-station submarine forces for the attack.

"3. The most demanding aspect was precise timing as to launches and impacts. It is certain that the authorities and equipment exercising control over U.S. nuclear forces were the priority targets in time. The patterns of nearly 100 detonations, most of them on the U.S. mainland, correspond to our understanding of their nuclear control and communications structure. While some elements of that structure did survive the attack, the losses were so sudden and extensive—for example, only two secondary transmitters for communicating with the U.S. Poseidon submarines are known to have survived—it required nearly 15 minutes to clarify the vestment of authority. By that time, the attack was over, a substantial portion of the U.S. nuclear forces had been destroyed, and the Soviet ultimatum was being transmitted on all frequencies and the one surviving hot-line. It is estimated that most of the command and communications targets were struck within about six minutes of the first launch. It is doubtful that any of these targets enjoyed more than four minutes of general warning or more than two minutes of certain prior awareness that the country was under attack.

"4. The second-priority targets were the strategic bomber bases. The detonation patterns here suggest that airborne aircraft were also the object of attack at many inland bases. All of the bomber and tanker bases were probably struck within nine minutes of the first launch. Even so, a rather substantial fraction of the alert aircraft may have become airborne. The only reasonable explanation for the small numbers of bombers surviving (we estimate about a dozen) is the extensive targeting of aircraft flight areas near the inland bases that could have received the greatest warning. We doubt that any bomber base had more than six or seven minutes of warning.

"5. The third priority was apparently given over to the new antimissile installations protecting U.S. ICBMs in the northwestern states. The attack scheme here is readily apparent: only the radars and fire control centers were hit. Since the U.S. ABM system was designed specifically for self-protection and survival against an ICBM threat, the sensors were misoriented for a submarine missile attack. For example, the BMEWS radars here and in North America were not attacked and provided no indications that an attack had been launched, further adding to the initial confusion of U.S. authorities. It is estimated that all of the critical ABM sites were struck within about ten minutes of the first launch.

"6. The lowest priorities in time seem to have been the overseas communications installations and submarine bases for U.S. strategic forces. We have fairly reliable data on the one weapon that destroyed U.S. submarine forces at Holy Loch; it was delivered from a surfaced diesel-electric submarine. (We have intermittent radar and acoustic records on the transit of that submarine.) Radio message traffic intercepted here indicates that the few attacks outside the U.S. mainland (only 14 weapons in all) were withheld until it was certain that the attack upon the U.S. mainland was successfully launched. They could have been executed with older, less-sophisticated submarines launching ballistic or cruise missiles from the surface at relatively short ranges from their targets. These attacks, also, were completed within 10 minutes of the first launch off the U.S. mainland. The weapon at Holy Loch destroyed four Poseidon submarines and we presume that about 12 more U.S. missile-firing submarines were destroyed at their bases.

"7. We believe that the U.S. ICBMs would have been included to the attack except for the limited numbers and accuracy of the multiple warheaded missile carried by some Soviet submarines. Because of these limitations and the daring Soviet decision to withhold the use of ICBMs in the initial attack, the U.S. bombers and submarines in port offered the most lucrative targets for achieving a decisive shift in the balance of strategic forces.

"8. Any U.S. response to the attack appeared to be highly disadvantageous. Private discussions with General Tyer at the Havana Conference have shed some light upon the dilemma that the U.S. authorities faced immediately after the attack. By the time General Tyer was certain of his responsibilities, the following aspects of the attack were clear:

(a) The first phase of the attack was obviously over for no new detonations had been reported for seven minutes and BMEWS stations continued to report no incomings.

(b) The attack was directed primarily at U.S. authorities, command and control, but not against the population (as noted earlier, only three large metropolitan areas received substantial damage).

(c) No Soviet ICBMs had been employed in the attack, and they could be presumed temporarily withheld in a high degree of readiness.

(d) No U.S. weapon had yet been released and enemy defenses were undegraded. (The few bombers that had escaped destruction were recalled when it became clear that U.S. ICBMs were not under attack.)

(e) While it was apparent that the U.S. ICBMs had survived and could be fired upon any warning of further Soviet attacks, the same was true of an even larger Soviet ICBM force. The situation for the Polaris and Poseidon submarines at sea could only be presumed over the next several hours and days. But it was also obvious that the only rational option was to withhold these forces in the hope of not being forced into what would now be a lopsided exchange of either military targets or cities.

(f) A full text of the ultimatum was available. General Tyer said that the terms were such that there was little alternative but to acquiesce to the Soviet fait accompli in West Germany. . . ."

Excerpt from cover letter from the Defense Minister to the Prime Minister. ". . . so there isn't too much here that I haven't passed on to you at cabinet. It would seem to me that the key in this wretched mess was time. If the Americans had had even three or four more minutes, I believe that much of the apparatus that didn't work would have had a good chance. With a few more minutes I believe the President would have been safe, the bombers would have made it off, and we would have had an entirely different match to be played out. More important, I think it likely that if the attack had required more time for execution, the greater risks would have discouraged the entire enterprise and we would have had a chance to work things out at the conference table.

"Geoffrey tells me that the subs could have been kept far enough off to prevent anything as sudden as that from happening—something about conventional antisubmarine forces being used to control certain water areas. I keep telling him that I rather suspect he has an ax to grind, but if there is a way to buy a margin of time, we should probably look into it. . . ."

Fiction is a convenient technique for avoiding many complicated questions that must be faced and answered in order to make a scenario credible, and it would be imposing to argue for the credibility of this fictional autumn in 1974. The purpose was to dramatize the special capabilities and characteristics of a threat that is now present and growing in our coastal seas.

As a nation, we certainly are not in need of any new strategic threats to further justify the many valid concerns for our strategic posture. There are hobgoblins enough in the SS-9 and Fractional Orbital Bombardment System without our searching for new possibilities to scare ourselves. However, the first-strike threat posed by Soviet submarine-launched ballistic missiles (SLBMs) has three ugly aspects that set it quite apart:

1. The required hardware types are already developed and operationally deployed. The principal future uncertainty is not the projected competency of the hardware, but the locations and concentrations of this hardware off our coasts, and Soviet intentions that "bear watching," although the observation of Soviet SLBM flight tests could verify estimates of how far the trajectories might be depressed.

2. Not just one, but all of our strategic forces (or their supporting systems) fall under the shadow of this threat. Our strategic bombers have, for several years now, had their survival measured against the quarter-hour clock of an SLBM following a conventional, maximum-range trajectory. But if these flight times can be cut in half and if the numbers of missiles continue to increase, the SAC Wing Commanders will soon be joined by other worries. Many important things that can reasonably be accomplished by human beings in 15 minutes become extraordinarily difficult and questionable when the time is cut to seven or eight minutes, or even less.

3. U.S. perceptions of strategic stability and arms control would appear to encourage the expansion of the SLBM threat. During the past year, the open literature in the United States has extolled the arms control virtues of SLBM forces, largely because of their relative invulnerability at sea. Many U.S. experts would apparently welcome a Strategic Arms Limitations Talks agreement favoring greater reliance by both sides upon SLBM forces. Thus, we can expect to see a growing Soviet SLBM threat, with or without a SALT agreement.

While the daring of the attack described in the opening scenario may seem incredible,

the technical capabilities assumed for the attacking SLBM's should not. There are no points within the United States that are more than 900 nautical miles from open seas. An SLBM having a maximum range of 1,500 nautical miles and a normal flight time of 15 minutes theoretically could, by means of a depressed-trajectory, reach any Continental U.S. target in less than seven minutes. If it were assumed that the longest-range shots were fired first, and that the firing rates of the SSBN's were about four missiles per minute, then perhaps the time allowance of the opening scenario was too generous; it could all be over in seven minutes instead of ten. Even assuming reliable warning within one minute after the launching of the first missiles in such an attack, we could be left with less than six minutes to remove from harm's way the critically important people and equipment that do not lend themselves to protection through constant mobility or hardening.

It would be unfair to imply that compressing the time for an SLBM strike is a cost-free option to the attacker. Resorting to extreme depression of trajectories to shorten the time of flight, cuts into the range of the missile. As already indicated, however, SLBM range is not a very severe requirement for U.S. targets. (This is one situation where the U.S. maritime geography is unfavorable as compared to that of the U.S.S.R. For example, about half of the CONUS urban-industrial targets lie within 500 nautical miles of many potential SLBM launch points in the Atlantic Ocean.) However, reductions in SLBM range and time of flight will force the SSBNs to move in closer to shore, increasing the risks of exposure. The shallow reentry angles associated with depressed-trajectories can degrade the accuracy of the missile (because of greater sensitivity to atmospheric uncertainties), but high accuracy is not required for many of the soft targets, such as antennas and buildings, associated with our strategic command and control structure.

What are our options for coping with the first-strike threat posed by the growing number of Soviet SSBNs that could concentrate close to our shores? Even though the sharp edge of this threat is keenly felt by the Air Force in its concern for the pre-launch survivability of the SAC bomber force, it would be short-sighted to accept the threat as another example of the superiority of sea-based strategic forces. Land-based bombers and missiles are key elements of our nuclear deterrent and will probably remain so for the foreseeable future. Additionally, most command and control facilities, including national command authorities, must by their nature be land-based. People, institutions and equipment of vital importance to our strategic capabilities will always be ashore. As the SLBM threat grows, so will the national interest in counter-options.

We might want to limit the consequences of a sudden SLBM attack. Without discussing all of the alternatives and problems that lie in these directions and without denigrating their importance, it is fair to note that limiting the consequences of an attack is a different form of deterrence from limiting the means of attack.

International agreements offer some possibilities. It is not the SLBM forces per se that we would want to restrict, since the relative invulnerability of SSBNs on patrol to a sudden nuclear attack is a quality we prize for deterrent forces. But, to preclude the use of SLBM forces for the kind of attack described in the opening scenario, we would have to forbid SSBN patrol areas close to shores. Would we be willing to give up some of our own SSBN patrol areas close to the U.S.S.R.? Could we confidently and unilaterally insist for compliance?

A more direct counter to the first-strike threat posed by a minimum range/time SLBM attack might be based upon conventional ASW forces deployed to provide

relatively dense ASW coverage of those ocean areas from which such SLBM attacks are feasible. While not denying peacetime passage to enemy submarines in our coastal seas, we might bring sufficient ASW attack capability to bear upon "excessive" enemy submarines to convince the enemy that provocative concentrations in our vital ocean areas will only degrade his nuclear delivery posture. The intent of this defensive option would be the intimidation of those SLBM forces that concentrate in areas where minimum range/time attacks are feasible. By exercising a very deliberate and finite amount of control over selected ocean areas, ASW forces could demonstrate to a potential enemy that his interests are best served by standing well off our coasts and that concentrations in ASW-controlled waters are almost certain to be counter-productive.

The enforcement of this control over the SLBM threat within certain vital ocean areas should not be destabilizing since it does not threaten the accepted retaliatory role of SLBM forces. The continuous targeting and timely response against retaliatory targets, using conventional near-maximum-range SLBM trajectories, should not be threatened because of practical limits on the size of the ASW-controlled areas. (As a first approximation, potential SSBN deployment areas increase with the cube of the range to target.) Development of longer-range SLBMs, such as Underwater Long-range Missile Systems, would be made more attractive, and the experience gained in the operation of ASW forces in the counter SLBM role would be the best possible insurance of timely recognition of developing ASW threats against our own SSBNs on patrol.

Two basic functional capabilities are needed in order to exercise this kind of preventive defense against minimum range/time SLBM attacks: (1) the ability to maintain a reliable head-count on submarines within the controlled-sea areas; and (2) the ability to position obviously competent attack forces in the vicinity of "excess" SSBNs and, if necessary, to escalate force levels at a reasonable cost exchange until the alerting of other strategic forces is clearly warranted.

The ASW force levels and compositions required to provide these capabilities appear to be fairly quantifiable and, hence, profitable opportunities for analytical study. A major issue in the economic feasibility of this continental defense concept is the amount of ocean area and the perimeters that would have to be controlled. Fortunately, geography is a little kinder to us in this problem. If the Hudson Bay is controlled (requiring a relatively small control perimeter), some key SAC bases in ConUS would be 200 more miles and about two more minutes away from an SLBM attack. Controlling the Caribbean also would greatly enlarge these time-sanctuary areas, and SAC could probably start to breathe a little easier. Controlling the North Atlantic, out as far as the arc from Newfoundland to Bermuda to the Bahamas would add 500 miles of range and more than four minutes of additional time for many potential targets of an SLBM attack. This would require controlling a perimeter of about 1,800 nautical miles. Control of the coastal areas of the Pacific would appear to be more difficult because of the long perimeters and lack of island bases.

Is ASW technology sufficiently advanced to provide the necessary hardware capabilities? Under satisfactory water and weather conditions, and with the correct mixture and quantity of both forces and surveillance sensors, nuclear submarines can be detected and tracked for extended periods with the products of existing technology. Much remains to be done, however, to improve the assurance that detection and tracking can be accomplished under less optimum conditions and with smaller forces. Improved sensors must continue to receive first priority in this effort. Our previous neglect to improve some of our sensor platforms will con-

tinue to plague us for years to come, but that problem is beginning to receive the attention it deserves. In sum, we face significant and continuing efforts if we are to have adequate tools to close the margin now enjoyed by nuclear submarines. But the evidence available indicates that the technical problems are not insuperable, particularly if sensor and weapon development receives the funding which the gravity of the developing strategic threat justifies.

Are the ASW forces required for continental defense reasonably attainable? The answer to this question requires an assessment of the importance of the threat in relation to others, the cost of the forces necessary, and our willingness to pay that cost. If one accepts the importance of the threat as dramatized in the opening scenario, the question becomes one of finding the most cost-effective way of doing the job. The design of the most effective force is beyond the scope of this essay. Further on, some force design considerations will be suggested based on a comparative analysis of ASW missions. But at this point, reference may be limited to the obvious: we require an initial detection capability, a tracking capability, and a kill capability against enemy SSBN's on-station off our coasts. For selected targets we have these capabilities now. However, the evidence indicates that current forces will be inadequate to cope with a Y-class SSBN force which could be comparable in size to our present Polaris/Poseidon force by 1974.

Although an ASW force to counter such a threat will be expensive, it probably would not be any more expensive, relatively, than our investment in continental air defense undertaken in the 1950s and 1960s. Rather, there is good reason to believe it would be considerably less, since ASW forces are required for missions other than continental defense. Other required ASW forces could be made available to augment continental defense ASW forces if they were in danger of being saturated. Because SSBN forces cannot be deployed from bases to firing stations overnight—with the obvious exception of Cuban basing possibilities—some strategic warning is available for reasonable augmentations of any dedicated continental defense ASW force. Hence, the alert (or nucleus) continental defense ASW force need only be adequate to meet the routine on-station threat (plus some safety margin). Such capabilities should be within our means if we establish the necessary resource allocations and mission priorities.

The question of priorities hinges on the relationship of the ASW missions to one another and to the total threat. Three principal ASW missions can be identified: continental defense, Fleet defense, and sealane defense. The force requirements in both quantity and mix are likely to be different for each of these missions. The evidence suggests we have optimized our forces for Fleet and sea-lane defense. Such emphasis in the past is understandable in view of the Navy's traditional sea control mission. However, the emergence of the Soviet SLBM threat should force us to reevaluate the old priorities.

As the opening scenario demonstrated, the survival and effectiveness of all our nuclear deterrent forces could be threatened by enemy SLBMs. The key position of our nuclear deterrent capabilities in the strategic balance logically leads to the conclusion that no Navy forces are more important than those that either comprise or defend our nuclear deterrent capabilities. It follows that those portions of the Fleet which provide for continental defense against missile attack and which protects our own SSBNs from enemy countermeasures deserve top priority, second only to our SSBNs, in the resource allocation process. Further, since Fleet defense is essential to sea lane defense, we can postulate the following order of ASW priorities: first, continental defense; second, Fleet defense; and third, sea-lane defense.

If this ordering of ASW priorities is ac-

cepted, our first order of business should be to design and deploy a nucleus continental defense ASW force and identify the augmentation forces required to keep pace with surges in the strength of enemy SSBNs on-station. That part of our Fleet defense forces (both ASW and strike) associated with protection of both our continental defense ASW forces and our own SSBNs should also be in the first priority category. Our second ASW priority should be Fleet defense of our carrier and amphibious forces. Finally, we must be capable of protecting our sea-lanes in such extended conflicts as the enemy may undertake.

The foregoing discussion suggests the following bare minimum ASW force for national survival:

Nucleus continental defense ASW forces.

Covering ASW forces to defend the continental defense force and our own SSBN forces from submarine attack.

The covering force is of marginal utility in some situations, such as the opening scenario, where the enemy would not risk losing surprise by a prior attack on either the continental defense or the covering forces. However, covering forces are necessary to discourage or counter non-nuclear attacks intended to reduce naval forces comprising or protecting our strategic deterrent.

These bare minimum forces, by definition, would not be adequate to cope with a surge increase in numbers of SSBNs on-station. Neither would they be adequate to provide the necessary ASW protection for our seapower projection forces. In order to meet these minimum requirements, we need two additional ASW force increments:

A continental defense augmentation ASW force to counter surge increases in numbers of enemy SSBNs on-station (up to the numbers justifying a wider alert of strategic forces).

A Fleet defense ASW force adequate to provide minimum cover for our seapower projection forces.

These forces in the aggregate must form the basis for our minimum acceptable ASW force if we are to retain the ability to project our power overseas and meet our mutual security commitments. However, these forces do not provide a capability to protect our sea lanes from enemy submarine attack, if the enemy simultaneously escalates his SLBM threat and engages our seapower projection forces with his attack submarines. The risk of the enemy's undertaking a "war at sea" is one of the key imponderables of naval force planning. Prudence dictates that we should develop and maintain some forces for this mission. This requirement generates a fifth ASW force increment:

A sea-lane defense force adequate to meet essential requirements until mobilization generates the additional forces required.

Two world conflicts have demonstrated that we have paid a high price in war for economizing in this area during times of peace. Given the temper of the American people, it is probably unreasonable to expect them to maintain in peacetime the forces required to provide an adequate counter to a war at sea. Nevertheless, we need to define more clearly the risks we run in this area. If, in fact, our fiscal constraints leave little or nothing left over for this mission, we gain little in configuring any of our remaining ASW forces specifically for sea-lane defense. Previous ASW force level decisions indicate that we have tended toward spreading the risk among all ASW mission/force increments rather than concentrating it on the lowest priority missions and forces. Our large investment in DE/DEGs is an instance of such a practice, even though other factors were influential in their procurement.

The foregoing assessment of priorities in ASW force design has not addressed the optimum mix of forces. In view of the different missions of each of the five force increments, it is apparent that a high premium must be

placed on employment flexibility. This flexibility must be such that forces are optimized for the higher priority missions, which in turn leads to emphasis on quality rather than numbers. Additionally, emphasis should be placed on forces in being rather than on mobilization capability. Thus, our NRT escorts and hardware air reserve ASW units should be dedicated to the sea lane defense mission where a modicum of time is available to generate forces in response to an enemy threat. Some fast reaction reserve forces may be suitable as augmentation forces for our continued defense posture.

The place of Allied ASW forces in meeting the five ASW mission requirements is almost entirely dependent on political assumptions. Because the first three ASW force increments are clearly related to protection of U.S. nuclear deterrent forces where rapidity of decision and response is of the essence, only limited reliance can be placed on Allied ASW forces for these functions, with the exception of Canadian forces similarly committed to defense of the North American continent. Allied ASW forces can and do make a significant contribution by their surveillance of the routes that Soviet submarines are constrained to use. However, these early warning functions supplement rather than substitute for the surveillance capability we require in our coastal sea areas.

This essay has examined a threat that the growing Soviet SSBN force poses to the survival of essential elements for all of our nuclear deterrent forces. In evaluating the nature of this threat, the critical dimension appears to be time: minutes that we can no longer afford to give away against a large-scale attack. With the emergence of a significant Soviet SLBM capability, we may find that conventional ASW forces are the most practical approach for denying the enemy an otherwise attractive option for a surprise first strike on the time-urgent targets. Such ASW forces may not be cheap, but they should be attainable if we establish mission priorities in accordance with the risks we face.

In evaluating the various ASW missions, the critical dimension appears to be our requirements for continental defense ASW forces. If so, the Navy must rethink the ordering of ASW mission priorities, and then design and deploy forces to meet the highest priority missions with a reasonable balancing of the risks. Our traditional view of the pre-eminence of Fleet and sea-lane defense is confronted with the new realities of the strategic nuclear power equation. We are up against a potential enemy who has learned that the sea presents him with a new opportunity as well as the old perils. Our task is to deny him those opportunities whenever they tempt misuse.

(NOTE.—A graduate of the U.S. Naval Academy with the Class of 1951, Captain Winnefeld served in the USS *Halsey Powell* (DD-686) from 1951 to 1952, and, following flight training, was assigned to Air Antisubmarine Squadron 23 from 1953 to 1957. He attended Stanford University from 1958 to 1960 and was awarded an M.A. in foreign affairs. He then served on the staff of the Commander Fleet Air Mediterranean (1960 to 1962), in Air Antisubmarine Squadron 26 (1963 to 1965), in the Strategic Plans Division, OpNav (1965 to 1967), in Air Antisubmarine Squadron 21 (1967 to 1969), and in the Bureau of Personnel (1969 to 1971). He is now assigned to the Staff of Commander Carrier Division Six.

(Mr. Builder enlisted in the Navy in 1948 and served in the USS *Amphion* (AR-13). He was a Midshipman at the U.S. Naval Academy with the Class of 1954. He received both his B.S. and Master of Engineering degrees from the University of California at Los Angeles. His 18-year career in aerospace engineering has been devoted to advanced systems planning and analysis for a broad

spectrum of military and civil systems. His industrial associations have been with the Marquardt and United Aircraft Corporations, directing analytical planning studies for weapon and transportation system. Mr. Builder has also been associated with the non-profit aerospace and RAND Corporations in the areas of space and strategic system analysis.)

#### LOW-INCOME WAGE FREEZE EXEMPTION BILL

### HON. HAROLD RUNNELS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. RUNNELS. Mr. Speaker, today I am introducing an important bill which provides that the lower strata of wage earners in America will be exempt from any future wage freeze which may be imposed under the Economic Stabilization Act of 1970.

The recent wage freeze issued by President Nixon has brought to light several gross inequities which arise when a wage freeze is applied to all wage earners. Although the 1970 act provides for making "such adjustments as may be necessary to prevent gross inequities," our present experience clearly demonstrates that some administrations do not consider the application of a wage freeze to Americans living at or below the poverty level to be a gross inequity.

I, for one, think the low-income employee needs all the help he can get. To freeze the wages of those Americans who are barely able to feed themselves is a tragic bureaucratic absurdity. It ranks just above the ridiculous proposition that these workers will benefit from other actions taken by President Nixon such as being able to purchase more new automobiles because of a repeal of the automobile excise tax.

Congress must act to prevent Americans located at the low end of the economic spectrum from giving up and becoming another name on our monstrous welfare rolls.

The low-income wage freeze exemption bill I am introducing applies to wage earners and salaried employees whose hourly earnings for the year preceding the issuance of a wage freeze are less than the minimum wage.

It should be pointed out that under the present minimum wage of \$1.60 per hour, a worker earns \$3,328 a year working a 40-hour week. If you consider that the generally accepted poverty level for a four-member family is \$3,900 today, you can see that the legislation I am proposing will be an exemption to the Economic Stabilization Act which will benefit only those in greatest need. I have also included a maximum prefreeze income limit of \$4,680 to insure that this exemption will not be employed to circumvent the freeze by those having other sources of income; \$4,680 is what a \$2.25 per-hour employee receives working a 40-hour week for 52 weeks.

The following is a text of my bill:

That section 202 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof a new subsection as follows:

"(c) Orders and regulations to stabilize

wages and salaries issued under the authority conferred on the President by this section shall not apply to any wage earner or salaried employee whose hourly earnings, for the twelve months preceding the implementation of said orders and regulations, have been at a rate less than the minimum wage as set under the Fair Labor Standards Act of 1938, as amended, and whose total income for this twelve month period did not exceed \$4,680.00."

#### MOUNTAIN MICROWAVE SYSTEM DROPS THE TRADITIONAL AP- PROACH

### HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. JOHNSON of California. Mr. Speaker, in some of the more remote rural areas of our Nation, it is sometimes difficult to maintain services most of us take for granted. The Siskiyou Telephone Co., serving the rugged and mountainous area of Scott Valley in my district, has taken a novel and unique approach to improve service to their customers. Though located in a relatively isolated area, the Siskiyou Telephone Co. is anything but backward or old fashioned. The cover story in Telephone magazine for August 23, 1971, describes the innovative microwave system installed by the Siskiyou Telephone Co. The story was written by Mr. Brent Wilson, microwave supervisor for Siskiyou Telephone Co.

The article follows:

#### MOUNTAIN MICROWAVE SYSTEM DROPS TRADITIONAL APPROACH (By Brent Wilson)

High on the summit road leading into the Scott Valley in Northern California sits a large "Robber's Rock" which once was the site of many a stage coach holdup. And in the remote valley below, there are still people in the town of Ft. Jones who remember the last stage coach robbery in the state of California.

It is a rugged, mountainous area sprinkled with small towns and villages, all with close ties to the historic past. Snow covers some of the ranges five months out of the year. Summers can be hot in the valley.

Today, the mountain peaks which once lured men to find gold and rob stages are the setting for a different kind of pioneering story. In order to better serve approximately 2,400 customers spread over an area the size of the state of Connecticut, the Siskiyou Telephone Company broke with tradition to install a unique microwave system. Not only was the system the first REA-approved installation of fully solid-state 6 GHz microwave, but it also used passive repeaters extensively to eliminate problems associated with remote and isolated active repeater sites.

To understand why our relatively small independent company took the lead in using new microwave equipment and techniques, let us first look at some of the problems we had with our existing microwave system and then discuss our selection criteria and eventual system design. Siskiyou Telephone Co. has had extensive experience with microwave equipment, and we've had ample opportunity to establish what we believe to be valid standards for operating a good system. The design of our new microwave system is based on the lessons learned over the years since our first system was installed. Later in this article we include a list of guidelines which we hope other rural telephone com-

panies can use to their benefit when planning a new system or upgrading an old one.

The project planning began early in 1967 when our existing system consisted of tube-type equipment almost ten years old in a configuration as depicted in Figure 1. Ft. Jones, the toll center and company headquarters, is also the permanent station for all technical service personnel.

Central Dial Offices are located in Happy Camp, Hamburg and Etna. Active repeaters were situated on mountain tops at Slater Butte and Gunsight Peak.

#### RELIABILITY CRUCIAL

System reliability problems were the key factor which led us to search for a more efficient, economical system to serve our customers. Some of the Communities we serve have no doctors and our telephones are the only link between the remote areas and the rest of the world. We feel personally responsible to serve these customers.

About 80 to 90 per cent of our problems were from transients on the power line. In addition, our radio and multiplex were unstable and required high maintenance. Parts were often impossible to get, or if available, only after long delays. The multiplex was not compatible with CCITT or other systems and we found it difficult to expand and almost impossible to maintain noise level standards.

Getting power and access to the sites was another continuing problem. All central offices and mountaintop terminals were equipped with emergency generators. Their maintenance, especially at the remote sites, added to our mounting concern about the system.

Added to these problems was the rough task of getting our technical personnel to the site of the problem. For instance, it is a 60-mile drive to Happy Camp, and in bad weather it can be a hazardous three-hour drive. Gunsight Peak, the former site of an active repeater, is snow covered up to five months a year. During those times, a snowcat was required to make the trip. There were occasions of 24-hour-long trips by snowcat to reach the mountaintop repeater station. These were extremely dangerous excursions for our people to make, but the equipment had to be serviced.

As these problems compounded, we began looking at ways to overcome them efficiently and economically. Our beginning approach was to replace the equipment terminal-by-terminal plus adding a path for a new dial central office at Oak Knoll. This attack did not solve either the power or access problems for the mountaintop sites, however.

#### UNIQUE USE OF PASSIVES

It was at this point that we began looking into the possible application of passive repeaters in conjunction with new, fully solid-state microwave and multiplex. Our initial research step was to take a field survey of the area to be covered. The field survey showed that possible use of passive repeaters was not only feasible but an affirmative approach to solving access problems for our remote mountaintop sites.

Following this conclusion, studies were initiated to compare costs of direct replacement with costs of redesigning the system to make maximum possible use of passive repeaters. The comparison demonstrated to us that by utilizing passive repeaters wherever possible the company's initial investment in equipment and installation costs would be six per cent higher than by direct replacement. However, it was estimated that annual maintenance costs would be six per cent lower than with an active repeater system.

The results of our initial studies led us to consider a system unique in independent telephone company experience. We were pioneering in an area where no one had gone before by making such extensive use of pas-

sive repeaters. This led us to search for the optimum radio and multiplex equipment to fit into our new venture.

Because of earlier problems with our old equipment we knew that the electronics chosen must have high reliability, very low noise, low maintenance and not be interrupted by power failures. We also determined that a faithful alarm system should be included in the equipment, along with an order wire.

Compatibility with CCITT was an essential criterion for the multiplex; diversity, protection techniques and expansion capabilities were musts to be configured into the system. (Because of recent FCC action, new microwave systems will normally use space diversity protection rather than frequency diversity, which was the standard method of protection at the time the Siskiyou system was designed. The microwave equipment described here can be used in either type of system.)

We selected the 6 GHz band as a good all-around band and one especially suited for use in a passive repeater system for high quality voice transmission.

After a survey of the latest equipment available, we selected Type SS 6000 Microwave and Type FC-600 Multiplex equipment manufactured by Farinon Electric of San Carlos, California.

The 600-channel equipment was specified to handle future growth in our service area and also to cover the eventuality of utilizing the equipment for data transmission.

The Farinon microwave system provided the required diversity protection performance capabilities we required for our system. In addition, SS 6000 Microwave was the only fully solid-state equipment available at the time our system was being designed. The FC-600 Multiplex system offered the all solid-state construction desired plus the CCITT compatibility required.

The basic engineering concept therefore evolved into a total system using passive repeaters in our remote sites, coupled with the most advanced and reliable electronics at our Toll Center and Central Dial Offices.

As an interesting sidelight, our unique coupling of technologies to create the total system brought around another first. Separate contracts were awarded for the passive repeaters and the microwave equipment.

Figure 2 shows the configuration of the new system. There are a total of eight passive repeaters, including a unique double passive near Gunsight Peak (shown on the cover). All passives, towers and antennas were installed by Microlect, Inc. of Salem, Oregon. New microwave and multiplex equipment is located at Happy Camp, Hamburg, Oak Knoll, Ft. Jones and Yreka where we tie in with Pacific Telephone & Telegraph. All microwave and multiplex equipment was installed by Farinon.

Construction of the new system began in December, 1969 and most of it was cut over by December 3, 1970. The first construction phase was to set up the new terminals in Ft. Jones and Oak Knoll. This was an initial test of our theories, and it proved that the system worked in reality as well as on paper. The electronic equipment was installed without problems and the engineering and placement of the double passive repeaters proved flawless.

As construction progressed, this pattern was repeated again and again. The electronic equipment was trouble-free and installed with ease. This was especially gratifying to us because we were the first common carrier to specify the new Farinon Electric equipment.

In the final analysis, the performance of our new system matches the basic criteria we were concerned with in the design phase: reliability, low noise, economical cost and removal of hazards to service personnel.

#### HELPFUL CHECKLIST

In designing and installing this system, we developed a list of guidelines which may be of help to others. While each company will have its own special needs, we believe these points will help the engineer begin his investigation with the right focus of attention.

1. Select the equipment manufacturer carefully. Be sure he will be in business in the future. He is the source for spare parts and solutions to any future service problems.
  2. Frequency band should be decided. While 2-, 4-, 6- and 11-GHz bands are in use today, we believe 6 GHz is the best all-around band for use with passive repeaters.
  3. Be sure the system you select provides a reliable protection system. When our system was installed, frequency diversity was an appropriate choice. Today, space diversity would be required.
  4. Path survey is extremely important. This applies not only to the feasibility survey but in layout of the permanent locations.
  5. Land availability must be investigated. Avoid locations requiring difficult access.
  6. Good alarm systems are essential for trouble shooting.
  7. Don't overlook the service channel or order wire.
  8. Battery operation is a must today.
  9. Avoid cutting corners, the multiplex is as important as the radio.
  10. Go only solid state for multiplex equipment.
  11. Be sure the total system capabilities can handle future expansion.
  12. Consider CCITT compatibility standards to be sure that your new system will interface with others, and that you will have a choice of suppliers for future additions and modifications.
  13. If passive repeaters can be used in your system, remember they require little or no maintenance.
  14. Passive repeaters require fewer frequencies than active repeaters.
  15. Judge your system design from the standpoints of reliability, low noise, costs and probable hazards to personnel.
- A final point: Should your system appear to be an ideal candidate for new equipment and techniques, don't be afraid to break with tradition. Founded in 1892 and serving a pioneer area, the Siskiyou Telephone Company broke with tradition and is reaping the rewards in reliable, economical performance for its customers.

#### DRAFT EXTENSION VOTE

### HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 20, 1971

Mr. VANIK. Mr. Speaker, last Friday, in order to assure another vote in support of the administration's efforts to extend the draft, the White House dispatched a military jet plane to Burlington, Vt., to carry a newly appointed Senator to Washington for his vote.

In my judgment, it was a gross abuse of discretion by the White House to spend taxpayers' money and use military personnel to deliver a vote for its position on a legislative program.

This kind of abuse of Executive power tends to corrupt the legislative process.

I am requesting the General Accounting Office to rule on the propriety of spending of taxpayers' funds to deliver a specific vote on a measure before the Congress of the United States.



THE FUTURE OF BONDS, PUBLIC  
BOND ISSUES, AND BOND FIN-  
ANCING IN CALIFORNIA

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. JOHNSON of California. Mr. Speaker, State and local governments throughout the Nation are experiencing an especially acute budget crisis as they try to meet demands for expanded services while faced with declining revenues during our current economic difficulties. I would like to share with my colleagues the thoughts of Mr. Alan K. Browne, retired senior vice president, Bank of America NT & SA, on the future of bond financing in California. Mr. Browne gave his opinions in a speech before the Commonwealth Club of California, in San Francisco, Calif., on September 3, 1971.

A text of Mr. Browne's remarks follows:

THE FUTURE OF BONDS, PUBLIC BOND ISSUES,  
AND BOND FINANCING IN CALIFORNIA

OPENING REMARKS

One of the initial Acts (Chapt. 10 Passed Feb. 1, 1850) passed by the Legislature of the State of California in its First Session, which lasted from December 15, 1849 to April 22, 1850, in San Jose (Puebla De San Jose) was the authorization of a temporary State loan in the amount of \$300,000 with a maturity of six months and interest at a rate of 3% per month. The bonds to be issued were to be paid out to the creditors of the State if there was insufficient cash in the Treasury.

In a report of a special Senate Committee on State debt to the Eighth Session of the State Legislature in 1857, the following statement was made:

"The wealthiest of States, and those whose credit is best, have frequently, by funding postponed payment of claims to remote periods, and thus have distributed the burdens over a series of years in such a manner that the weight is hardly felt. It is for us to profit by the example and so distribute the payment of our debts as not to cripple the energies of our young State.

Forced imposition for immediate payment cannot be borne by the people, and the debt presented in that shape seems high and monstrous, while in the form of a funded debt, to be paid in portion, year after year, for twenty years, while the State is growing and developing resources not had by any other country, the debt is insignificant, financially considered for the California of ten years hence."

So in a few short years the young State of California had accumulated a substantial debt for that time amounting to approximately \$3,900,000, not including approximately \$1 million Indian War Debt. It still owed a portion of its 1850 debt.

I mention this historical background material to stress the fact that California has been concerned with bond financing since it became a State. A more detailed search of the records would disclose that California has continued to face periodic crises in meeting its budgetary goals, providing the necessary cash flow to pay its bills and to do all the things the legislative process will authorize and the voters will approve. The same situation has also existed in our counties, cities, school districts and special taxing districts.

The fact that California and its political subdivisions have survived over one hundred and twenty years without any major default of general obligation debt, with a minimum

of debt adjustments and repudiations, attests to the financial soundness of the State's economy and the excellence of its constitutional and statutory provisions pertaining to public debt. The capacity of the voter to cast his ballot intelligently and the taxpayer to be credit worthy whether it be property taxes, business cycle taxes or as a user of a public facility has sustained the investors interest in the excellence of the State's bonds and those issued by lesser units of government. The successful marketing of California's annual input into the capital markets of the United States, amounting to 10-15% of the national total has been primarily the efforts of competitive underwriting groups or syndicates, varied according to the size of the individual bond issue and eligibility for underwriting. Except for large issues requiring wide geographic representation of underwriting partners, most syndicates are comprised of and led by California based dealer banks and investment dealers, including branch offices of out-of-state organizations. Even the largest issues are frequently purchased by California-managed syndicates.

If the record has been excellent, should there be any question as to the future? Are there any problems that can be seen on the horizon? Are there developments that could impact California's role in the marketplace? How can these problems be dealt with in order to insure that California and its public entities will be able to continue tapping the bond market at reasonable rates in order to finance needed public improvements and to meet their cash needs?

I intend to touch briefly on the sensitive problems, as I view them. Some will be familiar to you, while others may have escaped your notice. Finally I shall offer some suggestions which may be helpful in problem solving.

INTERGOVERNMENTAL FINANCE RELATIONS

No discussion of public finance is complete without examining the growing importance of intergovernmental finance relations—whether it is Federal, State or local. Such relations are not new in the history of our country. You will recall the compromise of 1970 in which the Federal Government assumed the State debts. However, the impetus to intergovernmental finance relations can be traced to the social legislations of the New Deal. The Federal grant-in-aid program which was an integral part of the New Deal has become a permanent fixture in our intergovernmental relations.

The population explosion following World War II and the problems of our cities created a need by all levels of government for remedial actions. Slowness on the part of some units of government and failure by others to treat these problems as matters of national concern set the stage for a greater Federal role. Today Federal financial aid is a major source of funding of many State and local government services. Between 1962 and 1967 individual grant authorizations increased from 160 to 379 and the trend continues. In terms of dollars, in fiscal 1970, total direct Federal financial assistance to State and local governments, including grants, shared revenues and loans, was estimated to be in excess of \$24½ billion.

How does this affect bond financing in California? To the average individual it would seem that the flow of Federal funds would reduce the amount of bond financing required to provide "needed" capital improvements. I am sure all of you are familiar with statements by public officials that application will be made for certain specified Federal funds which will offset some of the costs of a new facility. As a result, it has become an important municipal function to deal with Washington. Ability to pry loose Federal funds and to expedite applications is the name of the game. However, what is seldom publicized are the alternatives to Federal aid.

Too frequently programs are geared to the availability of Federal funds, rather than what State and local government can afford, and more important, such Federally assisted projects may be moved from a low priority of local needs to a high priority. The point I would like to make is that many bond issues would not have originated if it were not for the Federal grant aspect, while other bond issues would have been tailored to what the local unit of government can afford. There are other aspects of Federal credit programs directly related to Federal taxation which I will discuss later.

State and local government finance relations are also an important ingredient in public finance. In California, the State's input to assist in financing education, highways and welfare at the local government level is substantial. The State School Building Aid Program is a prime example of the State substituting its borrowing capacity to aid local school districts which have reached their debt limits.

Looking down the road it is apparent that local units of government that rely heavily on the property tax for revenues, are finding it more difficult to meet the expectations of the public not only for the quality of services, but also an expansion of services. This places a limit on what such governmental units can provide as matching funds to participate in Federal grant-in-aid programs.

To meet this growing problem State government may find it desirable to provide some of the local matching funds. Other than abandoning participation in the so-called national priority programs envisioned by Congress, there is the alternative of revenue-sharing. What form revenue-sharing will assume, and when it might be available, is anyone's guess.

LEGISLATIVE PROCESS AND VOTER ATTITUDES

The California Constitution, Statutes and Court decisions define how units of government may be created, specifies their sources of revenue and taxation, and establishes procedures for incurring debt. Each legislative session produces a substantial volume of bills that refer to public financial matters. Unfortunately the Acts of the Legislature are spread among various codes. There is no compendium or code that would bring together in one volume all Acts relating to State and local debt matters. Consequently, some Acts fall into disuse—some are never utilized—while others are subject to frequent amendments. Uniformity as to specific provisions common in most Acts is by accident. New legislative Acts are introduced without reference to existing Acts which could probably be utilized.

If it were not for the relentless eyes of interested individuals and organizations, particularly the legislative Advocates, the State of California would be literally drowning in a sea of public credit proposals to meet every possible American dream.

As you are aware, the extraordinary majority voting requirement on county, city and school district obligation bond issues in California has been before the Supreme Court, with the existing two-thirds voting requirement set forth in Sec. 18 of Article XI of the State Constitution being upheld. Moves are under way to seek a constitutional change to either a simple majority or a 60% majority. Without debating the pros and cons of the issue, if it is desired to curb debt that would impact the tax rates, then some of the loopholes should be closed.

This is an era, for better or worse, of creative public finance. Where the need exists, a way will be found to fund it.

I have often recommended that Article XVI of the State's Constitution be amended so that debt as interpreted be redefined for State and local purposes to include any obligations that represents a lien on property.

A constitutional amendment, I am happy

to see, has been proposed to require debt incurred through joint powers or lease purchase, which is not voted on by the people, as it is not interpreted as debt, must go to the voters for a 60% vote to gain approval. The Act also reduces the voting requirement to 60% on general obligation bonds.

#### BUDGET PROCESS AND BUSINESS CYCLE TAXES

We have been spectators viewing the annual battle of the budgets—Federal, State and local. What has been apparent is that budget footings in total tend to rise while anticipated revenues tend to decline. To close the gap the usual remedies are higher taxes, increased Federal or State aid, shifting, funding to a higher level of government or deferring, reducing, or eliminating some budget items. This last alternative is the most onerous, though higher taxes can also be a political misstep.

The State of California, as you know, does not levy a property tax but has the authority to do so, it being kept on the books as a back-up credit device for the State's general obligation bonds. General fund revenues of the State are derived mostly from business-cycle taxes, including sales and income taxes. While local government has access to the property tax for its principal revenue source, business-cycle taxes are also being tapped and have increased in proportion.

It is obvious that when business is in a slump, revenue based on an improving economy shrinks, yet government has not been able to effectively anticipate its revenue take, so it either borrows in the marketplace, resorts to inter-fund transfers or taps a new source of revenue. The only trouble with these alternatives is they are difficult to duplicate from year to year.

There is great concern for the taxpayer—particularly the property taxpayer—yet units of government in the quest for funds either to finance governmental operations or to carry out improvement programs, tend to hide from the taxpayers the fact that they are really raising taxes. They can increase assessed valuations on individual property, keeping the tax rate at the previous year level or even reduce it, but still extract more dollars. The imposition of a sewer tax on the users water bill is another indirect tax on property. A popular source of funds to support sewer revenue bonds, a sewer tax can be used for capital improvement purposes, presumably for the designated purpose of improving sewers. Another device is to transfer funds from a municipally owned utility to assist in balancing the budget. If such funds were set aside for reserves, maintenance and capital improvements, it is difficult to see how the general fund could return the transferred funds or anticipate that a similar amount would be available in the next fiscal year, unless utility rates were raised to purposely accumulate excess revenues. Another example occurs when a transfer of dedicated revenues subvented to the unit of government for specified purposes is shifted to a related budget expenditure. What happens in the following fiscal year?

Previously I mentioned non-voted debt in the form of joint powers authorities and lease-purchase contractual agreements to which should be added the non-profit corporation. These forms of financing from simple beginnings have flourished and expanded and have become a way of life for some of our larger units of government. Under existing law and court decisions, they do not constitute debt, require no vote by the electorate and are not included in local debt limits. By the sale and lease-back arrangement, financing is supported by the revenues estimated to be produced by the improvement to be constructed, but are in effect fully supported to the extent necessary, out of the general fund of the local government. This easy method of incurring debt costs the taxpayers much more than voted debt and can conceivably increase their taxes. It has encouraged behind the

scene arrangements—negotiated transactions without the discipline of the competitive marketplace. All tending to undercut the taxpayer and dilute municipal credit.

Despite repeated warnings and testimony to the contrary, the State Legislature continues to expand the statutory authority for non-voted general obligation debt by special districts. This is a dangerous trend and calls for re-examination of the need for relaxing the sound financial safeguards established in the Constitution and Statutes of the State.

Taking a look at the budgetary process there are areas within government, particularly related to larger units of government, where the performance budget approach as recommended by the Commonwealth Club section on Governmental Finance is quite appropriate. The snow-balling effect of worthy programs being carried on and expanded year after year without a thorough review as to need, adequacy or duplication can perpetuate unnecessary bureaucracy and direct needed funds from other priorities. This can lead to unneeded bond proposals and excessive capacity.

One aspect in bond financing that is frequently overlooked by the legislative body that initiates the bond proposal is the necessary public education program to acquaint the voting public with facts concerning the bond proposal. Bond issues just don't pass because some legislative body has approved their submission to the voters.

The purposes for which bonds may be issued will have supporters among those who will benefit, but this is seldom a shoo-in fact. Even those who benefit may find it difficult to appreciate the fact. On a State bond issue, requiring only a simple majority approving vote, the stakes are large. One vote to win or one vote to defeat. Consequently a successful bond vote requires a citizens committee, employing a public relations firm and with adequate financial support. A campaign must be waged professionally and intelligently. To provide the money to carry out such a campaign requires many public service oriented corporations to foot most of the bill. This is not self-interest, though there are probably benefits to be derived. It is really an assist to government in support of their program to insure that the voter is adequately informed of the merits of the issue.

Poor planning on the part of the governmental unit by over-looking the election calendar, by splitting the support into competing camps in seeking financial backing and pre-occupation with other issues, can spell defeat for the bond issue at the polls. It can lead to inadequate funding of campaigns, or worse still, deficits. The dedication of many who render their services without compensation can be negated and their support on future issues unavailable.

#### TAX EXEMPTION AND THE FEDERAL ROLE

The immunity from taxation by the Federal Government of the interest income of State and local securities rests, since 1913, upon the specific statutory exclusion of such income by Congress. Justice Holmes once declared "most people, not lawyers" would assume that the Sixteenth Amendment to the Constitution gave the Federal Government the right to tax all income, but when the amendment was in process, assurance was given to some State governors that the amendment was merely to remove the constitutional requirement that a Federal income tax, as a "direct" tax, be apportioned among the States according to population. When Congress passed the individual income tax of 1913, it implicitly accepted this position by providing that interest on State and local securities be excluded from taxable income. This statutory exclusion has been retained to the present. The recent scars of the battle over tax exemption, emerging in the Atlas Life Insurance case, and the

related IRS regulation, the Tax Reform Act of 1969, and the IRS regulation dealing with Municipal Industrial Aid Financing, arbitrage and bank borrowing, indicate the continuing pressure to invade this import ingredient of State and local finance.

The need for additional Federal tax resources, the Federal bureaucracy contention that tax exemption is a very inefficient method of "subsidy" for State and local governments, and the pent up need for expanded municipal finance, will again bring to the surface the advocates who desire to eliminate tax exemption.

Caught in the credit squeeze of 1969-1970, when tight money forced interest rates and borrowing costs to record high levels for all sectors of the economy, State and local governments reacted by either withdrawing bond issues from the marketplace so-called "displacements", raising statutory and constitutional interest rate limitations and re-submitting proposals to the voters at the higher interest rate limits.

The fear of taxpayer revolt at the polls either through rejection of bond issues or candidates or both, plus the lure of Federal "goodies", including grants-in-aid and the end-of-the-rainbow pot of revenue sharing, has brought about a major shift in the attitude of many public officials long staunch defenders of tax exemption.

A special committee of the National League of Cities at its National Convention in November 1971, will recommend two proposals calling for Federal subsidies for municipal bond issues to enable them to pay higher interest rates on municipal bond issues.

Meanwhile Congress is considering a number of proposals that in one form or other will bring the Federal Government into a more direct participation in financing by State and local government. These include the Environmental Financing Authority (EFA-H.R. 5870), National Development Bank (S 580), State and Metropolitan Development Agency Act (HR 7594), Rural Development Bank (S 742), Coastal Zone Management (S 582), National Domestic Development Bank (S 1958), Small Community Development Agency (S 2058), to name a few.

#### PITFALLS OF PUBLIC FINANCE

Periodically the States and their local units of government get the notion that to serve the best interests of their inhabitants requires them to either promote, support or try various schemes and devices that presumably will bring about economic well being, ease tax burdens, increase revenues, or shift tax burdens to a stronger base and provide all of the facilities demanded or imagined by the individuals and organizations, including politicians and bureaucrats.

No one can question the right of the States to determine for themselves what activities shall be carried on by the State and its local government agencies, including the right to make mistakes.

The lessons of the past seem to be too readily forgotten and each generation shows a tendency to make the same mistakes which were made in prior years. If we can set up directional signs and warning signals, the future of bond financing in California may well achieve its objectives to finance all needed public improvements at reasonable costs and to insure adequate and timely flow of funds to support governmental services.

1. Our States are unique under our constitution. They are free to do anything not forbidden by that document. They have constitutional equality of status and equal representation in the Senate. They act as middlemen between the national government and local governments, competing for power and politically interlocked with both.

Our State governments, despite a substantial degree of authority, are part of a Federal system of government. However, failure of the States to assume their responsibilities and serve as viable members of the

intergovernmental partnership, increase "direct Federalism".

We should insist that our States use their own resources to provide effective and innovative remedial measures for the needs and problems of urban areas and reject the trend towards becoming primarily administrative units for the implementation of policies determined by the Federal Government.

2. Our counties are in effect agents of the State government. They are often neglected by the citizenry, yet they are fundamentally a form of regional or metropolitan government. The proliferation of special districts and authorities usually under county supervision, and frequently without regard to need, tend to limit public participation, create competition for tax revenues, and lessen the efficiency of existing governmental units.

We should strengthen our county governments in the areas they are best qualified to administer and resist the tendency to dilute the democratic process through creation of excessive taxing units. Creation of metropolitan area government, county consolidation, consolidating city-county government, merging school districts and special districts, should be encouraged. Not because of improved efficiency by creating larger units and eliminating many smaller ones, but to improve public participation. The stronger the unit of government the better able to meet its financial commitments and service requirements.

3. It has been popular in recent years for State and local governments, where constitutionally possible, to encourage private industry through a variety of inducements. One facet has been to use public credit as an aid to induce industry to locate within a particular area. Historically this has led to defaults on debt and has prompted the IRS to prescribe what public purposes can be financed through tax exempt borrowing and that which is taxable. It has led to what is in effect tax exempt financing for private enterprise, an abuse of tax exemption.

California as a State cannot afford to use its credit for this purpose. Despite how glittering the promise—there simply is not credit available. There are too many priorities. Despite the existing constitutional prohibition, each legislative session produces one or more bills that seek to circumvent the letter of the law. This includes involving the State in private mortgage financing and governmental loans to individuals and private industry.

4. None of us can anticipate when emergencies will arise or disasters strike, yet we tend, through the political process, to limit the flexibility of State and local governments meeting such crises. We even on occasion limit government to adjust to changing times and conditions thus reducing their efficiency.

We are familiar with earthquake, fire and water damage, and have been providing remedial legislation so that funds can be quickly raised to meet the need without the usual due process delays. However, we take a different view when other types of emergencies arise such as loss of anticipated revenues—usually a result of changes in the economy—inability to sell bonds because of interest rate limitations or failure to vote needed bond issues because the required majority approving vote was not obtained.

If we are to preserve the financial viability of State and local government, we should insist on legislation that will permit meeting such emergencies when they arise, provided there is a demonstrated need and ample safeguards against abuse are incorporated.

5. By any measure, public education is the largest and most important State and local government activity. It has accounted for a substantial amount and number of bond issues reaching the market from year to year. With such heavy reliance on the property tax to support local government, taxation in support of school bond issues of all types has

reached a crisis stage. Voters have rejected tax increases and new bond issues. To meet rising costs, expanding school population and to equalize tax revenues between districts to insure equality as well as quality of education, a variety of plans and formulas have been recommended. Even a Statewide property tax has been suggested. Without attempting to rationalize all of the arguments for and against specific proposals, I would strongly urge consideration of State government assuming substantially all local costs of elementary and secondary education, particularly in view of the Supreme Court decision of August 30, 1971. Bond financing should be shifted to the strongest possible base to insure adequacy of funds and lower borrowing costs. This could be accomplished by merging districts, establishing metropolitan area districts and even countywide districts. Another approach could be through a State School Building Authority, comparable to the methods of certain other States. To provide the State with the necessary funds, rather than a Statewide property tax, as has been proposed, sales tax and income tax resources could be expanded, even a value-added tax could be used to supplement or replace existing levies.

6. The State of California has vied with New York State as being the most prolific borrower in the long term bond market in recent years. Only the tight money period of 1968-69 materially curtailed California's input due to interest rate limitations. With approximately \$5 billion bonds outstanding, \$1 billion authorized but unsold and almost \$1½ billion new bond issues to be submitted to the voters in June or December of 1972, raises a number of provocative questions. Can California continue to sell \$500-\$600 million bonds a year? Are all of the purposes for which bonds are authorized or to be authorized really necessary? What determines the priority of bond sales by purpose? How long between voter approval and the final bond sale? In other words, do needs change and what about inflation? Does the Legislature understand the mechanics of the marketplace, voter attitudes or investor appetites? Further, as I stressed earlier—are public-minded corporations willing to foot the public information bills campaign after campaign just because they are asked to even though they are not consulted in advance of legislative action?

I do not wish to indicate there are not reasonable answers to these questions, but I am confident they are not being asked or not being asked by those who should know. Which leads me to my thesis—that the State of California cannot willy nilly continue to approach its long term bond financing as though it had the resources of the Federal Government. The State must set priorities on the need for State financed projects. It must establish some guidelines on what amount of long term debt it can afford. Above all, it should recognize its plenary power over local government and seek ways to insure sound local financial procedures and not so overwhelm the market with State bond issues to the extent that local government trips to the auction mart suffer by the dilution that forces higher interest rates.

7. This sets the stage for creation of a new State agency which I have proposed on several occasions. For want of a better name to be called the "California Bureau of Intergovernmental Relations".

The principal objective of the Bureau would be to ensure the prime effectiveness of local administrative and financial management. This objective could be realized, for example, by:

(a) Discouraging the survival or proliferation of inactive, redundant, or ersatz overlapping units in favor, where indicated, of abandonment or of stronger consolidated entities;

(b) Coordinating Federal and State aid

programs, with a view to concentrating such assistance in the most vital areas;

(c) Provide educational seminars in municipal finance, administration, debt markets and law, for civic officials on both the State and local levels;

(d) Publish timely reports on subjects of special interest, such as tax reform proposals, new budgeting techniques, property assessments, zoning or technical innovations in transit or utility service;

(e) Fostering more orderly debt marketing schedules by serving as an advance clearing agent for tentative offerings or major State and local borrowers;

(f) Codify existing debt legislation. Review all proposed legislation for uniformity of bond provisions and initiate proposals for model legislation;

(g) Assemble credit files on State and local debt. Disseminate data on local government finances and assist in obtaining credit reviews to insure adequacy of credit ratings.

These are but a few of the possible functions that could be performed by the proposed California Bureau of Intergovernmental Relations. It could be tailored to meet California's special needs, though experiences of other States could serve as a source. Fortunately California already has in being a State Agency which has served local government concerned with water, namely, the former California District Securities Commission, which is now attached to the Office of the State Treasurer. Its duties can be expanded to serve the broader public purpose. While it will be able to generate revenues to assist in underwriting its operational costs, the potential annual savings to the taxpayers in carrying out its mission could be substantial.

#### MUNICIPAL BOND MARKET—ITS NATURE AND SIZE

So far my remarks have dealt principally with the political and governmental aspects of public bond financing in California.

I have stated that California has been able to market its billions of dollars of bond issues successfully. While pointing out the problems of State and local governmental financing and suggesting ways to cope with them, I have said very little about the capital markets which must be looked to for the dollars needed to float California's many bond issues.

Some of you are aware of my concern as to the trends in the marketplace as I have been outspoken in my criticism of certain practices.

Last year the dollar volume of new long term State and municipal bond issues in the United States totaled \$17½ billion. In 1971 the total so far is at an annual rate of \$25 billion—almost three times the amount in 1961 and eight times the amount of 1951.

The effect of tight money substantially increased the cost of borrowing, reaching a record high in 1970. This period has also been one of great stress in the securities industry evidenced by back office problems, inadequacy of capital, record volume, regulatory changes, rising operating costs and loss and theft of securities.

To provide the investment funds to purchase the record volume of new municipal bond issues, the traditional institutional investors were assisted by the return of the individual investor. As a matter of fact, with a record high volume of corporate and Federal Agency issues, in addition to substantial U.S. Treasury borrowing, the distributors welcomed any new source of investment funds.

The Common Trust Funds, consisting of tax exempt securities administered by banks and trust companies, were less of a market factor than in prior years. However, the expansion of tax exempt bond Funds catering to individual investors made an important contribution to the marketplace.

To reduce borrowing costs and to enhance

market acceptance, two new concepts were introduced. One was a State Bond Bank which would purchase local issues and issue its own paper and the other the insuring of principal and interest on municipal bonds by a private insurance company. While these vehicles have not had wide acceptance they are manifestations of a growing concern over the cost of money and the need for new marketing techniques.

Governmental securities, including State and municipal bonds are exempt from the Securities and Exchange Act, except for fraud. This means that the multi-billion dollar market in public securities is virtually unregulated in its over-the-counter operations.

Periodically abuses arise short of fraud, but unethical in relation to the closely regulated corporate securities business.

These abuses can involve misrepresentation of a security, excessive fees charged a customer to buy or sell, and over-trading to name a few. Fortunately the number of organizations engaged in these practices are few but their efforts have been widespread.

What the investor must know is with whom he is dealing. He should insist on exact details on each transaction and be sure that his confirmation and the prospectus or circular describing the issue coincide. He should avoid "swaps" unless they clearly benefit his tax status. He should insist on physical delivery of securities against payment. If any doubt, he should compare notes with any Stock Exchange member firm, Investment Bankers Association member firm, his bank and tax consultant.

While there was almost a solid front of State and local government officials who successfully opposed the inclusion of municipal financing in the adoption of the Maloney Act Amendment to the SEC Act in 1938, today there may be some second thoughts. It is inconsistent that the issuer and investor alike do not have equal protection under existing laws. There is one set of rules for corporate finance and another for governmental finance. While there may be many who would strongly oppose a Federal umbrella over State and local financing, they have yet to make their case when practices inimical to the public interest are being perpetrated.

Recently I publicly expressed my views in opposition to some of the municipal bond underwriting practices which have surfaced in the past two years. Like so many other innovations of today, what is considered new is really no more than a manifestation of the past. John Brooks in his book "Once in Golconda, A True Drama of Wall Street 1920-1938" touches on some of the practices which underly some of the areas of my concern.

California is a regional securities market. It not only is the source of a substantial amount of new financing, both municipal and corporate, but it is also the source of a growing volume of Investment Funds, both institutional and private. Its financial institutions are able to assemble funds statewide, nationally and globally, making it an important money market center serving the world.

To serve the financial community and its customers, the Pacific Coast Stock Exchange has emerged as one of the leading auction markets in the country. Brokers, dealers, underwriters, investment companies, investment advisors and trust departments have expanded their geographical coverage and their services in competing for the California investor.

Yet growth has had its problems despite its rewards. The problems of the securities industry, which I mentioned earlier, have been felt in California. The closing of firms, attrition of branch offices, cost cutting and mergers have all occurred. The small locally owned and managed firm has frequently be-

come a part of a larger nationwide organization.

On top of this, California continues to be a net importer of capital. In other words, it still must seek outside funds to finance its growth. This is why it is important for California to have a strong and viable marketplace. It insures local distribution of securities, both primary and secondary issues, it insures a responsive nationwide outlet for its offerings and it exerts significant leverage on the cost of money for California borrowers.

This is where I have become concerned. Can California continue to exert its influence successfully in the marketplace or must it give way to out-of-State leadership? California is not alone in facing this problem, but California of all the States has demonstrated its capacity to be a successful leader in competing with Wall Street.

A strong regional market and an effective regional dealer mechanism is essential, in my opinion, to successfully handle the annual multi-billion dollar new issue volume. Wall Street cannot do it alone, even with its branch offices in other parts of the country. All investment and investment banking decision cannot be relegated to the Atlantic Seaboard.

The trend towards underwriting syndicates measuring relatively few in terms of membership with very substantial liabilities, while enhancing the profitability of its team, must also face possible potential losses if unsuccessful. This can be unsettling to the bond market when underwriters jettison unsold balances. The expectation that regional dealers will always fill their orders at a price concession, not including underwriting profits, is unrealistic. The technique of creating illusions of how successful a new issue has been received, in comparison with the corporate new issue regulations, can be harmful to the investor and the bond market as well. Ultimately the issuer, who frequently must rely on local sources to provide urgently needed financing, suffers as it faces the pressing need for additional financing. The out-of-state underwriters have little or no rapport with local problems. Their interest may not coincide or coincide at the same time with the need of others. Previously acquired commitments may preclude a willingness to accommodate or accommodate at a price.

To repeat, it is my contention that California must continue to exert its influence in the marketplace. It cannot afford to delegate its responsibility for decision making to other parts of the country.

#### SUMMARY AND CONCLUSIONS

In conclusion—I have great faith in the ability of California to meet its bond financing needs in the years ahead.

One day we may see the disappearance of the coupon bond we know today. It may take the form of a stock certificate registered in the name of the holder—or it may be a book-keeping entry without physical possession of the security.

General property taxation as a back-up source for bonds may give way to a general tax and revenue type security with access to all general and special fund revenues.

We may see greater Federal intervention and perhaps a new type of Federal security to aid State and local government.

State government will be more responsible to local government. This may take the form of guarantees, substitution of State credit, inducements to form stronger units of government and creation of a Bureau of Inter-governmental Relations.

State and local municipal bond markets may be regulated to eliminate abuses and to insure ethical practices.

Statistical reporting, credit rating, financial consulting and forward planning will be come more sophisticated and more widely used by governmental units.

Tax exemption of interest on municipal

bond issues may end and create an entirely new type of taxable bond market and investor.

As I look down the road—I think all of these are possibilities. Not that I would agree with each and every one as a premise. Rather I firmly believe in the capacity of our free enterprise system to continue to adjust to changing conditions. Not as rapidly as we would like on occasion, but to keep probing and hoping to find a better way to meet our commitments and to achieve our goals.

I hope I have offered you some new ideas and new concepts without undermining one's faith in tradition.

Remember "The Power of the Purse" controls all government and bond financing helps keep the purse filled.

#### THE NORTHERN IRISH SITUATION: A REPORT—NO. 4

#### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. BIAGGI. Mr. Speaker, during this series on the Northern Ireland situation, I hope to bring to the attention of my colleagues some of the many horrifying incidents of repression that occur daily in that beleaguered country.

Most of the information I have was taken out of the country by my daughter, Jackie, and her friend, Carol Nolan, on their recent trip to the area. Mail sent out is censored, so these reports will be among the few that will actually make it to the free world.

Today, I will include in the RECORD two more affidavits by Northern Irish Catholics and their experience with the Special Powers Act. This insidious law permits the authorities—notably the British soldiers—to arrest and intern civilians without charging them with specific crimes:

ASSOCIATION FOR LEGAL JUSTICE, INTERNATIONAL—NORTHERN IRELAND, 1971

Report on arrest, interrogation and treatment of: Peter Eugene Collins, 21 Walker Street, Armagh.

Age: 32.

Occupation: Boilerman.

At 4:30 a.m. on August 9th, the soldiers arrested me at my home and brought me to the Military Barracks and then to Ballykinlar Camp.

There we were brought into a hut and made stand with face to the wall for about an hour. I was taken to see two Special Branch men and two Military Policemen. They said, "You know you are being interned for being a member of the Provisional I.R.A." I said, "I did not know about that." Then I went to the Doctor. I said I had bronchitis. He said that I would have to go to the prison hospital. Then he said to go back to where I came from.

I was brought to another hut and made to sit on the ground with my back to the wall. A soldier (with blue beret) came over to me and he said, "Do you fancy me?" I said, "No I don't." He said, "Turn and face the wall." He said "Put your hands facing the wall, sitting, your legs out straight facing the wall." I had to do different exercises with my arms and legs for four hours. I found this made my legs sore, my back-end and my back sore and the whole thing was very difficult. Once when I turned my head, I got a crack on the head.

Then we got a meal of slops. It was the

worst muck I have ever eaten. A soldier came in and said, "You can smoke one cigarette. Another soldier said, "They got all taken off them." The first soldier said, "Then you cannot smoke." We were mentally tortured by them blowing their smoke in our direction.

We renewed the exercises for about one hour.

A soldier came in and said, "Is there a Collins here?" He took Jim Collins out and he was away for ten minutes. Then I was called out and I went to see Detective Murphy. He repeated the same questions about organizations. He said, that he was talking to the Doctor and that the Doctor said he was going to let me home. I waited about 10 or 12 minutes and they took me home by helicopter to Armagh Barracks and pushed me out on to the road to walk home.

To the best of my knowledge the information which I have given above is a true and accurate account of what happened.

Date: 16th August, 1971.

PETER COLLINS,  
Signature.  
Rev. DENIS FAUL,  
Witness.

ASSOCIATION FOR LEGAL JUSTICE, INTERNATIONAL—NORTHERN IRELAND, 1971

Report on arrest, interrogation and treatment of Felim O'Hagan, 81 North Street, Lurgan.

Age: 16.

Occupation: Student at Grammar School. Statement by mother of Felim O'Hagan (Mrs. Bernadette O'Hagan).

The Army had our house surrounded by 4:30 a.m. on Monday 9 August, 1971—my daughter was the first to hear them on the kitchen roof at the back. She aroused me and I looked out of the front bedroom window to see soldiers squatting on the opposite side of the street. I opened the window and looked out to see about eight or nine standing along the front of the house. I asked what they wanted and an officer in charge, who had a lot of papers in his hand, asked was Mr. O'Hagan at home. I told him he had just gone for a walk as he loved an early morning walk when everything was quiet and peaceful, and if they hurried they might catch him along the road. He appeared angered by this answer and asked could they come in. I said "no" as they had been to search the house a couple of weeks ago, and that I wasn't opening the door to them again. He said "If you don't open I'm afraid we'll have to break in." I immediately shut the window and we (my son Felim, daughter and myself) sat on the bed to see what would happen. They started to thump on the door and kept a finger on the bell for about two minutes. This awakened my younger daughter aged 6, who started to cry and got very agitated. The army then broke the glass panel on the door and burst in. We all ran down the stairs and I asked what they wanted this time. The officer in charge said, "We want all the occupants of the house down." "Here we all are." I said. He ushered us into the living room and kept asking was this all the occupants. He then ran upstairs with an armed soldier behind him, going in and out of the rooms two or three times. While I was upstairs I heard my two daughters screaming. Thinking the soldiers were hurting them, I ran down and asked Siobhan (aged 17) what they were doing. But it was because they were dragging Felim out (aged 16). My younger daughter Dara was hysterical by this time and screaming that he was Felim, not Fintan. My son told me later they insisted that he was Fintan and were arresting him under the Special Powers Act. They had warrants for my husband Joe and three older sons, Barry 21, Kevin 20 and Fintan 18. They kept insisting that Felim was Fintan despite our protests and he was dragged over a chair, knocking it down. At this stage I told Felim not to struggle as he

would get the worst of it. He didn't resist at any time, but despite this, he was pulled up the hall with his arm twisted up his back and was struck with a baton across the shoulders. When he was being brought to Army H.Q. at Pinehurst, one soldier said to the other, "Trust the British Army to miss out; we have planned this for a long time, but we've missed them." He was questioned in Pinehurst and they asked him: "Are you Finbarr, are you Kevin, are you Fintan?" he didn't answer and they asked was he refusing to answer to his name. He said, "my name is Felim". He was photographed and they brought him to R.U.C. Barracks where he was finally identified by Special Branch. They told him he could go and when he asked were they not bringing him back as they had brought him up one soldier said "I know where I would like to bring you." He finally got home after two hours. Meanwhile, the officer asked would I answer some questions to fill out a form but I refused and told him he already knew my name and address and I would answer nothing. They left at about 5:30 a.m.

To the best of my knowledge the information which I have given above is a true and accurate account of what happened.

BERNADETTE O'HAGAN,  
Signature.  
Rev. DENIS FAUL,  
Witness.

#### TRIBUTE TO MISS MARIE AHEARN, HYDE PARK SCHOOL TEACHER

### HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. BURKE of Massachusetts. Mr. Speaker, I invite my colleagues to join with me in paying tribute to a dear friend of mine, Miss Marie Ahearn, a teacher at Hyde Park High School in the Boston school system, who is retiring after many years of dedicated service to the young people of Hyde Park, Mass. Miss Ahearn was honored last week at a reception by her associates, friends, and former students.

I have on more than one occasion in the past, had the opportunity to observe and participate in Miss Ahearn's American democracy class and I can testify as to her superior qualities as a teacher and as to her fine teaching methods.

Her ability to conduct meaningful dialog with young people was unexcelled. Her compassionate understanding of the problems facing young people today resulted in excellent results with her students. A hard worker, blessed with an abundance of commonsense, Miss Ahearn exhibited an unselfish devotion to her high calling.

There are many who owe a great deal to Miss Ahearn. Our community back home has benefited and many of our young people have a better understanding of our beloved Nation because of her efforts.

The Boston school system is losing one of its greatest assets upon her retirement. I know that Miss Marie Ahearn will continue to be active in the years ahead. I know that somehow she will use every moment to assist her fellowman.

It can be truly said that Miss Ahearn during her entire teaching career had only time for the best. My best wishes go to her in the challenging years ahead.

#### CANCER CONTROVERSY—ITS SOUND AND FURY

### HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. ROONEY of New York. Mr. Speaker, the September 10 issue of Medical World News magazine contains an article entitled "Cancer Controversy—Its Sound and Fury," which expresses the views of Dr. H. Marvin Pollard on a subject of urgent importance to millions of Americans.

Dr. Pollard, president of the American Cancer Society and one of the country's most eminent gastroenterologists active in cancer research, speaks clearly and convincingly on the need for legislation to help conquer this dread disease, even as testimony on the Conquest of Cancer Act (S. 1828) and other cancer-related bills is being heard by the Subcommittee on Public Health and Environment of the House Committee on Interstate and Foreign Commerce.

This excellent and timely article is worthy of the attention of the Members of this body. Under the permission heretofore granted me by unanimous consent of the House, I include Dr. Pollard's statement:

#### CANCER CONTROVERSY—ITS SOUND AND FURY

For the past year, I have been carefully studying the proposals and efforts to establish a Conquest of Cancer Agency. And after spending some time in Washington trying to learn firsthand how the present system works and how the new system would function. I have become convinced that a cancer research effort involving possibly as much as a billion dollars a year would be handled most effectively by such an authority.

Thus, I do not share the fears of some of my cohorts, especially those expressed by the Association of American Medical Colleges, the Association of Professors of Medicine, and various editorialists. The creation of a cancer agency, whose chief would report directly to the President, will simply represent another step in the line of historical progress.

There was a time when the National Institutes of Health handled relatively small amounts of money. In 1946, for example, the federal appropriation to the NIH was \$50 million. In 1956, it was \$90 million; and in 1966, it was \$1.2 billion. With such a rapid rise in funding, administrative activities obviously had to be altered and will continue to be changed in order to deal with future increases.

At the present time, the budget and administrative policy of the various institutes must be reviewed and approved by six higher levels of bureaucracy before there is final funding of research grants. At every level, there is administrative scrutiny of all the activities and priorities of each institute. By giving the director of the agency direct access to the President, we can bypass this constant competition and make the handling of one specific medical subject more effective and efficient. Worthy grants will receive speedier approval. Administrators will be able to pinpoint support. It should be emphasized that this proposal will not "obliterate" the National Cancer Institute nor even alter its internal processes as greatly as some people have feared. The NCI will, in fact, become the Conquest of Cancer Agency itself, and I would assume that its director will still be the most important man scientific-

cally, while reporting to the new agency head. The study and advisory groups should remain much the same, and the center will even stay at its present location on the Bethesda campus of NIH, thus maintaining all of the cooperative benefits that it has enjoyed there.

Nor do I think that this program will make "poor sisters" of other research institutes. The National Cancer Institute led the way as the forerunner of the National Institutes of Health in 1937. This greater emphasis on cancer today will help generate an increasing concern with all health problems. And as a result, the health of our citizens should, therefore, assume a higher priority in the federal interest than such items as defense and outer space.

Although this approach could mean a fundamental change in the top structure of NIH, it does not represent a dismantling of the institutes or a disaster for biomedical research by any stretch of the imagination. If the cancer agency achieves the expected efficiencies, I would expect other NIH components to follow. Their funding ceilings will be higher and their responsibilities broader. But from the standpoint of the way grants are handled, for instance, I don't foresee much change.

Nor is the contention that this move would destroy or even disrupt relationships within NIH realistic. At present, the NCI is collaborating with several of the other health institutes on studies of primary interest to cancer research. I have no doubt that this collaboration will continue and even expand. Since the legislation very pointedly keeps the cancer research program within NIH, the important scientific relationship between the cancer agency and the other institutes should be strengthened rather than weakened.

The NIH has now been around long enough to represent a paramount fixture in the entire research careers of some investigators. It is natural, I suppose, that individual researchers or leaders in research-dependent medical schools should develop feelings of insecurity when they hear people discussing any modifications. But research programs are not going to be interrupted.

Besides, the fundamental approach to any research question cannot be altered simply by the way it is funded. I lived in a period in which there wasn't any NIH, and scientific investigators still produced. A good man is not going to be upset; research will remain research.

However, to the clinician and his cancer patients, this program potentially offers great benefits. The cancer agency will be able to mobilize support quickly to exploit promising developments. And three of the most exciting areas today include: the increasing understanding of cancer that epidemiology has brought us; new diagnostic tools, such as the carcinoembryonic antigen; and improved treatment methods, such as radiotherapy, using cobalt sources of even the subatomic particle, the pi-meson. Building new cancer centers will also help spread such benefits across the nation.

An even greater impact on cancer may be made by allocating large amounts of support to professional training and education. When you don't have a cure for a disease, it is hard on the patient and tough on the clinician. He has trouble justifying any treatment and is put on the defensive because he doesn't have much to offer. I am particularly hopeful that as a part of this effort we will be able to draw the attention of all clinicians, particularly the young men in internal medicine and family practice, to this vital field. It is they who must identify cancer earlier if the surgeons and radiotherapists are to have any chance of improving our results.

Many pitfalls may await such a national drive. The administrative model currently considered by the House of Representatives seeks to take advantage of the efficiencies

achieved by the Manhattan Project and the National Aeronautics and Space Administration. However, they had much fundamental information on which to base their projects. This is not the case in the field of cancer at the present time.

The leaders of such a cancer agency will have to guard against the temptation to go out in all directions. I don't question for one minute that a host of mediocre researchers and mediocre bureaucrats could be attracted to the program: The present system is not entirely without fault in this regard. But I hope that the directors of any new cancer effort will use their skills to correct and control this situation.

Research grants will continue to comprise the majority of the funds. Nevertheless, increasing interest is being shown in programmed research and contracts. The contract mechanism, however, can be fraught with personality weaknesses—such as poor selection and favoritism—even greater than those encountered in study groups that evaluate research grants. Still, I think that most contracts will produce excellent results. They make it possible for the director to step out with a new subject, find a research team with the necessary capabilities, subsidize them quickly, and let them concentrate on a specific area.

Doctors should not be so afraid of introducing a businesslike approach into such a national program. Over the past few years, I have had the opportunity to compare the inside administrative activities of several strictly medical organizations with those of the American Cancer Society. Never have I seen so careful an allocation of funds as made by the half-lay and half-professional groups in the ACS. I now believe that business should definitely be involved. Physicians, and particularly scientists, do not really have the concept of handling the huge financial structure involved. There may even be some advantages in choosing a businessman—or businesswoman—to head up the Conquest of Cancer Agency.

Any program that strikes out into new territory must be prepared to come to grips with a multitude of problems. However, the notion that the cancer agency has been oversold to the Administration, Congress, or the American people is ridiculous. The public wants this type of effort, and in fact is almost demanding it. The medical profession has just been a little shy in facing up to this challenge and meeting it. However, if the attention of the federal government can be channeled even more strongly toward cancer and other health fields, I believe that everyone will benefit immeasurably.

(Even as the Senate was voting 79 to one in favor of a special program to mount a massive research drive against cancer, a vocal and increasingly strident band of critics arose to attack the proposed Conquest of Cancer Agency. American Cancer Society President H. Marvin Pollard, a renowned gastroenterologist and cancer researcher at the University of Michigan, feels that much of their fear stems from confusion over the structure and philosophy behind this approach. Here he sets forth some of his reasons for believing that the program now being considered by the House of Representatives will not only preserve the orderly advance of science but also speed the benefits of research to clinicians and their patients.)

#### BUSING CONFUSION

**HON. J. IRVING WHALLEY**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. WHALLEY. Mr. Speaker, I attach herewith, an extraordinarily fine edito-

rial from the Stars and Stripes—the National Tribune, dated September 16, 1971.

I call this splendid article to the attention of the House:

#### BUSING CONFUSION

Watching at first hand and reading of more distant cases involving the troubles coming from school bussing, we are brought to wonder if the Supreme Court could not come up with a rather simple decision to solve the problems others of its dicta have generated.

Why not permit pupils and their parents to decide which school a child should go to? If he favors one 10 or 15 miles away on the other side of the city in which he lives, let him climb on a bus and proceed to that school. If on the other hand, he elects to attend the school in his own neighborhood, perhaps only blocks away, why not let him attend that school.

We are all Americans with the same basic rights and privileges. Why should our children be hauled around like livestock to accomplish some theoretical balance of color, brains, economic status or other factor?

In the happy days of the horse and buggy age, no one would have ever thought of moving children from one corner of a city to another. The time element would not have permitted such nonsense. Also, school boards in those days who had a job digging up adequate funds to run educational institutions, would have been tossed out bodily had they proposed such costly shifting around of a very great percentage of our people.

We have an idea that over the fairly near future, the costly bussing idea with all the problems that it has created will be junked for a more sensible solution.

#### FREE MEN ACT TO PRESERVE FREEDOM IN CALIFORNIA

**HON. JOHN R. RARICK**

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. RARICK. Mr. Speaker, the President of the United States seems bent on the destruction of Chinese culture both in his attack on the free Republic of China by supporting the Communist government of Peiping for the China seat on the UNO Security Council and here at home in his own State of California where his agents have forcibly tried to abduct Chinese-American children and bus them across town to achieve some pseudo-intellectual's left-wing liberal goal of proper racial mixing.

The brave Chinese-Americans in his home State of California have refused to yield to such tremendous pressures against their cultural pride. Feeling that "the culture of our Chinese background is worth saving." the Chinese-American people of San Francisco have banded together in the true American way to open their own private neighborhood schools, not because they oppose integration, but because they believe in preserving their own culture. The spokesman for the Chinese Americans said:

Our concept is neighborhood schools, and we welcome anyone who lives in the area.

Such actions by the noble Chinese Americans are worthy of the praise and admiration of all Americans.

Likewise, we can expect the free Chinese of Taiwan not to bend like so many

bamboo shoots in the wind to the political whims and dictates of President Nixon in his moves in the UNO.

I include a related news article detailing the courageous stand of the Chinese Americans in California against threatened destruction of their culture by busing in the RECORD:

[From the Washington Evening Star, Sept. 21, 1971]

#### CHINATOWN OPENS OWN SCHOOLS

SAN FRANCISCO.—About 1,000 Chinese-American children are attending four new private "neighborhood schools" formed because of their parents' opposition to court-ordered busing to desegregate San Francisco's public elementary schools.

"We were forced to open these schools because of the strong desire of parents for a free choice of where to send their children," said James Wong, a spokesman for the sponsoring group, called Chinese Parents for Quality Education.

A boycott of the public schools, which opened Sept. 13 with 58.6 percent of expected enrollment, has been most noticeable in Chinatown, the largest Chinese community in the United States.

The new "neighborhood" schools opened yesterday in four private Chinese cultural school buildings where many Chinatown children have for years attended bilingual classes after regular school hours.

Wong said at a news conference yesterday that another 1,500 children are on a waiting list for admission when more classrooms can be obtained. Total elementary school population in Chinatown is about 5,500.

"There's a very strong feeling in Chinatown that the culture of our Chinese background is worth saving," Wong said.

Public school officials reported some picketing of schools yesterday as attendance rose to 71.7 percent, still well below the normal 90 percent.

The school district's plan to bus 26,000 of the city's 47,000 elementary school pupils stemmed from a finding by U.S. District Judge Stanley Weigel earlier this year that the 97 elementary schools were "racially imbalanced."

"We're for integration," said Adam Gee, co-chairman of the anti-busing parents' group. "Our concept is neighborhood schools, and we welcome anyone who lives in the area." He said a few white students were attending.

Bertha Chan, the other cochairman, said her group is seeking state accreditation for the schools, which charge \$5 per child per semester. Teachers are mostly volunteer housewives, she said, who get a "token fee."

Wong said the group hopes eventually to raise sufficient money from parents and local merchants to pay the staff regular salaries.

Some 30 classes covering grades one through six are operating on double sessions, using surplus textbooks donated by the state.

Mrs. Chan said that because each child is in the schools only 2½ hours and the state requires a minimum of three, all pupils are being asked to watch a half-hour of educational television daily.

#### AMERICAN PRISONERS OF WAR IN SOUTHEAST ASIA

### HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. MORSE. Mr. Speaker, 7 years and 179 days ago, on March 26, 1964, Capt. Floyd Thompson was captured in South

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Vietnam and became the first American prisoner of war in Indochina. Since that time, an additional 1,600 Americans have been either captured or listed as missing in action in Southeast Asia. The plight of these prisoners and the suffering which their families have undergone is a matter of deep and abiding concern to us all.

We can take some small comfort from the realization that public pressure in the United States and throughout the world has caused, within the last few years, some shift in Hanoi's position regarding the treatment of prisoners. Surely, for example, the impact of the resolution passed last December by the Social Committee of the 25th United Nations General Assembly, calling for compliance with the Geneva Convention and reaffirming the fundamental principle that prisoners are entitled to basic protection, care, and communication with their families, reverberated forcefully in Hanoi. The pressure of private groups within the United States has also been keenly felt. Positive evidence of the impact of these actions has been the increase in flow of mail to prisoners and the occasional visits by Westerners to POW camps now allowed by Hanoi.

But we must not allow our efforts to stop here. Our energies must not be dissipated. All of us, whatever our views about the war, owe a great debt to these 1,600 Americans held prisoner in the North or listed as missing in action. We must continue to make every effort to alleviate their terrible plight and to rectify the grave violations of human rights which they and their families continue to endure.

#### JOSEPH L. ANTONUCCI—FLORIDA'S HORATIO ALGER

### HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. ANNUNZIO. Mr. Speaker, Joseph L. Antonucci of Hallandale, Fla., has become in 3 short years one of Broward County's most influential businessmen. He is a pioneer in the mobile home industry and has proven once again that in America, individuals with initiative, ingenuity, resourcefulness, and willingness to work hard, can and do achieve tremendous successes.

A native of my own city of Chicago, Joe Antonucci heads Cook County Mobile Homes, Inc., one of the largest mobile home facilities in my own county. He spent 30 years in the mobile home industry in Chicago, and since, has moved to Florida where he has developed his 252-acre ESCOM Estates, turned run-down Hallandale acreage used for an auto dump into fancy Park Lake Estates mobile home park, and secured approval for a mobile home development on 260 acres of Seminole reservation land.

"Miccochobee," or Big Chief, as the Seminole Indians call him, has already produced over 5,000 homes for more than 5,000 families at prices they can afford

to pay—which is no small feat in these inflationary times. Antonucci projects that through his ESCOM Enterprises Corp., he will produce more than 10,000 more low-cost housing units within the next 3 years. And he has accomplished all of this virtually without Government subsidies of any kind.

As a member of the Banking and Currency Committee of the House of Representatives, which has jurisdiction over all housing authorization bills, I was pleased to support passage of the Housing and Urban Development Act Amendments of 1969 which authorized for the first time in the history of our country loan insurance to finance the purchase of mobile homes. This legislation also increased the loan amounts that may be approved for land for mobile home courts. As a Member of the Congress, I was also glad to support passage of the Veterans Housing Act of 1970 which provided for the first time VA-guaranteed mobile home and site loans. The Congress has recognized the need for this type of low-cost housing and has taken the necessary steps to provide these guaranteed mobile home loans for those who wish to secure them.

In the Florida mobile community homes of ESCOM Enterprises, Joe Antonucci has created more than 200 acres of spring-fed lakes whose waters are suitable for fishing, boating, and swimming. The lakes are crystal clear, stocked with fish of all kinds, and marine life thrives in these waters which meet even the State of Florida's high standards for drinking water. Antonucci's mobile home communities have indeed met with commendable success in coping with the serious pollution problems that other communities are having difficulty resolving.

Additionally, through the Bureau of Indian Affairs, Joe Antonucci is developing a program of on-the-job training for thousands of Seminoles under the Federal wage-hour law. Their product will be the creation of mobile homes, and it is expected that these trained Seminoles will assume the responsibilities of supervisory positions in the manufacturing of the mobile homes. Lease payments alone for the Seminole lands, it is projected, will return to them an annual income rising from \$250,000 to as much as \$1 million per year.

I am proud of the record of Joe Antonucci for his is truly a modern-day Horatio Alger story. He is an enterprising builder who has provided low-cost homes for people in retirement, for servicemen, and for countless citizens in almost every walk of life who increasingly are finding it harder to meet the rising costs of owning a home.

Sunday, September 19, 1971, was Joe Antonucci's birthday, and in honor of the occasion, I had an American flag flown over the Capitol of the United States. Mr. Speaker, because our Nation's flag has always been the symbol for our democratic way of life that provides opportunities for achievement for all, it is indeed appropriate that a flag flew September 19 over our Nation's Capitol in honor of Joseph Antonucci—Florida's modern-day Horatio Alger.

A TRIBUTE TO MAYOR  
GILBERT SMITH

**HON. GLENN M. ANDERSON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. ANDERSON of California. Mr. Speaker, since the city of Carson was incorporated, it has been the tradition to honor the mayor with an appreciation dinner at the conclusion of his 1-year term. That tradition was continued on August 27, when the citizens of Carson paid tribute to Mayor Gilbert D. Smith, a man who is far more innovative than traditional.

Mayor Smith has been a member of the Carson City Council since the day of incorporation and was returned to office last year by the biggest vote tally any councilman has recorded in the young city's history. In any other city in the Nation, he would have been hailed as the first black mayor, but in Carson, where race relations have set a high and happy standard, which I pray the Nation will soon achieve, Gil Smith was picked as the best man for the job.

Expressing the idea that progress toward the goals of the people is the manner in which a city shows a profit, Mayor Smith brought Carson its most profitable year to date and began programs that will assure even better years ahead. Under Mayor Smith's leadership, nearly 2 square miles of additional industrial land was annexed to the city—land which, even in its present undeveloped state, brings more than \$250,000 a year to the city treasury. Gil Smith was instrumental in bringing the city to participate in Federal programs to provide summer jobs for low-income youth, in providing additional recreational areas, and in establishing the Citizens Goals Committee that is now making long-range plans for the city.

But service as councilman and mayor was not the beginning of Gil Smith's leadership in Carson. His leadership began even before the long dream of cityhood was realized. Mr. Smith helped organize the Centerview Homeowners Association in 1963 and served as its president from that time until he was elected to the city council in 1968. In the days before incorporation, Gil often represented the community before the County Board of Supervisors, the Regional Planning Commission, and other county agencies.

It was this leadership and community interest which led to Smith's selection as the first president of the Carson-Dominguez Citizens Committee for Incorporation, a position which helped sweep him to a seat on the city council by a substantial margin during the special election in 1968, which made the dream of cityhood a reality.

Mayor Smith has always taken an active interest in education and his leadership of a citizens committee helped win approval of the Dominguez Hills area of Carson as the site for the newest campus of the California State College system. In 1969, he was appointed to the advisory

board of California State College at Dominguez Hills, and is currently enjoying the sight of modern buildings going up as rapidly as they can be constructed—and being filled just as rapidly with eager young students.

Mayor Smith has also turned his attention toward education on the elementary and secondary levels by serving on the advisory boards for Ambler Avenue Elementary School, and the Glenn Curtiss, Carnegie, and Robert Peary Junior High Schools. In 1967, he was selected as a life member of the Towne Avenue Elementary School PTA and, 2 years later, was the recipient of the 1969 Community Service Award from the Association of Elementary School Administrators. In addition, Mayor Smith helped the Los Angeles Unified School District develop its plan for decentralization and continues to serve as a member of the Community Advisory Committee on Decentralization.

A native Californian, Gil is a graduate of Manual Arts High School and Los Angeles Trade Technical College. He is a commercial artist and has served as an officer of the Los Angeles Society of Illustrators. He and his charming wife, Glenda, have lived in Carson for more than 8 years and have three fine sons—Gilbert, Jr., Jeffrey, and Christopher.

In 1970, Mayor Smith was chosen as an Outstanding Young Man of America by the International Junior Chamber of Commerce; and, on March 2, 1970, he was selected as Citizen of the Day by radio stations XTRA and KOST. Gil is a member of the Board of Managers of the Wilcardo YMCA, a member of the Carson Lions Club, and a commissioner-at-large for the Boy Scouts of America in the harbor area of Los Angeles.

Mr. Smith is vice chairman of the Transportation Committee of the League of California Cities, and is acting chairman of the Human Resources Committee of the Southern California Association of Governments. He is also Carson's official representative to the League of California Cities and to the California Contract Cities Association.

Above all, Gil Smith is a warm and honest person who is sincerely interested in the well-being of his fellow human beings, and I am proud to have him as a close personal friend and valued adviser.

MINNEAPOLIS HEALTH HEARINGS

**HON. DONALD M. FRASER**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. FRASER. Mr. Speaker, for a number of the witnesses at the recently concluded Minneapolis health hearings, the question of maternal health was of foremost importance. Mrs. Bruce Cutler discussed the problem of maternal and child care. She pointed out that in her opinion many times medical care is given at the convenience of those providing the services and not at the convenience of those needing it. She cited in the case in which

she was particularly interested, the conditions under which children are born in the United States.

It is Mrs. Cutler's firm viewpoint that childbirth which does not involve participation by the mother, and at times is under conditions which are a threat to the health of the mother and child, must be stopped. She delineates the four areas of maternal and child health care in which the Federal Government has a role. I commend her remarks to my colleagues:

REMARKS OF MRS. BRUCE CUTLER

(Refer to Scientific American chart which ranks the U.S.A. as 13th among nations in infant mortality (per 1000 live births.), and 7th in maternal mortality.)

GENERALIZATIONS

Conditions under which children are born in the United States include many medically accepted procedures which actually jeopardize the physical and mental health of both mother and child.

These unwarranted and dangerous procedures include the procedural use of drugs during labor and delivery, the horizontal delivery table, isolation of the mother from her husband (or other chosen companion), isolation from her baby, prevention of immediate breastfeeding etc.

Pre-natal care is superficial and causes mother to rely on medical personnel and artificial techniques instead of simple techniques to help her maintain control of her own body and birth process.

Post-partum care effectively interferes with normal breast-feeding and with normal mother-child relationships for both breast and artificially feeding mothers. Hospital procedures can interfere to the point that the arrival home is fraught with unnecessary difficulties ranging from a sense of alienation from the child to breastfeeding failure.

Post-natal care is supervised by doctors whose lack of adequate knowledge causes them to impede and even halt breastfeeding even without medical justification.

We hope the federal government will approach these four areas of peri-natal care:

1. Improve pre-natal care and training.
2. Improve childbirth facilities in the hospitals.
3. Provide alternative facilities for home deliveries.
4. Provide information available to medical personnel as well as general public concerning breastfeeding.

In addition to improving health of mother and child definite financial advantages will accrue to those using the healthier procedures.

1. Decrease of time spent in hospital and of drugs used. Prepared mothers need and use fewer drugs. Their labors are shorter; deliveries quicker and easier, and they recover faster, being able to leave the hospital in a day or two, or even just a few hours.

2. Decrease the time spent by medical personnel with the woman and with the baby. A prepared mother has an easier labor and therefore needs less medical attention. Her husband (or other chosen companion) can easily attend her needs (bed pans, pillows etc.) and can meet her emotional needs better than any strange though trained member of the hospital staff. Faster births require less time of the attending physician. Mothers with better labor and deliveries are better able and more eager to care for their babies thus taking the pressure off the nursery staff.

3. Improvement of childbirth and infant care techniques will lessen the costs of correcting unnecessary damage to the mother and child. For example: all the cost of highly technical procedures concerning Rh babies can be eliminated if the mothers are allowed to nurse naturally at birth. (Dr. R. Bradley, Denver, Colorado has found that nursing,



which causes the blood vessels to close as the placenta is being expelled actually prevents the back-mixing of the infant with the maternal blood supply, thus preventing the complications of later immunity to subsequent babies.) The attached sheets represent the work of Dr. Herbert Ratner and Karen Pryor in listing some of the problems less likely to be encountered by children who are or were breastfed.

4. Home deliveries would decrease wasteful use of much needed hospital beds.

#### RECOMMENDATIONS

The Federal Government should:

1. take leadership role in humanizing and improving medical services for maternity care.

2. emphasize pre-natal training as well as care. (This training should be the kind provided by the International Childbirth Education Association, which prepares the mother for childbirth and provides her with knowledge and techniques which not only ease and speed labor, but have been proven to be healthier for both mother and child (as well as the father.)

3. supervise and control materials put out by formula companies, and represent the people by counter-balancing with accurate information and advertising concerning breastfeeding.

4. encourage the establishment of milk banks.

5. encourage training and use of para-medical personnel such as nurse-midwives (who practice under doctors' supervision) and full midwives (who are independent practitioners.)

6. use its influence to correct and increase information taught to medical personnel concerning childbirth and breastfeeding.

7. establish maternity clinics, independent of hospitals, where only the best medical care is provided, as an alternative facility for the public and as example for consideration by obstetric units in hospitals.

8. establish home delivery facilities using midwives, perhaps doctors, and mobile obstetric units.

9. encourage breastfeeding by increasing information available to the public (as well as to medical professionals) via pamphlets, public service advertising, perhaps free advertising for the La Leche League, International, extension services etc.

#### A SLICK LOOK AT SANTA BARBARA

### HON. CHARLES M. TEAGUE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. TEAGUE of California. Mr. Speaker, last evening the Secretary of the Interior denied the application to install two additional platforms seaward of Santa Barbara, Calif. This decision was the culmination of public hearings, a draft impact statement, and a final statement, all of which preceded active lobbying by environmental organizations and the oil industry and their personnel. It was not an easy decision for the Secretary to make. I think he made this decision consistent with the present Federal sanctuary concept he has in effect. The Secretary is now holding 35 leases seaward of Santa Barbara and around the Channel Islands in moratorium for the remainder of the Congress. The Secretary chose not to violate this tentative sanctuary, certainly at the risk of incurring an expensive lawsuit. Secretary Morton has not wavered on this concept; now Congress must act.

But what Congress should do is also not simple. We all recognize the need for the valuable energy reserves of oil, and valuable reserves are present in the Santa Barbara Channel. We are all also concerned with oil pollution. This very split is also well-voiced in my district. Santa Barbara is generally antioil and Ventura pro oil. The oil industry has long been a part of this area of California, but previously on land.

Fortunately, the choice before us can be made in a realistic compromise fashion. To date, there have been no oil discoveries on the 35 leases in question. There is a Federal Government buffer zone north of this sanctuary area and the State of California has created a 16-mile sanctuary northward of this; all seaward of Santa Barbara.

Seaward of Ventura and northwest of the city of Santa Barbara a different situation exists. Approximately 2 billion barrels have been discovered in the area directly south of Point Conception and Gaviota. It is unpalatable for the Congress to accept the notion that the taxpayers would pay the oil companies \$3 a barrel to leave the oil in the ground. My legislation places no congressional restrictions on the production of oil in the area, as long as drilling and production of oil can be done safely and in compliance with Department of the Interior safety regulations. The oil industry is investing millions of dollars to achieve the goal of safe oil drilling.

Let us work out a compromise. Let us clarify the situation in the channel. Let the oil companies know they can pursue the tremendous reserves that area relatively speaking, remote from the population centers, if they can pursue it safely. They have spent millions of dollars attempting to insure this safety. And let us let environmentalists know the Government listens and cares.

My legislative assistant, Charles Seeger, has written an article explaining the history of the Santa Barbara legislation and outlining this compromise. I include this article from Environmental Quality magazine in the RECORD at this point:

#### A SLICK LOOK AT SANTA BARBARA

(By Charles Seeger)

(Charles Seeger is the Legislative Assistant to Santa Barbara Congressman Charles M. Teague. Part of his responsibility includes the handling of the Santa Barbara Channel Legislation. He is responsible for the drafting of numerous bills in conjunction with Santa Barbara residents, as well as drafting some legislation on his own.)

Albert Camus tells us, "We are all condemned to live together." Those who were in Santa Barbara, California, on January 28, 1969, understand all too well this fateful condemnation of togetherness. They understand it because on that day a drilling rig over federally leased ocean land in the Santa Barbara Channel blew out, belching thousands of barrels of oil from the ocean floor. This oil oozed northwest with the current to blacken the beaches of a city that, ironically, had years before cajoled the State Legislature into creating an "oil free" sanctuary in the surrounding state waters.

Santa Barbarans were condemned by togetherness because the decision to allow oil drilling in the Channel was one over which they had no control, or at best very little. The decision itself was irresponsible; not because the threat of oil pollution was new to Santa

Barbarans, who have on record 53 natural oil seeps releasing anywhere from a trickle to 50 barrels a day, since such circumstances were first recorded by Padre Pedro Font in 1776—and not because there exists no need for the estimated several billion barrel reserve—but irresponsible because a decision is only responsible when the man who makes it is held accountable by those most affected by its results.

The Channel leasing decision was dictated in Washington by the immediate lure of badly needed revenues to cover the increasing cost of the Vietnam war in 1968, and the continually increasing national energy needs. The lease bidding netted the Federal government a quick 624 million dollars. Santa Barbarans endured the consequences.

Whether or not the spill was an ecological disaster with permanent marine damage is debatable, but importantly, that is only one concern. It was an environmental disaster in the sense of defacing the surroundings. The city has long made planning and development decisions in the name of beauty; the oil operations undermine this approach. Although the environmental disaster was temporary, the threat of another looms on the horizon, just beyond Santa Barbara's shores, and without her consent. This situation needs correction.

#### HASTY DECISION

In retrospect, it appears the leasing decision was made hastily. Stuart Udall, then Secretary of the Interior, today admits this. Unfortunately, too many governmental actions seem to have stemmed from decisions that were not always preceded by a careful evaluation of the objectives sought and the cost involved. But because of the events in Santa Barbara, a more balanced evaluation process will hopefully be part of all future environmental decisions.

The spill provided the emotional impetus which thrust the problem of oil pollution into the national political arena. Commentary on the results of that thrust are needed, not as an eulogy for environmentalists' efforts (as the Channel problem is still before the Congress), but rather to gain the perspective that evaluations of the past offer.

Lewis Carroll offers an insight into the reaction of Santa Barbara in his work Alice in Wonderland. The king shouts, "the horror of the moment; I shall never, never forget." But the Queen of hearts promptly reminds him "you will, though, if you don't make a memorandum of it." The Santa Barbara spill might, in time, possibly have been forgotten, but if Carroll's criteria hold true and memoranda guarantee remembrance, then few are likely to forget that event.

#### GOVERNMENT'S ADMITTED ERROR

The memoranda on the Santa Barbara oil spills are voluminous. Its forms are White House scientific panels, reports, Department of Interior regulations, Congressional bills and hearings, newspaper, magazine and journal articles, and letters. These memoranda are a tribute to the citizens' environmental concern and, to a consequential extent, to a government that has admitted its error. The horror has not been forgotten.

But, despite these memoranda, the problem still exists. Its form is no longer expressed in the immediate crisis of blackened beaches, but rather in the continuing threat of marine and aesthetic pollution. It continues because the oil companies still have legal rights to drill, produce, and sell oil and gas deposits, and to maintain drilling platforms seaward of a city whose citizens, for the most part, never wanted oil produced there. The problem can be eliminated by cancelling the oil companies' lease seaward of Santa Barbara.

The Congress should do this. It has not.

Over 25 bills have been introduced in Congress affecting oil operations in the Channel. The bills have ranged from immediate ter-

mination of the leases, to the creation of marine sanctuaries, to amendments to the 1924 Oil Pollution Act, to a transfer of rights from the Channel to the Elk Hills Naval Petroleum Reserve No. 5 near Bakersfield, California, to a complete suspension of operations in the Channel pending technological developments.

Each of these proposals has specific objections, but the underlying problem is quite basic: The oil companies paid 624 million dollars on a gamble that there was oil under the Channel. The choice is simply to let the oil companies pursue their gamble, or Congress must take away their rights to do so, and pay them back.

If Congress is going to take away these rights, then just compensation must be provided; the due process clause of the 5th Amendment applies. Just compensation for these leases varies considerably depending upon one's perspective. The oil companies paid 210 million dollars for the leases directly seaward of Santa Barbara, and have paid several million more in rental fees. They did not pay this money on the assumption those lands were worthless. Yet, they have been unable to determine the resources, if any, below their lands because the Interior Department's reaction to the blowout in January of 1969 (political pollution to oil executives) has obstructed exploratory drilling.

#### JUST COMPENSATION

In effect, the lease evaluation process has been stopped, save for some seismic information indicating the presence of oil. But this information has been satisfactory enough for oil companies who have yet to fall delinquent in their rental payments. From the perspective of a potential reserve in the billion barrel magnitude, with oil selling at \$3 a barrel, just compensation is indeed considerable.

On the other hand, some Santa Barbarans argue the money problem is peripheral—they believe just compensation for the leases should be zero. For example, they cite one instance in which all of Humble's information indicated an oil rich lease; Humble paid 45 million for it, drilled two dry holes, and then relinquished it as valueless. If this were true in one instance, the argument continues, it may be true in others. However, this argument requires exploratory drilling and its consequences—circumstances which contradict the sanctuary argument.

With these conflicting views, a court alone can decide just compensation for each lease. A reasonable amount for the court to adopt might be the lease cost figure. Crucially, whatever the value of the judgment, Congress must be previously committed to pay it. No such commitment has yet been made.

As Secretary of the Interior, Walter Hickel helped draft legislation to surmount the money problem and to meet the energy needs. This latter issue was met head-on by Hickel when he testified before the House Interior and Insular Affairs Committee. He admitted that the need was valid and that valuable oil reserves might well lie beneath the proposed Santa Barbara sanctuary area. But he also clearly stated the need for environmental protection.

#### "ECOLOGIZING"

The two needs must now be weighed together. Hickel further testified that the "highest and best use" for the area seaward of Santa Barbara was not for oil production. His statement was indicative of an "ecologized" decision.

"Ecologizing" decisions are needed. As a White House panel stated, post-Santa Barbara, this means offshore mineral resources cannot continue to be evaluated only in terms of the number of barrels of oil or cubic feet of gas producible, nor only in terms of money into the economy, nor only in terms of additional energy supplies, nor

only in terms of dollars for the Federal Treasury from lease bids and royalties. There ought to be a conscious choice to set aside resources which may be developed eventually, but which careful examination indicates ought not be developed now. This approach reflects conservation in its truest sense.

In the Santa Barbara Channel perhaps this means a compromise; producing the several billion barrels of oil in the Santa Ynez Basin, up the coast of Santa Barbara and away from people, and creating a sanctuary seaward of the city.

Such a compromise between proven oil deposits in the Santa Ynez Basin and unproven areas of the proposed Santa Barbara sanctuary makes sense. It has proved futile to attempt to persuade Congress to pay Humble and other oil companies \$3 a barrel, for several billion barrels, to leave that oil in the ground. However, it might not prove so futile to persuade Congress to terminate the leases seaward of Santa Barbara and around the Channel Islands where no oil has been discovered. This approach is before Congress and relegates the problem of just compensation, conceivably, to what those oil leases cost: \$210 million.

It is this approach that Santa Barbara Congressman Charles M. Teague's bill calls for: a moratorium in the Santa Ynez Unit until certain criteria can be met to insure the safest possible oil drilling operational procedures, and termination of the leases seaward of Santa Barbara and the Channel Islands, creating a 37-lease sanctuary.

The Teague bill still faces the money problem, but it realistically recognizes this and states if Congress is serious about dealing with this problem, then it will pay the price.

Hickel tried to surmount the money problem by drafting a bill that provided court determined just compensation for cancelling 20 leases seaward of Santa Barbara, through oil sales from the Navy's petroleum reserve at Elk Hills, a producing oil field near Bakersfield, federally owned as an energy reserve. This was an economically sound approach; creating revenues for the pay-off in a palatable fashion, budget-wise.

But the Navy did not want its oil reserve depleted. Navy admirals politely testified before the Senate Interior Committee on the history of the Elk Hills Reserve and stated that they had no objection to the Secretary of Interior's idea. Then, figuratively speaking, the Admirals slipped around to the back door of the House Armed Services Committee, which has jurisdiction over Naval Petroleum Reserves, and conveyed their strong opposition to this suggestion to Chairman Mendel Rivers. The House Interior Committee Chairman's opening remarks at House hearings indicated this chain of events. The legislation languished.

Since then Hickel was fired and Rivers died. The new Secretary of Interior, Rogers Morton, has now proposed the same legislation expanded by 15 leases in accordance with Congressman Teague's bill. If the Morton legislation is to become law, the Armed Services Committee must be convinced the Navy will not suffer by having its Elk Hills reserve depleted.

#### ALASKA FOR SANTA BARBARA

Remotely, this seems possible. The new Morton proposal again establishes reimbursement through the sale of Elk Hills oil. It also allows the continuing sale of that oil after just compensation has been rendered to the Channel oil companies, and thereafter earmarks those revenues for the preparation of Navy Petroleum Reserve No. 4, due west of the North Slope of Alaska. The Navy, as the saying goes, does not lose Elk Hills but gains Alaska.

Perhaps this enticement of the Armed Services Committee is indicative of the evaluation process—including a comparison

of Santa Barbara and Alaska. This comparison is apt as a potential spill is the issue in either place. In the Channel the threat is from a drilling platform; in Alaska it is from a rupture in the pipeline that is essential for the development of the North Slope oil reserve.

This comparison is offered because it is the implicit comparison in Secretary Morton's bill now before the Congress as the attempt to solve the Armed Services Committee—money problem involved.

Santa Barbara: There are presently 2-4 billion barrels of oil in the Channel; there are 200,000 people along the Santa Barbara coast; three million tourists visit there annually; and the third largest city in the country is an hour and a half away. The area's recreational value is considerable. There exists no effective oil containment procedure for the open sea. Increased numbers of platforms have to mean increased navigational hazards for tankers.

Alaska: There are an estimated 25-40 billion barrels under the North Slope of Alaska; there are only 15,000 people in the entire western portion of the State; the pipeline would be a tube 48 inches wide and across an area where no one lives, and 99% of all Americans will never see. Oil containment on land is operative.

However, this is a bluntly phrased comparison. Certainly these are not the only considerations. Santa Barbara's coast is beautiful and Alaska's wilderness is a valuable and diminishing commodity. A spill in either location would be disastrous. The decision to produce should not be an either-or decision; it should be made individually and with care.

The most candid approach is again simply to pay what it costs to cancel the leases seaward of Santa Barbara, require technological improvement before allowing drilling elsewhere in the Channel, and deal with Alaska separately.

But even a decision not to develop one area involves the comparison because the oil energy supply would be accordingly diminished. As domestic resources diminish, for whatever reasons, oil importation will increase, consequently increasing the probability of a tanker spill. It seem a circle.

The interrelationship exists because at issue is the dichotomy between the need for environmental protection and the need for the energy resource oil. This is not an irresolvable dichotomy. The balance outlined here within the Santa Barbara Channel is one resolving attempt. But the parameters seem narrow.

The oil spill problem is merely one aspect of the encompassing environmental problem we face today. But spilled oil is unlike phosphates in detergent, or mercury in fish, or even a foul smelling and dirty river—spilled oil is strikingly visible. Unlike most of the pollution we tolerate, a black sludge can't be ignored. People see it and they see its consequences in the black and sticky beaches and oil-poisoned birds. This elicits a cogent response from those who raked oil soaked straw from their darkened beaches; from those who spent hours collecting oil-coated birds which were terrorized because they could not fly; from those who cleaned the birds' feathers with solvent only to see many die in spite of their efforts.

Santa Barbarans have done these things and accordingly react vehemently to the thought of an oil spill. They should. For if those who experience an environmental disaster remained complacent, and unradicalized by their emotions, the hope for environmental protection would be dim indeed.

Part of any improvement is being incensed enough yourself to be willing to exert whatever energy it takes to prompt positive action from those who make decisions. Congress must make this one.

## REFORM NEEDED IN HANDLING RIOTS

## HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. BAKER. Mr. Speaker, a great deal has been written and said about what took place at Attica prison. A thoughtful editorial has appeared in the Daily Post-Athenian of Athens, Tenn., which makes a contribution to the assessment of this tragedy. Viewed from that distance, the opinion expressed could be representative of American opinion in general and, therefore, should carry weight. It will always be a source of regret that a settlement might have been near but under the circumstances, there was no way for the authorities to know. In this regard, I think the editorial's comments about the disruptive role of William Kunstler are well taken. Even those he purports to help should have trepidation about his appearance on the scene.

Mr. Kunstler, notwithstanding, prison reform will take place and priority consideration should be given to the segregation of types of offenders. The tragedy is that it takes an incident of this magnitude to bring about this and other reforms which are so necessary.

The Post-Athenian editorial, "Reform Needed in Handling Riots," follows:

## REFORM NEEDED IN HANDLING RIOTS

The tragedy of Attica prison in New York Monday was inevitable under the pattern of operations for penal and correction institutions the past few years.

Without disputing the validity of instances of cruel guards, prisoner abuse, bad living conditions, poor food and lack of concern on the part of state officials to prison situations, solutions to the problems are not found by inside riots but through outside reasoning of interested persons.

Sincere individuals with widely different opinions on the way the rebellion was settled will differ strongly about the violent climax.

The quelling of the uprising will be listed every way from blatant murder to waiting too long before subduing the prisoners.

As we review the disturbance a great deal of the trouble stems from the mediating team headed by William Kunstler.

We can't recall of an incident touched by Kunstler that has not erupted into violence or at least presented an inflammatory situation.

Mediators are supposed to effect compromises and we have yet to find Kunstler and his ilk offering any peace tokens on the part of prison rioters, campus disturbers, street demonstrators and outspoken foes of the present system of government.

In the Attica episode it would be interesting to know why the prisoners refused to bend any of their demands even when assured they would get all they requested except amnesty and the removal of the prison warden.

Society's temperament ebbs and flows.

After quiet follows in the state police and national guardsmen are cast in the roles of needless killers and trigger happy slayers.

Lost is the fact that each man in Attica was put there because society didn't want him on the loose in its midst.

Many of those are fanatics, psychos and violent men.

Violence with zip guns, crude knives, flame bombs and hand-made weapons will kill prison guards as easily as guardsmen bullets will kill prisoners.

All the nations groans when a sore spot on the body politic festers and runs.

It is groaning today about Attica.

But as long as revolutionaries are permitted to goad men either behind or outside prison walls such unfortunate debacles will happen.

## ARMY PILLORIES VIETNAM HERO

## HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mrs. ABZUG. Mr. Speaker, we have seen in every public medium the evidence of the atrocities committed by our forces and allies in Southeast Asia. We have heard war crimes described by thousands of young Vietnam veterans during hundreds of public hearings, including those conducted here on Capitol Hill by an ad hoc congressional committee just a few months ago.

Yet, many of us refuse to face the truth and permit our institutions to suppress the truth in systematic ways.

Many of us refuse to acknowledge the tragic truth that U.S. war crimes are not just isolated phenomena, but the inevitable result of the kind of war we have made.

And perhaps most important, many of us refuse to believe that these crimes are being covered up systematically by our Military Establishment.

Apparently, still more proof, still more testimony is needed to convince this Government of the immorality of its war.

To serve that need I am inserting into the Record a study published in the New York Times of September 5, 1971, which traces the experiences of a remarkable Army officer, Lt. Col. Anthony B. Herbert. Colonel Herbert is one of the most highly decorated, exemplary military leaders this country has ever produced. Herbert has been recognized for his extraordinary moral courage and devotion to duty almost since the day he enlisted in the Army in 1947.

When he attempted to report to his superiors the war crimes which he witnessed in the line of duty in Vietnam, Colonel Herbert was ordered to keep silent. When he persisted in exposing more and more of the atrocities he saw happening around him he was summarily relieved of his command, labeled disloyal, and even threatened with criminal prosecution. Meanwhile, his superior officer in Vietnam who, according to Herbert, suppressed Herbert's well-substantiated reports, was assigned to serve on the prestigious Peers Commission, which was charged with investigating the My Lai massacre.

Mr. Speaker, this case amounts to nothing less than a national disgrace; it deserves the concern and attention of every Member of this body. We must demand that the Army exonerate Colonel Herbert and go forward with a full investigation of the charges he has brought. But we must also recognize that disgraces such as this will continue to plague us until we have withdrawn from Vietnam completely, permitting that tortured nation to work out its own future.

I here insert the Times article on Colonel Herbert into the RECORD, and commend it to your attention:

[From the New York Times Magazine, Sept. 5, 1971]

## HOW A SUPERSOLDIER WAS FIRED FROM HIS COMMAND

(By James T. Wooten)

ATLANTA.—In 1952, the U.S. Army after what must have been considerable cogitation, decided that United Nations countries involved in the Korean police action might enjoy a glimpse of its most decorated enlisted soldier. He would be an American, of course—the other contingents were not surveyed—and he would be a sort of latter-day Sergeant York or Audie Murphy, reflecting all this good nation's courage and strength. His mission would be to personify his people's deep commitment to their divinely ordained task of saving the entire universe from Communism. The Pentagon files were exhaustively searched and it was determined that a skinny young man from the coal fields of Pennsylvania was precisely proper for the job.

His credentials were indeed appropriate. He had been a teen-age dropout volunteer in 1947 and had been eager to get involved in the Korean conflict. He had survived its miseries and mayhem, won his sergeant's stripes and, in the process, picked up a Bronze Star, three Silver Stars, four Purple Hearts and a glittering collection of lesser medals and awards from our Government and others. What was even better was that all the hell and snow and mud and blood hadn't changed him much from the good-natured, slow-talking, gentle-handed, church-going boy his mother had raised. He was a hero—there was no doubt about that—but he had a grand, quick, crooked smile and a deferential way of calling nearly everybody "sir" and "ma'am" and the Army's public-relations people were ecstatic. They had a winner and they knew it.

He was 22 years old then, and he set off on a whirlwind tour of the world capitals that had, like Washington, contributed men and money and matériel to the war; he was all the Army could have wanted. When he came back home to the coal fields, his friends and relatives threw a big, daylong party for him, and after putting his uniform away, he married the pretty girl from down the street, finished what remained of his high-school requirements and went off to college, and almost everyone thought that was that.

They were wrong.

By 1956, he was back in service, with a bachelor's degree in his pocket, second lieutenant's bars on his shoulders and a white-hot urge to do something and be somebody burning in his soul. The promotions were steady, always early by the Army's standards, and over the years he became an accomplished, astute man of war. He was a Ranger, that tough epitome of military ruggedness, and then a Ranger instructor, and then commander of all Rangers stationed in Germany. He was a Pathfinder, the best of the paratroopers, and then a Green Beret, and his profession took him from Europe to Africa to Canada to the Middle East to the Dominican Republic, and with each journey came more and more responsibility, and the ever watchful Pentagon liked what it was seeing and kept its eye on him because it is always very difficult to find men who have what he seemed to have had in such ample quantities.

Finally, in 1968, he went to Vietnam. In early 1969, as a lieutenant colonel and a battalion commander in one of the Army's toughest outfits, he won another Silver Star, three more Bronze Stars, two Air Medals, the Army Commendation Medal for Valor, and a recommendation for the Distinguished Service Cross—all in only 58 days of combat duty. "This guy is absolutely incredible," one of the younger officers in his battalion wrote in a letter to his wife back home. "He is the

perfect warrior—a supersoldier, if I ever saw one. He is brilliant yet simple, tough but gentle, and I believe he is absolutely fearless even though he recognizes and compensates for the fact that normal men at war must live with fear." A general who knew him over there called him "one of the best, if not the best combat commander in the whole goddamned Army," and in early 1969 it was generally conceded by those who know about such things that in a few years the once skinny private from the Pennsylvania coal fields would be wearing a star.

They were wrong.

On April 4, 1969, he was abruptly relieved of his command by the general who commanded the brigade in which he served. The general recommended to the Pentagon that the most decorated enlisted man in the Korean war—the mustang everybody thought was the perfect commander—never be allowed to command in the U.S. Army again.

Nobody ever mistakes Lieut. Col. Anthony Bernard Herbert for anything other than what he always dreamed he would be: the complete military man. His visage is a gathering of sharply defined planes and angles held together by ruler-straight creases. His chin juts and his jawline rises flatly with little deviation to the Prussian-cropped hair that stands stiffly erect like a legion of palace guards. He seems taller than his 6 feet 3 inches, an illusion produced, no doubt, by the Spartan leanness of his frame and the absolute perfection of his posture—and even when he is sprawled in a chaise lounge beside the tiny swimming pool outside his comfortable home in the fringes of Atlanta, he seems but a flick away from rigid attention. He is a caricature of the Army man, an eerie reflection of some Pentagon promoter's creative billboard thoughts.

But on these long summer evenings beside the pool, he is having some very unmilitary thoughts. He knows all the facts, down to the tiniest detail, and they march with military precision across his military mind—an orderly gathering of names and dates and places and rules and regulations—and he knows from past, vast experience that, given adequate information, the problem at hand should be solved or the question promptly answered. He knows he should be able to understand why, after more than two decades of honorable service in the U.S. Army, his official records are "tagged," a veritable state of limbo which makes promotion impossible and responsible assignments unattainable.

He believes he should be able to grasp the logic behind the Pentagon's decision to keep him out of the Command and General Staff School at Fort Leavenworth, Kan., one of the stations where the tickets of the Army's future generals are punched on their way to the top. He feels that with his extensive, intimate knowledge of the way things work in the military, he should understand why he spends his days in a nondescript recruiting office at Atlanta's Fort McPherson. He knows he should understand, but regardless of how long he sits there by his pool sorting things out, he doesn't.

When Tony Herbert went to Vietnam, he was assigned to the 173d Airborne Brigade, an outfit known in military jargon as a "hot unit." There was a long list of senior career officers just waiting and itching for the chance to get into the 173d. They knew that a lieutenant colonel who got a combat command in the 173d would come out of it a colonel, and a colonel could reasonably expect a star. It was a tough organization, reputed to have been the favorite of Gen. William Westmoreland—8,000 airborne soldiers on whose individual heads the Vietcong had placed a bounty.

Herbert became the acting Inspector General, a job similar to the chief of detectives on a small-town police force. Like all the rest, he was waiting for a combat command,

but while he waited, he tackled his assignments with the enthusiasm that had characterized his approach to every responsibility the Army had given him over the years. "Jesus H., he was a terror," a colleague remembers. "Always by the rules. Every little thing that came to his attention through the channels, he investigated—and always exactly by the book."

His task was, in general terms, to make official inquiries into alleged violations by men in the 173d of military rules and regulations. The scope of his responsibility included the petty and the important—a spare tire missing from the motor pool, the disappearance of beer from the officers' cache, the brutality of a sergeant—and, as it had been throughout his career, his performance of his duties was a blend of expertise and incredible energy.

"Being an I.G. isn't very exotic or complicated," Herbert explained. "It's really a basic, by-the-book kind of job. The Army says that anybody who witnesses a violation—whether it's something that breaks a minor rule or regulation or a war crime or an atrocity or something like that—the Army says if you see it, you're supposed to report it to your commanding officer. Then he's supposed to pass it up the channel, you see to the I.G., and then he's supposed to investigate the report that something or other was done and find out if it really happened or if there's the kind of evidence that makes it look like it happened. If he establishes that after his investigation, then his report generally becomes the basis for some further action—sometimes another investigation, sometimes a court-martial. If he doesn't, then the matter is dropped."

Another Vietnam colleague believes Herbert's style as the acting I.G. of the 173d was the beginning of what Herbert now believes to be the end of his military career. "He was an unusual breed of soldier," the friend remembers. "An order was an order, a rule was a rule, and he didn't screw around. When something came to his desk he, by God, investigated it. If it meant rolling away the stone, he rolled it away—and after a while, he got on a lot of guy's nerves. I mean, they'd look at Tony running his tail off doing his job better than anybody had ever done it, and they'd say, 'What kind of a mother is this, anyway?' and before long, even the guys above him began to feel that way, too. They knew, by God, that when it came right down to the crunch, old Tony would investigate the hell out of them, too, right on up to the old man."

None of his old friends in his home town of Herminie, Pa., are surprised by that appraisal of Herbert. They recall a gangling boy who displayed a stubborn singleness of mind in almost everything he did. His father, now dead, was a coal miner, and to help out with the meager family income, young Herbert took on the job of delivering the Pittsburgh paper every morning. His customers raved about him. They never missed an issue, come rain, sleet or snow.

When his older brothers went into the service during World War II, Herbert decided on his own career, and when he was 14, he ran away from home and enlisted in the Marines. They accepted him and the lie about his age until his mother and school principal showed up and told them otherwise. He went back to Herminie a sad ex-Marine, but his visions of a life in the military were no less bright as a result of his experience.

"After that, all he could talk about was staying in tiptop shape so when he got old enough, he'd be ready for the service," remembers Herbert's buddy, Jim Strenner, now a clerk in the Herminie post office. "Every morning, he'd be up before dawn and out running in the streets. People on his route would set their watches by him. He was a

sight, man, a real sight. It could be raining—I mean, really pouring—or snowing and colder than a well-digger's shovel, and it wouldn't make any difference. Tony would be out there running—all arms and legs—just pumping away."

Herbert's dream came true in 1947 when he was 17 years old. He quit high school, just a few weeks before graduation, joined the Army, and ended up three years later in an infantry platoon in Korea. He was a natural, and no one back in Herminie was surprised when the local papers published stories about his heroism, his bravery and his coolness under fire. When the Army selected him as the war's most decorated enlisted man, however, the town departed from its traditional reserve and staged a "Tony Herbert Day," welcoming him home with bands, floats, tears and speeches. "But once I had tasted the Army, I wanted more," he recalls now. So after his marriage and a B.A. in English from the University of Pittsburgh, he went right back into the Army, to begin again the only life he had ever wanted. The Army quickly selected him for Officer Candidate School. "When I got those second-lieutenant's bars, I felt like the luckiest guy in the world," he remembers. "From then on, I just had two things in mind: to be the best damned soldier I could—I wanted to be the best in the Army—and to show them that they hadn't made a mistake when they made me an officer."

Up until February, 1969, that particular thought hadn't been seriously entertained by anyone in any position of authority in the Army. If Herbert's role as I.G. of the 173d had seemed to some to be a bit overplayed, it had presented no major stumbling block to his career. He got what he wanted: a combat command of the battalion. For the next two months, he and the 500 paratroopers under his command did their damndest to win the war there and then, and Herbert's reputation as a leader, strategist and fighter became the talk of the brigade. "We started calling him General Dayan," a lieutenant in his battalion says. "He just never made mistakes. He had big victories with small casualties, and the son of a bitch was always in the middle of things."

He concedes that he operated in precisely that manner. "Fear, you know, is not something to be disregarded," he explains. "You can tell a child not to be afraid of the dark, for instance, and tell him there's really nothing to be afraid of and that doesn't do a thing for him. The fear is still there, you see? Well, the same thing applies to combat. Fear is there, down there in everybody's gut, including mine; but you have to control fear—keep it to a minimum, so that you can operate as a soldier. I ought to point out that fear, if it's controlled, is an asset to a man in combat. It keeps him from doing foolish things that could get him killed. But if you let it control you, rather than you controlling it, you probably will get hurt, too, and you won't be worth a damn to yourself or anybody else. So, that's why I tried to stay with my people as much as I could—to show them, not tell them, it's possible to operate with fear—to pull rather than push. It's the only way to handle that many men in a fire fight."

On Feb. 14, two weeks after he took over the battalion, his men and a group of South Vietnamese troops were ferried by helicopter into a bloody battle with a Vietcong contingent near the village of Cu Loi.

"It was hot from the minute we got to the L.Z. [landing zone]. We killed about two dozen, and one of the platoons cornered a bunch who surrendered. Actually, they aren't really 'prisoners,' according to the book, not even if they're in their black pajamas or carrying a weapon. They're 'detainees' and before they can be called 'prisoners' they have to be interrogated and processed by intelligence. They could be anything, you know, a double agent, or something.

"Anyway, after the fire fight, I walked up on these detainees—there were about 15 of them—and they were in the custody of an ARVN [South Vietnamese] unit and an American lieutenant.

"There were four dead already, and when I walked up, they had a knife at the throat of a woman. Her baby—there were several kids in the bunch—her baby was screaming and grabbing at her leg, and her other child—I don't remember if it was a boy or a girl—anyway, her other kid was being suffocated by an ARVN who was pushing its face into the sand with his foot.

"I ordered them to stop, but with me just standing there looking, they proceeded to slit the woman's throat. I asked the lieutenant what the hell was going on and then I ordered him to get his tail out of the area and take his ARVN with him. They left and I sent one of my sergeants with the detainees to the L.Z. I told him to get them out and back so they could be processed.

"Well, it wasn't long after he left that I heard firing in the direction he'd taken them. He came running back, yelling, mad as hell. He told me the American lieutenant and the ARVN's had jumped him, overpowered him and killed all the detainees. I followed him back and found the bodies. All of them. The children, too."

When Herbert returned to brigade headquarters later that day, he reported the incident to Lieut. Colonel J. Ross Franklin, the deputy commander of the 173d. It was, Herbert says, simply a matter of doing what the Army prescribed. "I assumed that the allegations would be properly forwarded to the I.G. and that an investigation would be ordered," he remembers. "But instead, Franklin called me a liar. He said the whole thing didn't happen and that I was exaggerating. Those were to become pretty familiar words for me."

Herbert claims he reported seven other incidents to Franklin over the next few weeks, including three to which he was an eyewitness. The others, he says, were reported to him and passed along to the deputy commander. "One of them involved the use of water torture on a Vietnamese man by American military intelligence personnel. What they were doing was stuffing a wet rag down the guy's throat, trying to get him to talk. I stopped it and reported it to Franklin. He told me what they were doing was a 'legitimate field interrogation technique' and he also said it was none of my business how intelligence went after its people. He said if I was so damned morally offended by that, I ought to think about leaving.

"Later on, one day at brigade headquarters I saw a Vietnamese girl being interrogated by American intelligence people. They had wired her up to a field telephone. Every time they asked a question, they gave her an electrical shock. She was just squatting there, shuddering, saying nothing. Just trembling and sort of moaning down in her throat. I stopped the whole thing, took everybody's name and went to Franklin again. You know what he told me? He said the military intelligence area was off-limits to me. Just like that. He ordered me never to go near the intelligence area again and, like before, he said it was just none of my damned business what they did to prisoners.

"Not long after that, a big bunch of people were captured in a major operation. Must have been at least 75 or maybe a hundred of them, and intelligence was pretty sure there were some pretty important VC figures in the bunch. The ARVN's were handling them, and one afternoon an American sergeant came crying, actually crying—you ever see a sergeant cry?—and told me to come over to the compound where ARVN was holding these people. I went back with him to the fence. They had herded most of them into these metal containers the Navy uses for overseas shipping. It must have been 150-de-

grees inside and there was a lot of moaning and groaning from inside the containers.

"But the sergeant said that wasn't what he came to get me for. He pointed to some ARVN people inside the wire and I saw they were flogging some women prisoners with bamboo rods that had been splayed at the end. That's mean weapon. The bamboo cuts flesh like a razor. They were using it on the women's faces and hands, but there wasn't any way to stop it because the ARVN's were inside the fence—inside their own compound, you know. I guess I could have shot them. That would have stopped them. I went to Franklin again. Guess what? He gave me the 'decency' thing again. He said if my sense of decency was offended to just stay away from the ARVN compound. It was the same old hassle. Nothing was done. Franklin just always responded the same way. 'It's none of your business. Stay away if you're upset by that. If you're offended, maybe you ought to leave.'"

Lieut. Col. J. Ross Franklin, like Herbert, was also a comer, but unlike Herbert, he had not risen through the ranks. He was a West Point graduate "with general written all over him," one of his fellow officers says. There were many in the 173d and throughout South Vietnam who believed Franklin would be the next commander of the proud outfit, succeeding Gen. John Barnes. First, the scuttlebutt went. Barnes would get a new assignment, Franklin would get a promotion to full colonel and take over the outfit, and when his tour in command was finished, he'd get his star. It didn't matter that such a rapid progression defied the traditions of Army rhythm, the speculators argued. What mattered was that Franklin was "in." His association with the higher brass was cordial and intimate. General Barnes and he were "extremely close," an officer in the 173d recalls. "It was great for the outfit, too—that kind of relationship between the number-one man and the number-two man."

General Barnes was an old Vietnam hand. Before he got his star and command of the 173d, he had worked at various levels and in a variety of operations there. His last assignment as a colonel was as a senior advisor to a South Vietnamese general and corps commander. He was also a "very close friend of President Nguyen Van Thieu." General Barnes's relationship with Herbert was, as a matter of the order of things, less personal than his relationship with Franklin, but he was aware of Herbert's image in the brigade as a tough, shrewd combat commander. In one document, he described Herbert as a "brilliant tactician," but sometime in early April, another document arrived at brigade headquarters and moved through the channels to the general's desk. It was Herbert's officer's efficiency report, a kind of periodic report card on which an individual officer is evaluated. Herbert's O.E.R. had been prepared by Franklin.

The report was devastating, especially for Herbert, whose official military records indicated a previous tradition of excellence and superior ratings. Herbert, according to Franklin, had no ambition, terrible appearance, was undependable, did not cooperate, had no integrity, moral courage, loyalty or will for self-improvement. Moreover, the report continued, he had a tendency to exaggerate and had on occasions deliberately lied as well as pitted himself against the brigade commander and his staff.

Based on those opinions, General Barnes officially relieved Herbert of his battalion command and recommended that he should not be allowed to command ever again.

It was like getting shot," Herbert says about the news that he was no longer a combat commander in the 173d. "Wham! Out of the blue. One day you are, the next you aren't."

Herbert knew what it would mean. Everybody in the Army knows what being relieved

of command means, especially under combat conditions. It makes an abrupt end to any plans for future achievements in the military. It's like the scarlet letter, and the word gets around. They knew about it in Saigon, where he went immediately to contest Barnes's action on the grounds that it was arbitrary, capricious and unwarranted.

Maj. Gen. Joseph R. Russ conducted the hearing on his appeal, and as the findings were read, Herbert was elated. He was being exonerated—and within the system, by the book. The official findings of the hearing concluded that Herbert was "a strong, aggressive, outspoken personality who was respected and admired by his subordinates." There was no question, the hearing concluded, "as to Herbert's personal bravery or leadership quality" and there was "no positive evidence presented reflecting on Herbert's loyalty."

There was "friction between Herbert and certain members of the brigade staff, stemming mostly from [his] I.G. assignment," the hearing's findings said. "Herbert is a strong individual with an insatiable desire to excel, often utilizing unconventional means to achieve results, thus causing tension and strained relationships. . . . Herbert did on a number of occasions conflict with Franklin, another strong, aggressive, individual, which led to a collision course between the two strong-willed individuals. Franklin was prone to reach judgments regarding Herbert's performance of duties, his loyalty and integrity, and render opinions thereon to General Barnes without, in most cases, determining the facts. General Barnes formed evaluations of Herbert's performance based on information primarily received from Franklin, as well as his own feelings, observations and intuitions. Some of the specifics that were told to General Barnes have not been substantiated by evidence adduced in this investigation."

Herbert sighed with relief as he heard the words. It was going to be all right, he thought. There was, however, one more paragraph. In it, General Russ, as head of the hearing, concluded that "General Barnes, as brigade commander, acted on the facts as he knew them . . ." and recommended that "no redress be granted concerning Herbert's relief from command."

No redress. It stood as it stood. Herbert was relieved, finally and permanently—and by the book. "It almost blew my insides out," he recalls. "It was incredible. They made the investigation, got the evidence, presented a firm case for redress and then—just like that—said no redress should be given. Unbelievable."

So, Tony Herbert came home. Twenty-one years in the Army, a chestful of medals and decorations and some deep friendships in the ranks weren't valueless, though, he thought. His orders were to report to the Command General Staff School at Fort Leavenworth. Maybe it was going to work out, he concluded—but then the orders were inexplicably revised and he was assigned to the Third Army's recruiting office at Fort McPherson, here in Atlanta. He bought a house on a street called The Fontainebleau and moved his wife and 11-year-old daughter, Toni Janell, into its comfort.

But Vietnam gnawed at his stomach, day and night. Everything had been by the book, to be sure, but he had ended up on the short end of the stick and everybody else was doing fine. Barnes had been rotated to the Pentagon—he became a major general early this year—and Franklin after having taken command of a battalion in the 101st Airborne, had become a member of the prestigious Pers Commission. It was a group of senior officers, headed by Lieut. Gen. William Pers and charged with investigating the alleged atrocities at My Lai in March, 1968. General Pers asked Congress personally to assign Colonel Franklin to the commission. It was the kind of assignment dozens of senior

officers coveted and reflected Franklin's close relationship with the brass that mattered. Herbert, though, was in Atlanta, driving back and forth to the post, spending his days in the recruiting office. It burned.

He began to discuss his experience with some Army lawyers at Fort McPherson. "They kept recommending that I'd better make sure those things I'd seen were investigated," he said. "It made sense to me to try to follow the book on this and clear myself." So in late 1970, he went to Washington, to the Pentagon, and reported the incidents again—just as he had to Franklin. "I waited and waited and they told me the C.I.D. (Criminal Investigation Division) was working on it—but nothing happened," Herbert said. "I was threatened, cajoled and told to forget about the whole thing—and I was getting more and more frustrated."

Finally, on March 12, 1971, nearly two years after he was relieved of his command, and less than a month before the expiration of a statute of limitations, Herbert preferred formal charges against Franklin and Barnes, accusing them of dereliction of duty, misprision (concealment) of a felony and failure to obey regulations. He said in his affidavits that had reported a total of eight criminal allegations when he was a battalion commander and that no inquiries were made until he returned to this country. By the time he preferred his charges, the C.I.D. was willing to admit confidentially that its investigation had confirmed that all of the incidents Herbert reported had in fact occurred.

But, at that point, the C.I.D. inquiry had not included an interview with General Barnes in Washington. He responded to a reporter's questions by describing Herbert's charges as unfounded and saying that Herbert had not reported any alleged violations to him, so far as he could remember. "My policy," the general said, "was to make sure no atrocities were committed. Everybody knew it was much worse for us to kill the wrong people than to let a few of the enemy get away."

Franklin, still stationed in Vietnam, has consistently declined to comment on Herbert's charges. The official Pentagon position throughout the investigation has been the same. "It is inappropriate for United States Army officials to comment on matters under official investigation," a Pentagon spokesman has said repeatedly.

On the morning of April 15, Maj. Carl E. Hensley, the 56-year-old investigator who was supervising the inquiry into Herbert's charges against Barnes and Franklin, walked into a bedroom of his home in Clinton, Md., and shot himself. He left no notes. Herbert said he had been extremely despondent about the case and that Hensley had told him he was under heavy pressure when they had met the previous month. But an Army spokesman quoted the chief of the C.I.D., Col. Henry H. Tufts, as saying that he had "fully explored" the circumstances of Hensley's death and "can find absolutely no connection between the investigation and Major Hensley's death."

Now, six months after they were filed, the Army says it is still investigating Herbert's charges against Barnes. The investigation against Franklin has been dropped. Pentagon insiders are giving healthy odds that the other project will also be forgotten, despite the C.I.D.'s confidential admission to the veracity of Herbert's reports.

"That's not much help," Herbert said not long ago. "I established that pretty quick. In fact, I don't think that was ever really a legitimate question. The important issue is whether anything is going to be done about

them or about the fact that senior officers who knew about them ignored them."

That is essentially what he said in an interview with Life magazine earlier this summer. Asked about the tortures he and other combat veterans of Vietnam have reported over the past two years, he said it would stop "if we'd hang a couple of senior commanders." On July 27, about two weeks after the interview was published, Herbert was directed by Col. C. W. Guelker, the chief of the investigative branch of the Third Army Inspector General's office, to report to him that afternoon. Herbert asked if he might bring along a secretary or a tape recorder. Guelker said no and discouraged him from bringing an attorney with him.

When Herbert appeared at Guelker's office, however, his attorney was with him and the colonel made no issue of the matter. First, Guelker advised Herbert of his rights under the Uniform Code of Military Justice and then told him that he had orders from Gen. William Westmoreland, the Army's Chief of Staff, to investigate the remarks attributed to him in the article. Guelker said he was going to ask Herbert some questions—but before he could begin, Herbert said he did not choose to hear them and left.

The next morning, as he had been directed, Herbert reported to Guelker again and again was told that the questions were about to begin. Herbert said he chose to remain silent, would make no statement and requested permission to leave. Guelker pressed the issue but finally allowed Herbert and his attorney to leave. Later that same morning, Guelker called again and ordered Herbert back to his office where the earlier scene was re-enacted.

The American Civil Liberties Union, with whom Herbert had been in consultation, immediately complained to the Secretary of the Army, Robert Froehke, and asked that he suspend the "harassment" of Herbert. "Although Colonel Guelker never formally put questions to Colonel Herbert, he indicated that the Chief of Staff, General Westmoreland, wanted to know how Colonel Herbert came to hold his opinions about atrocities in Vietnam and where the responsibility for those atrocities should be placed." Aryeh Neier, executive director of the A.C.L.U., wrote Secretary Froehke. "The only conclusion to be drawn from the investigation initiated by General Westmoreland is that Colonel Herbert is suspected of committing a criminal act by making the remarks quoted in Life."

Tony Herbert goes to Washington occasionally "to answer a few questions," he says, but generally his days are a blend of the humdrum work at the recruiting office and life with his family around the pool.

"They're going to get rid of me in February, I think," he says. "Forced retirement a nice way of drumming you out, and I just don't understand."

"Hell, that's not true. I understand it, but I just don't want to admit that I'm being systematically screwed by the Army. I don't want to admit that I chose the Army as the expression of my life. I gave to it, took from it, believed in it. Now this."

"But somebody has to follow through on this kind of thing. The Army has to purge itself from within of this kind of dirt. It has to be done by the book—and I'm going to keep trying to do it that way."

In World War II, the Army coined its special code word—SNAFU, or, politely translated, Situation Normal All Fouled Up. Today's Army has its code word, too—CYA, or Cover Your Ass.

"When you get down to it, I guess, I made one mistake," Colonel Herbert says. "I forgot to cover my ass."

## NIXON PLAN DEPENDS ON BIPARTISAN SUPPORT

### HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. CHAMBERLAIN. Mr. Speaker, the President's bold new economic policies announced last month have been well received by the American people. While there have been, as anticipated, differences of opinion on various aspects of the proposals, in general the program has been hailed as an important step forward to meet the serious economic ills that beset us. Last week President Nixon appealed to the Congress for help to implement these comprehensive initiatives and on September 10, 1971, the State Journal of Lansing, Mich., expressed in an editorial the hope that Mr. Nixon's plan would receive the bipartisan support so vital to its success. Since, I, too, believe that the cooperation of the Congress is essential to the realization of our common goals to improve the economic climate, I commend the editorial, entitled "Nixon Plan Depends on Bipartisan Help," to my colleagues of the House.

The editorial follows:

#### NIXON PLAN DEPENDS ON BIPARTISAN HELP

If President Nixon's new economic proposals, designed to attack runaway inflation and revitalize the nation's economy, are to have any long range chance of success they will have to have the reasonable support of the U.S. Congress.

The President went before a joint session of Congress Thursday and asked for that help. And we hope the lawmakers will respond by putting aside political bickering and developing a package on the various key tax and spending proposals the President has recommended.

In spite of the barbed attack of some top labor leaders and the predictable negativism of presidential hopefuls like Sen. George McGovern, the issue is not whether Nixon's so-called game plan is the last word and there will be no other.

The issue is whether Congress, big business, labor and other interests will work together, debate and compromise to come up with those programs necessary to the best interests of the entire nation.

The President has laid the groundwork for that approach by announcing Thursday that the 90-day wage-price freeze will not be extended beyond that time but will be replaced by some form of a wage and price stabilization format about which Congress, business, labor and agriculture interests would be consulted.

Hopefully this will answer some of AFL-CIO leader George Meany's complaints about the need for equitable controls over prices as well as wages. It is certain that there must be a followup to the wage-price freeze and a wage and price stabilization program is a reasonable next step.

Probably the most hopeful sign to date is the evidence that Nixon's economic overhaul proposals have passed the first tests of public opinion in spite of some political harping.

A recent Harris public opinion poll estimated that 73 per cent of the American people favor the 90-day wage-price freeze, 78 per cent favor the proposed removal of

the auto excise tax and 72 per cent favor the imposition of a 10 per cent surcharge on imported goods.

A lesser number (45 per cent) in the Harris poll favored Nixon's proposed 10 per cent tax credit to corporations for new investment, while 37 per cent opposed it and 18 per cent were undecided.

Another poll by the Opinion Research Corporation of Princeton, N.J., brought similar results on a nationwide scale and the percentages also emphasized that rank and file union members gave majority approval to the President's proposals in spite of the protests of Mr. Meany.

The success or failure of Nixon's plans rest largely with the Democrat controlled Congress, and it will take a powerful bipartisan effort to make any kind of an anti-inflation program work.

The President has presented a framework within which all political interests, business, labor and other groups can work toward an equitable solution to the nation's economic problems.

The public will be watching to see what happens.

## ARMS TO PAKISTAN

### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. HAMILTON. Mr. Speaker, recently I have had some correspondence with the State Department on the subject of arms shipments to Pakistan. There is a considerable amount of background information contained in these letters which should be of interest to my colleagues.

I urge them to examine this material, which follows:

STATE DEPARTMENT,  
June 24, 1971.

HON. WILLIAM P. ROGERS,  
Secretary of State, U.S. Department of State,  
Washington, D.C.

DEAR MR. SECRETARY: It has recently come to my attention that we have sent two shipments of military equipment to Pakistan, in apparent violation of current official policy.

I would like to have an explanation of why such shipments were allowed to occur.

I would also like to know if there have been any other shipments of military equipment to Pakistan since March 25.

Thank you for your consideration of this matter.

Sincerely,

LEE H. HAMILTON,  
Member of Congress.

DEPARTMENT OF STATE,  
Washington, D.C., July 28, 1971.

HON. LEE H. HAMILTON,  
House of Representatives,  
Washington, D.C.

DEAR MR. HAMILTON: The Secretary has asked me to reply to your letter of June 24 requesting information concerning shipments of military equipment to Pakistan.

Military equipment licensed for shipment to the Government of Pakistan since 1965 has consisted exclusively of nonlethal items and spare parts and components for lethal items in the Pakistani inventory, with the exception of some ammunition.

Under our current policy there is no formal embargo. Instead, only Foreign Military Sales (FMS) items duly licensed which were turned over to the Government of Pakistan or its agents in this country prior to March 26 may continue to be shipped. Items purchased commercially and on the United States Munitions List (Title 22, Code of Fed-

eral Regulations, section 121.01) for which there are valid outstanding licenses issued on or before March 25, may also still be shipped. No new export licenses for either FMS or commercial purchases have been issued since early April and expired licenses have not been renewed.

I assume that the two shipments you referred to were those aboard the two vessels, the *Padma* and the *Sunderbans*. The *Padma* departed New York City on June 22 after \$1,231,158 of Munitions List articles were loaded there. The *Sunderbans* departed the same port on May 8 after loading \$996,613 of Munitions List articles. In addition, approximately \$1.9 million of Munitions List articles, or a total of approximately \$3.3 million have been exported from the United States since March 25. For your information I am enclosing a general breakdown of the major types of military items shipped on the *Padma* and the *Sunderbans*.

In view of the considerable current public interest in our military supply policy for Pakistan, we have prepared the enclosed full statement of our policy, including an explanation of the interim actions we have taken since March in light of the outbreak of civil strife in East Pakistan.

I hope this information will be helpful to you. If I can be of assistance at any time, please do not hesitate to let me know.

Sincerely yours,

DAVID M. ABSHIRE,  
Assistant Secretary for Congressional  
Relations.

TOTAL VALUE OF MUNITIONS LIST ITEMS LICENSED AND DECLARED AS LOADED ON THE PADMA AT NEW YORK—\$1,231,158

1. Components, Parts, Accessories and Attachments for Military Aircraft—\$924,239.

(This category includes items as follows:

(3) Turbo-prop Engines T56A7B (\$273,000), (1) Test Stand for Aircraft Engines (\$50,000), Pneumatic Aircraft Tires, Gas Tank Assemblies, Shield Assemblies, Parts Kits, Harnesses, Line Delay Adapters, Seal Assemblies, Cable Assemblies, Sheet Aluminum, Head Assemblies, Armatures, Batteries, Clutches, Nuts, Flanges, Bearings, Hose Assemblies, Adapters, Tube Assemblies, Lead, Poppets, Meters, Cushion Assemblies, Carburetors, Gears, Steel Ribs, Batteries, Rectifiers, Indicators, Rings, Brakes, Pistons, Pump Assemblies, Seat Assemblies, Starters, Gear Boxes, Tailpipe Assemblies, Chemical Fire Extinguishers, Jet Igniter Assemblies, Release Assemblies, Nose Canopy Assemblies)

2. Components, Parts, Accessories and Attachments for Military Vehicles—\$184,187.

(This category includes items as follows: Wheel Truck Assemblies, Mount Knobs, Switches, Shafts, Cam Controls, Screws, Mountings, Transformers, Cables, Gear Drives, Bearings, Seals, Coil Wires, Brakes, Journals, Joints, Nuts, Rods, Springs Brackets, Gaskets, Clamps, Dowels, Flanges, Generators).

3. Components, Parts, Accessories and Attachments for Military Electronics—\$25,417.

(This category includes items as follows: Power Supplies for GR-8, Height Finders, Holder Assemblies, Fuse Cartridges, Transformers, Audio Freq. Meters, Cable Assemblies, Cranks, Post Binders, Meters, Voltage Regulators, Door Handles, Horn Covers, Motors, Transmitters, Straps, Blocks, Resistors, Fuse Cartridges).

4. Components, Parts, Accessories and Attachments for Vessels—\$45,117.

(This category includes items as follows: Springs, Rocker Arms, Screws, Ring Sets, Bearing Assemblies, Cable Assemblies, Clamps, Shafts, Blocks, Cable Repair Kits).

5. Components, Parts, Accessories and Attachments for Artillery—\$49,368.

(This category includes Parts Kits).

6. Pyrotechnics—\$2,830.

(This category includes Signal, Smoke and Illumination Marine (Distress Signals).

The total dollar value of Munitions List articles licensed and declared as loaded on the *Padma* was \$1,231,158. Of this amount \$16,724 is Commercial Sales and \$1,214,434 is Foreign Military Sales.

The breakdown by category and value is:

FOREIGN MILITARY SALES	
CPA&A*, Military Aircraft.....	\$924,239
CPA&A, Military Vehicles.....	183,149
CPA&A, Vessels.....	45,117
CPA&A, Military Electronics.....	9,731
CPA&A, Artillery.....	49,368
Pyrotechnics.....	2,830
Total.....	1,214,434

COMMERCIAL SALES	
CJA&A, Military Electronics.....	15,686
CPA&A, Military Vehicles.....	1,038
Total.....	16,724

\*Components, Parts, Accessories and Attachments.

TOTAL VALUE OF MUNITIONS LIST ITEMS LICENSED AND DECLARED AS LOADED ON THE SUNDERBANS AT NEW YORK—\$996,613

1. Components, Parts, Accessories and Attachments for Artillery—\$4,300.

Included in this category are Slide Assemblies and Legs.

2. Components, Parts, Accessories and Attachments for Vessels—\$35,897.

Included in this category are Angle Irons, Bearings, Bearing Sets, Ring Sets, Rocker Arms and Springs.

3. Components, Parts, Accessories and Attachments for Tanks and Military Vehicles—\$158,668.

Included in this category are Armatures, Claws, Claw Shafts, Air Brakes, Valves, Screws, Switches, Shims, Shafts, Cam Controls, Mount Knobs, and (1) Telescope.

4. Components, Parts Accessories and Attachments for Aircraft—\$767,077.

Included were (10) J69-T25 Aircraft Engines (new and used) (\$443,530), Aircraft Tires, Nose Canopy Assemblies, Electric Generator Assemblies, Power Pumps, Steel Tubings, Magnetos, Bushings, Electrical Jumpers, Armatures, Batteries, Cable Assemblies, Head Assemblies, Parts Kits, Meter Assemblies, Lead, Turbine-Factor Simulators, Spar Webbs, Tank Assemblies, Shield Assemblies, Cushions, Cover Fronts, Ducts, Handles, Actuators, Brake Armatures, Heaters, Wheel Assemblies, Starters, Nozzle Assemblies, Sensing Devices, Housings, Supports, Rotor Assemblies, Box Assemblies, Finished Steel Structures, Steel Bars, Asbestos Packing, Modules, Cell Assemblies, Block Assemblies, Hose Assemblies, Indicator Assemblies, Aluminum Sheets, Fans, Signal Generators, Starter Generators, (2) Aluminum Tanks, (1) Carton of Parts for Repair/Overhaul of Internal Combustion Engines and Miscellaneous Aircraft Parts.

5. Components, Parts, Accessories and Attachments for Protective Personnel Equipment—\$5,551.

Included were (2,000) Neck Bands for Soldiers Helmets, (5) Sets of Parachute Kits which included (5) Flying Helmets, (5) Back Parachutes, (5) Chest Parachutes and (5) Oxygen Masks.

6. Components, Parts, Accessories and Attachments for Military Electronics—\$18,745.

Included were (15) dipole antennas (\$709), Radio Cases, Cable Assemblies, Resistors, Navigational Aids (height Finders), Electrical Wires, Electrical Power Cables, Special Purpose Electrical Cables, Toggle Switches, Electronics Repair Tools (Screwdrivers, Pliers, Sockets, Wrenches), Antenna Electrical Connection Receptacles, Antenna Strain Insulators, Observation Window Housings, and (22) Telephone System Intercom Control Kits.

7. Components, Parts, Accessories and Attachments for Sighting and Fire Control Equipment—\$6,375.

Included were (13) M76F telescopes with spare parts for same.

The total dollar value of Munitions List articles licensed and declared as loaded on the *SUNDERBANS* was \$996,613. Of this amount \$32,495 is Commercial Sales and \$964,118 is Foreign Military Sales.

The breakdown by category and value is:

FOREIGN MILITARY SALES	
CPA&A *, Vessels.....	\$35,897
CPA&A, Tanks & Military Vehicles.....	155,742
CPA&A, Aircraft.....	765,897
CPA&A, Military Electronics.....	6,582
<b>Total .....</b>	<b>964,118</b>
COMMERCIAL SALES	
CPA&A, Artillery.....	4,300
CPA&A, Vehicles.....	2,926
CPA&A, Aircraft.....	1,180
CPA&A, Protective Personnel Equipment .....	5,551
CPA&A, Military Electronics.....	12,163
CPA&A, Sighting & Fire Control Equipment .....	6,375
<b>Total .....</b>	<b>32,495</b>

\* Components, Parts, Accessories and Attachments.

JULY 1, 1971.

#### STATEMENT OF U.S. MILITARY SUPPLY POLICY FOR PAKISTAN

In 1965 when hostilities broke out between India and Pakistan, the United States placed an embargo on the supply of all military equipment to both countries. All grant assistance was terminated and none has been resumed except for modest military training programs.

In 1966 the embargo was modified to permit the sale to both countries of non-lethal end-items such as communications, medical and transportation equipment.

In 1967 the policy was further modified to permit the sale of ammunition and spare parts for those items of military equipment, such as aircraft and tanks, provided by the United States prior to the 1965 Indo-Pakistan conflict. A one-time exception to the continuing embargo on lethal equipment was announced in October, 1970. This authorized the sale to Pakistan of 300 armored personnel carriers and about 20 aircraft.

This policy on military supply to Pakistan has been based on the judgment that it is desirable for the United States to continue to supply limited quantities of military items to Pakistan to enable us to maintain a constructive political relationship. We have also wanted to ensure that Pakistan is not compelled to rely exclusively on other sources of supply.

The Government of Pakistan purchases Munitions List items either through the Foreign Military Sales (FMS) Program or commercially from the manufacturer or distributor. Items under the FMS program are purchased either from stocks which are under direct Department of Defense control or from the Defense Department's commercial contractors. All equipment either obtained commercially or delivered under the FMS Program to Pakistan Government representatives in the United States must be licensed for export by the State Department's Office of Munitions Control before it may be exported.

There are also items which are common to military as well as civilian use (such as certain automobile and truck spare parts) which are not on the Munitions List, but which may require a Department of Commerce license.

In light of the outbreak of fighting in East Pakistan on March 25-26, we have taken certain interim actions with regard to military supply for Pakistan. While no formal embargo was imposed, the following interim actions were taken in early April:

(A) A hold was put on delivery of FMS items from Department of Defense stocks; no such items have been released to Pakistan since then.

(B) The Department of State's Office of Munitions Control has suspended the issuance of new licenses and renewal of expired licenses (valid for one year) for items on the Munitions List—for either FMS or commercial sales.

(C) We have held in abeyance any action on the one-time exception arms supply offer announced last October; no item in that offer has been delivered to Pakistan or its agents, and nothing is scheduled for delivery.

By early April, when these interim actions were taken, the Government of Pakistan or its agents had obtained legal title to, and were in possession of, some items still physically in the United States. In addition, DOD commercial contractors under the FMS program, and other commercial suppliers, continued to utilize valid licenses issued before the actions taken in early April. Some of these items, legally the property of the Government of Pakistan, have been shipped to Pakistan from U.S. ports and it is likely that additional military supplies, under valid licenses, will be shipped in the future.

Our overall military supply policy toward Pakistan continues under close review.

#### DEPARTMENT OF STATE,

Washington, D.C., Aug. 13, 1971.

Hon. LEE H. HAMILTON,  
House of Representatives,  
Washington, D.C.

DEAR MR. HAMILTON: The Secretary has asked me to reply to your letter of June 24, 1971, regarding recent shipments of military equipment to Pakistan and requesting an explanation of why such shipments were allowed to occur, in apparent violation of current official policy.

In view of the considerable current public interest in this subject, we have prepared the enclosed full statement of our military supply policy for Pakistan, which includes an explanation of the interim actions we have taken since March in light of the outbreak of civil strife in East Pakistan. It also explains the basis under which limited quantities of military items, mainly spare parts for previously supplied U.S. equipment and all licensed for export prior to the military action in East Pakistan last March, continue to be shipped. We are aware of four Pakistani vessels that have carried, among other cargo, some of these licensed items. It is possible that further shipments may be made as this dwindling pipeline is drawn down. As of the middle of August, the total value of valid licenses will have declined to about \$4 million, and will continue to decrease during the months ahead as licenses expire and are not renewed. To put this policy in perspective I also enclose a copy of the Department's statement of June 12, 1971, setting forth the main elements of our overall policy toward the East Pakistan situation.

I hope that this information will help clarify for you our present military supply posture which, as you will note, is under continuing review.

Sincerely yours,

DAVID M. ABSHIRE,  
Assistant Secretary for Congressional  
Relations.

#### DEPARTMENT OF STATE FOR THE PRESS

[June 12, 1971, No. 131]

#### EAST PAKISTAN RELIEF

The Department of State announced today that three U.S. Air Force C-130 aircraft would leave Pope Air Force Base in North Carolina at 11:30 p.m., June 12, to join a fourth aircraft already in India, to carry out an airlift of East Pakistani refugees from the crowded Indian state of Tripura.

These aircraft, which were requested by

the Government of India through the United Nations High Commissioner for Refugees, will carry one million doses of cholera vaccine produced in the United States to help contain the serious cholera outbreak which has occurred among refugees in eastern India.

The Department also announced that the U.S. has agreed to provide air transport for up to 300 tons of rehydration fluid and other anticholera supplies being assembled by the World Health Organization in Geneva.

In addition, the U.S. has agreed to provide to the Government of Japan, on a reimbursable basis, US Air Force aircraft for transporting to India ten Jeep ambulances which the Japanese Red Cross is donating for medical work among the refugees in eastern India.

In connection with these announcements, Joseph J. Sisco, Assistant Secretary of State for Near East and South Asian Affairs, explained the three basic elements of US policy in regard to the situation in East Pakistan. "The first", he said, "is that we are fully supporting international efforts to provide humanitarian relief assistance to the peoples of East Pakistan who have been affected by the civil strife. We are also providing full support to the international efforts to provide such relief assistance to the refugees from East Pakistan in India. Second, because of the possibility that the situation in East Pakistan and eastern India could escalate dangerously, we have counseled restraint on both sides. Third, we have made clear our belief that normalcy can be restored in East Pakistan only within the context of a peaceful political accommodation."

In regard to the last point, Sisco explained that a political accommodation in East Pakistan is important both to stem the flow of refugees and to create conditions in East Pakistan conducive to their return. In this connection, he noted the current visit to Pakistan and India of Prince Sadruddin Aga Khan, the United Nations High Commissioner for Refugees, and hoped it would be helpful in seeking resolution of the refugee problem.

Summarizing US participation in international relief efforts in East Pakistan and India, Sisco said that the US has now announced contributions of \$17.5 million worth of relief assistance for East Pakistani refugees in India.

This U. S. Relief Program is being coordinated by an inter-agency committee on Pakistani refugee chaired by Frank L. Kellogg, Special Assistant to the Secretary of State for Refugee and Migration Affairs, who departed for Geneva June 11 for discussions. Kellogg will be visiting India for discussions with relief officials there and for an on-the-spot examination of the problem.

The US will provide food for 1,250,000 refugees and provide other assistance, such as medical supplies, shelter, and transportation. In Pakistan, the US has urged the Government of Pakistan to request, and the United Nations to coordinate, a prompt and effective international relief effort. "We have been encouraged by reports of productive conversations this week between Pakistani officials and Mr. Ismat Kittani, the Special Representative of United Nations Secretary General U Thant, and indications that a coordinated international relief operation in East Pakistan is being organized," Mr. Sisco said.

Within the framework of this international effort, the US this week has signed an agreement with the Government of Pakistan to provide \$1 million in grant assistance for the charter of boats with crews from third countries to deliver food grains and other essential relief supplies to the cyclone affected areas in East Pakistan where serious food shortages now threaten. The US stands ready promptly to provide additional assistance in water transport, food and other supplies as may be required in East Pakistan.



AUGUST 3, 1971.

Mr. DAVID A. ABSHIRE,  
Assistant Secretary for Congressional Relations,  
Department of State,  
Washington, D.C.

DEAR Mr. ABSHIRE: Thank you for your letter of July 28, concerning U.S. shipments of military equipment to Pakistan.

Your letter did not include an explanation of the total dollar amount of military aid to Pakistan in the "pipeline".

Consequently, I would like to know what the total dollar value is of Foreign Military Sales items duly licensed for shipment to Pakistan prior to March 26, 1971, which were turned over to the Government of Pakistan or its agents in this country, and which have been shipped since that date or are awaiting shipment.

I would like the same information for items purchased commercially and on the U.S. Munitions List.

If any licenses for such shipment were issued between March 25, and the date in early April when a hold was placed on delivery of foreign military sales items, I would like to know the value of those shipments as well.

Finally, I would like to know if there is any legal way the U.S. can halt the delivery of licensed shipments.

Thank you for your consideration of these matters.

Sincerely,

LEE H. HAMILTON,  
Member of Congress.

DEPARTMENT OF STATE,  
Washington, D.C., August 13, 1971.

HON. LEE H. HAMILTON,  
House of Representatives,  
Washington, D.C.

DEAR Mr. HAMILTON: I have for reply your letter of August 3 in which you request further information concerning military equipment licensed by the Department of State for export to Pakistan.

Your first request concerns the value of licensed Foreign Military Sales items as of March 25 that had been turned over to the Pakistan Government or its agents in the United States and were in the pipeline (awaiting shipment or shipped) until the present time. You also request information for the same types of items purchased commercially.

In providing this information, time and circumstances play an important part in the nature of actual export transactions. Accordingly, the data should be read in conjunction with the explanation which follows:

## Pipeline categories

July 13:		
Foreign military sales.....	\$13,549,893	
Commercial transactions.....	1,334,463	
Totals .....	14,884,356	
August 4:		
Foreign military sales.....	7,395,490	
Commercial transactions.....	1,328,462	
Total .....	8,723,952	

The July 13 data represent the results of a long analysis completed as of that date. Due to the expiration of a number of licenses since July 13, not more than the indicated \$8.7 million was in the pipeline as of August 4.

This figure will be reduced further for a total of \$3,768,173 as of midnight, August 13, when a number of additional licenses will have expired.

I should emphasize that these are outside figures of what may be exported because the Department has no way of knowing how much material can reach ports of embarkation before licenses expire.

While on the subject of actual exports since March 25 I am sorry to inform you that the \$8.3 million figure given to you in my letter of July 29 was in error. An audit of those hurriedly-compiled figures has sub-

sequently revealed clerical error involving shipping documents. The correct figures are as follows:

Foreign military sales.....	\$2,553,738
Commercial transactions.....	180,819
Total.....	\$2,736,557

The Department issued two export licenses for commercial transactions subsequent to March 25 and prior to its formal decision to change the policy on exports to Pakistan. One license was issued on March 31 for \$7,450 of frequency calibrators for use with meteorological equipment. The second license was issued on April 6 for \$2,000 of parts and accessories for S2F aircraft piston engines. Both licenses were revoked in June, but the license for engine parts had already been used and the articles had been exported.

The Department may revoke or suspend licenses in accordance with Title 22 of the Code of Federal Regulations, section 123.05 (a). With the exception of the two licenses mentioned above, however, the Department has for policy reasons determined that to revoke the balance would not be in the United States' interest.

I hope this information will be helpful. If I can be of further assistance please do not hesitate to let me know.

Sincerely yours,

DAVID M. ABSHIRE,  
Assistant Secretary for  
Congressional Relations.

Mr. DAVID M. ABSHIRE,  
Assistant Secretary for Congressional Relations,  
Department of State, Washington,  
D.C.

DEAR Mr. ABSHIRE: Thank you for your letter of August 13 concerning shipments of military equipment to Pakistan.

I am unclear from your response as to the total value of licensed goods shipped since March 25, 1971. I am speaking of Foreign Military Sales goods and Munitions List items. Receipt of this figure would be appreciated.

You mentioned "policy reasons" for not revoking the outstanding export licenses. I wonder if you could enumerate these for me.

Thank you for your consideration on these matters.

Sincerely,

LEE H. HAMILTON,  
Member of Congress.

DEPARTMENT OF STATE,  
Washington, D.C., Sept. 15, 1971.

HON. LEE H. HAMILTON,  
House of Representatives,  
Washington, D.C.

DEAR Mr. HAMILTON: I have for reply your letter of August 26 in which you request further information related to my letter of August 13 concerning dollar export figures for military equipment shipped to Pakistan.

As explained to Mr. Rasmussen of your office on the telephone on September 1, there is no direct correlation between the "pipeline" figures on page 1 and the "exported" figures on page 2 of my August 13 letter. Many export licenses routinely expire before the licensed articles are exported. This occurs in some cases because the purchaser of a commodity may change his mind about the quantities he wants delivered after he has obtained a license; in other cases the suppliers may be unable to deliver the ordered commodities to a port before license expiry. Changes in purchase orders and contracts are not unusual after a license has been issued, often requiring applicants to seek new licenses.

For these reasons I have emphasized that the "pipeline" data represent "outside" figures. Thus, whereas the total pipeline figure on August 4 was calculated at \$8.7 million, the expiration of certain licenses and the moderate use of still valid licenses

have reduced the pipeline figure to only \$2.57 million as of August 18.

Between March 26 and August 24, 1971, Munitions List articles have been exported to Pakistan as follows:

Foreign military sales.....	\$3,226,414
Commercial transactions.....	447,609
Total .....	\$3,674,023

With respect to your second question, I believe you will find the policy reasons for not revoking licenses contained in the statements I enclosed with a second letter I sent to you on August 13.

If I can be of further assistance on this or any other matter please do not hesitate to let me know.

Sincerely yours,

DAVID M. ABSHIRE,  
Assistant Secretary for Congressional  
Relations.

## CANADIAN PIPELINE ALTERNATIVE SHOULD BE STUDIED

## HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. ASPIN. Mr. Speaker, today I would like to place in the CONGRESSIONAL RECORD a copy of the Mackenzie Valley Pipe Line Research Limited Preliminary Report, which is dated June 1970.

This 33 page report concludes that a Canadian pipeline to the Midwest could be constructed for less than the Alaska pipeline transportation system and also that the operating costs of the Canadian pipeline would be about the same or less than the trans-Alaska pipeline and its tanker transportation. Canadian Bechtel Limited was commissioned to do the study.

The study states that the cost of building a Canadian line from Prudhoe Bay to Chicago would cost less than \$2 billion. Most estimates of the cost of the Alaska route, including sea transportation, have been between \$3 and \$4 billion.

This report also means that the operating costs of the Canadian pipeline could be up to 50-percent cheaper than the Alaska transportation system. This would allow oil to be piped to Chicago via the Canadian pipeline at about the same cost that oil could be shipped to the west coast via the Alaska route. Since oil presently sells for 65 cents more in the Midwest than on the west coast, this would mean that the State of Alaska's profit would be \$95 million more per year if the Canadian pipeline is built and carries the expected 2 million barrels of oil per day. This is so because Alaska's 20-percent royalties on all North Slope oil are based on the price that the oil is sold for at market minus transportation costs. Thus, with the same transportation cost, oil in Chicago would sell for at least 65 cents more per barrel than would oil on the west coast. At 20-percent royalties, this would net 13 cents per barrel more for the State of Alaska. That multiplied by 730 million barrels annually would net \$95 million more for the State of Alaska each year.

Mr. Speaker, simply put, this study provided strong evidence that the Ca-

nadian pipeline would be superior to a trans-Alaska pipeline both environmentally and economically. The cost of constructing a Canadian pipeline would be around \$2 billion, not the \$5 billion that many officials of Alyeska—the Alaska pipeline company—have been estimating. As it turns out, the \$5 billion figure that they have been throwing around for so long is a gross overstatement, not untypical of Alyeska's past statements.

As you know, the Interior Department is expected to issue its environmental impact statement on the proposed Alaska pipeline, as required by the National Environmental Policy Act of 1969, probably within the next month. In the past, I have argued that a Canadian pipeline alternative should be fully evaluated before any permits are granted to build the proposed Alaska pipeline. It is clear to me that a Canadian pipeline would be ecologically superior to the Alaska line primarily because the Canadian pipeline would not be exposed to the risk of rupture due to earthquakes and because it would not require the use of tankers as would the Alaska route. A Canadian pipeline would, I believe, make more economic sense because it would bring oil into the Midwest and East where the price of oil is higher and where its shortage is much greater than on the west coast, where much or all of the oil from the Alaska pipeline would go.

Unfortunately, it appears likely that the Interior Department will not include a complete and independent evaluation of the Canadian pipeline as an alternative to the Alaska pipeline in its environmental impact statement. This appears to be the case because, after having promised that the Interior would study the Canadian pipeline alternative, Secretary of the Interior, Rogers Morton, then changed his mind and simply asked the North Slope oil companies to confer with the Canadian Government about the possibility of constructing such a line. It is clear that this hardly is an adequate substitute for the Interior Department independently studying and negotiating over the possibilities of building the Canadian line. The decision by Mr. Morton not to have Interior independently study the Canadian pipeline was a very unfortunate one, and I believe, a sign of bad faith—especially in light of the mounting evidence that a Canadian pipeline would be superior to the Alaska pipeline in virtually every respect.

It is incredible to me that the Interior Department could consider granting permits for the construction of the Alaska pipeline before a thorough study has been completed on the Canadian pipeline. But it does appear that this is exactly what they are going to do. If this is the case, and the Canadian alternative is not fully discussed in the final environmental impact statement, it will be, in my opinion, a flagrant violation of the National Environmental Policy Act, and the courts will not allow the pipeline to be built.

At this point, Mr. Seaker, I would like to insert in the RECORD a copy of the Mackenzie Valley Report on the Canadian pipeline. No report that I have seen, written before or after this report was

written in June 1970, systematically disputes the figures contained in this report that a Canadian pipeline would be less expensive to build and operate than would the trans-Alaska pipeline transportation system.

I urge those of my colleagues who are interested not only in the Alaska pipeline issue but in our country's energy policies to read this important report, which follows:

**MACKENZIE VALLEY PIPE LINE RESEARCH LIMITED, PRELIMINARY REPORT, JUNE 1970**

One of the most prospective regions for new supplies of oil in North America is the northern extremity of the continent. The major discovery on the North Slope of Alaska and the promising prospects of the Mackenzie Delta and the Arctic Islands indicate prospects for oil accumulations capable of an eventual production potential of several million barrels per day.

Alternate methods of transporting this oil to market are as follows:

1. Tankers through the Northwest Passage.
2. A pipe line across Alaska and tankers to markets in the United States. This line has already been announced (Trans Alaska Pipeline System) and the present Prudhoe Bay producers are committed to it. In order to serve the Eastern markets in this alternative, additional pipe line facilities would have to be constructed from the U.S. West Coast to the central United States.
3. A pipe line up the Mackenzie River Valley to Edmonton and from there directly to Chicago and ultimately to East Coast markets. In this alternative, a second line could also be constructed from Edmonton to the West Coast.

Recognizing that any oil pipe line out of the Arctic would require an unusually long planning period because of problems hitherto not faced by the pipe line industry, Mackenzie Valley Pipe Line Research Limited was formed under the Canada Corporations Act by Letters Patent dated June 2, 1969. Its purpose is to conduct research to permit evaluation of a practical and economic method of constructing and operating suitable pipe line facilities from the North Slope of Alaska to Edmonton.

Present shareholders are as follows:

- Atlantic Richfield Canada Ltd.
- BP Oil Limited
- Cities Service-Canada, Inc.
- Elf Oil Exploration and Production Canada Ltd.
- Gulf Oil Canada Limited
- Hudson's Bay Oil and Gas Company Limited
- Imperial Oil Limited
- Interprovincial Pipe Line Company
- Mobil Oil Canada, Ltd.
- Shell Canada Limited
- Standard Oil Company of British Columbia Limited
- Texaco Exploration Company
- Trans Mountain Oil Pipe Line Company
- Valvoline Oil Company of Canada Limited

In addition, TransCanada Pipe Lines Limited is participating in the technical studies, but by arrangement is not a shareholder. Shareholders have certain continuing rights if and when the line is constructed.

The North American market and reserve situation for natural gas is similar to that for oil. Accordingly, it follows that means will have to be found to transport the natural gas that will be produced in conjunction with the oil—and independently of the oil—to market. In view of the common problems in pipe line transportation out of the Arctic, it is desirable that both an oil line and a gas line be considered at the same time. Economies could be derived in many ways such as mutual use of right-of-way, sharing of

maintenance and communication facilities and availability of fuel supplies. While these factors are all under serious consideration, this report will deal basically with the transportation of oil.

Preliminary studies by several companies have suggested that a pipe line through Canada to central North American markets could have an economic advantage over the other distribution alternatives to this specific market. In addition, such a line would traverse an area potentially rich in oil and gas reserves and would interconnect with existing crude oil pipe line networks serving current Canadian and U.S. markets. The Mackenzie Valley pipe line research effort has, therefore, been concentrated on this pipe line route.

Canadian Bechtel Limited was commissioned to undertake the necessary study. In view of the insufficient knowledge to the effects of construction and operation of pipe lines on permafrost terrain, a test loop was constructed at a site near Inuvik, N.W.T. which was known to have high ice content type of permafrost; and oil is being circulated through it at temperatures up to 160° F. This loop consists of two 1,000-foot sections of 48-inch diameter pipe. One thousand feet has been constructed on piles above ground and 1,000 feet has been laid in a gravel berm on top of the tundra.

The research also included aerial surveys, oil analyses, evaluation of logistics of construction and operation, effect of construction on soil and wildlife, operation and maintenance procedures, ecological studies, and precautions necessary to protect the environment. These investigations, together with other related factors, were incorporated in a study to assess the economic merits and feasibility of the project.

Indications to date confirm the feasibility of construction and safe operation of a 48-inch diameter system from Prudhoe Bay to Edmonton, a distance of approximately 1,700 miles. The line could likely be constructed in two years at a cost of \$1.5 billion. For a good portion of the route north from Edmonton, pipe line construction would be reasonably conventional and similar to that with which pipe line contractors have had considerable experience. The most difficult terrain is encountered in the more northerly sections. While estimates of probable costs have been made, it is recognized that additional data from the Inuvik test section and extensive further research will be required to provide the necessary confidence in construction techniques and estimates. Consequently, this report is strictly preliminary.

The route selected by Bechtel calls for the pipe line to be constructed through the Brooks Range in Alaska. This route minimizes the detrimental permafrost to be crossed, and avoids the Arctic Wildlife Range in the northeast corner of Alaska, but it has its disadvantages. An alternative route close to the Beaufort Sea shoreline, or possibly offshore, is therefore being investigated.

In order to extend the study to permit evaluation of the cost of transportation to the major markets, Interprovincial and Trans Mountain pipe line companies have made comparable evaluations of the costs of construction and tariffs between Edmonton and the central U.S. and Pacific Coast market places. The total capital cost and tariff, Prudhoe Bay to Chicago and Prudhoe Bay to the Puget Sound area via Edmonton, are summarized on Tables 7 and 10. The tariffs shown are for comparable purposes only and should not be considered absolute, since changes to any of the basic assumptions could appreciably change the tariffs.

Mackenzie Valley is extending its research program in order to ensure the practicability of construction of a pipe line system out of the Arctic. There is concern, however, that

despite favourable results from the research project, restraints could be imposed which would prevent the ultimate consummation of such an undertaking.

One area of concern is that unfavorable attitudes could develop because of potential disturbances to the ecology. Such attitudes overlook the fact that the oil industry would not consider the construction of any pipe line which could not be built safely with a minimum affect on the environment. It is recognized that there are still problems for which a satisfactory solution has not been determined. Further research is planned to resolve the outstanding problems.

Another area of concern is with financiality. Because a substantial portion of any pipe line constructed from the North Slope of Alaska would be located in U.S. territory, a United States company as well as a Canadian company is contemplated. It is not possible to conceive of Canadian sources supplying the \$1.5 to \$2 billion or more that would be required. It will be necessary therefore to seek outside capital. Regardless of source, it is incumbent that no unnecessary uncertainties be introduced that would destroy the confidence of the financial community.

The most practical way of financing a project of this magnitude would be by means of long term debt to the maximum extent possible. In order to raise this type of capital some form of throughput or deficiency agreements, guaranteeing the interest and principal payments, would be required. In all probability, before these commitments would be forthcoming, a clear undertaking or agreement would have to be reached by both governments covering crude oil movements between Canada and the United States.

Depending on these considerations and the financial ratings of the companies involved, present indications are that possibly as high as 80% of the required capital could be raised in the form of long term debt. This would still leave at least \$300 million to be raised by the sale of equity for the Mackenzie Valley project alone.

In view of the many novel features of the project, an early start on financing would be necessary. A high degree of cooperation between industry, government, and financial institutions would be required.

In summary, while this report is preliminary, it is felt that the Mackenzie Valley project offers economic and strategic advantages which would be to the benefit of both Canada and the United States. Such a system could:

1. Offer the lowest cost transportation of Arctic crude oil to potential markets.
2. Provide an overland corridor suitable for movements of other energy resources.
3. Develop interest in and provide access to unexplored prospective land areas adjacent to the route of the Mackenzie Valley system.

#### MACKENZIE VALLEY PIPE LINE RESEARCH LIMITED: INTRODUCTION

In mid-1969 a consulting firm, Canadian Bechtel Limited, was retained to investigate the technical and economic feasibility of a crude oil pipe line from Prudhoe Bay to Edmonton. In order to continue this research, industry task groups are being formed to supervise concurrent programs that will be contracted to specialists in their various fields.

Research expenditures to May 31, 1970 have amounted to \$2,177,000 of an authorized budget of \$2,340,000. An additional \$1,680,000 has been budgeted for continuing research into 1971. There is a possibility that further research, which could cost up to \$2,000,000 may be required, depending upon the results of the 1970-1971 program.

In order to evaluate technical feasibility, estimate costs, and develop economics, considerable work is required to determine the

best method of designing and constructing the pipe line and related facilities. Information on the geology, surface terrain, soil composition, and ground ice content of the permafrost areas along the proposed route is necessary in order to assure structural integrity of the system and to develop techniques which will allow operation of a warm oil pipe line without adversely affecting the ecology.

The severe weather conditions encountered in the northern areas require the development of special techniques for construction and operation of the line, and special designs for many of the facilities. Items which require further investigation include protection of wildlife and preservation of the environment, surface restoration, heat conduction in gravel and frozen soils, comparison of various insulating materials, pipe line anchor design, et cetera.

In order to evaluate the unknowns and develop the required knowledge, the following three-part program was instituted:

1. Technical Investigation.
2. Field Test Installation.
3. Economic Evaluation.

#### TECHNICAL INVESTIGATION

After preliminary studies of the following items, it is concluded that solutions to all of the problems inherent in northern pipelining are technically feasible.

1. Crude oil characteristics.
2. Pipe line hydraulics and thermodynamics.
3. Pipe line start-up and shut-down.
4. Pipe line control under low temperature conditions.
5. Pipe stresses.
6. Hydrology of streams and rivers.
7. Soil mechanics.
8. Performance of materials under low temperature operation.
9. Protection of personnel and equipment under Arctic conditions.
10. Construction methods in the Arctic environment.
11. Maintenance of equipment in the Arctic environment.
12. Foundation design in regions of continuous and intermittent permafrost.

The research to date has indicated certain definitive problem areas which will be investigated in depth.

#### PIPE LINE ROUTE

A proposed pipe line route from Prudhoe Bay to Edmonton, shown in Figure 1, is approximately 1,700 miles in length. The envisaged connecting carrier systems for transporting the crude oil to market areas are Interprovincial Pipe Line Company and Trans Mountain Oil Pipe Line Company. Their proposed routes are shown in Figures 2 and 3.

The proposed Mackenzie Valley pipe line route travels south-east from the Prudhoe Bay tank farm across the Arctic Slope to the Canning River, follows the Canning River Valley into the Brooks Range to the Continental Divide, then continues in a more easterly direction to the Yukon, skirting the southern edge of the Arctic National Wildlife Range in Alaska. Proceeding east, the route traverses the plateau of the Porcupine River and crosses the Richardson Mountains to Fort McPherson. From Fort McPherson the pipe line route turns southward, crossing the Peel Plateau, to the Mackenzie River. Crossing the Mackenzie River at the Sans Sault Rapids, the route continues along the east side of the river to Fort Simpson. After crossing the Mackenzie River at Fort Simpson, the line continues in a south-easterly direction to the north-west corner of Alberta, then directly to Edmonton, passing on the east side of Lesser Slave Lake.

Areas of high water content permafrost are encountered along the Arctic Slope of Alaska. Through the Yukon and Brooks Range the route is generally in rocks, non-detrimental permafrost and intermontane terrain. The level section of route through the Peel Pla-

teau has a heavy organic cover underlain by permafrost. The route south to the border between the Northwest Territories and Alberta is in discontinuous permafrost. Flat, poorly drained areas with portions of slightly rolling terrain are encountered. Most of the route from the Alberta border to Edmonton has a water table at or near the surface.

A detailed evaluation of the surface and subsurface soil conditions has been conducted along the proposed route with the exception of the northernmost 400 miles. Before finalizing the specific details of the route, all soil conditions will be checked to ensure construction methods conform to the requirements of the terrain. A further investigation of surface and subsurface soil conditions will be conducted over the next year. It is hoped that a correlation between photogrammetry and soil sampling can be established. Particular attention will be given to the sections of the route through the Brooks Range and the Peel Plateau. Coastal routes along the North Slope will be studied as alternatives.

#### FORECASTS THROUGHPUTS

The forecast throughputs used for the design and economics in this study are those being used by the various industry study groups. They are as follows:

Year:	Throughputs (Barrels per day)
1-----	600,000
2-----	800,000
3-----	1,000,000
4-----	1,100,000
5-----	1,200,000
6-----	1,300,000
7-----	1,400,000
8-30-----	1,500,000

#### MAIN LINE DESIGN

The pipe line design calls for 48-inch diameter, API-5LX-60 pipe with a wall thickness of 0.438 inches. Design is based on a 95% throughput to capacity ratio during the critical winter months. Hydraulic gradients are based on a crude with a gravity of 27.7° API and with varying viscosities, due to the thermal gradient along the line. Oil will enter the line at about 150° F. An overall design viscosity of 220 SUS at 45° F. provides a reasonable approximation of the changing conditions.

In order to handle initial throughputs of 600,000 barrels per day, 8 pump stations will be required. When the line is ultimately pumping at a capacity of 1,500,000 barrels per day, 23 stations will be required. Aircraft jet-type gas generators with turbine drives rated at 12,500 horsepower are considered as the prime movers for all stations. A spare pumping unit will be installed at each of the initial pump stations. This unit will be required for the ultimate operation.

Tankage volume considered for Prudhoe Bay amounts to 900,000 barrels initially and increases to 1,500,000 barrels for the maximum throughput. Tankage at Edmonton is assumed to be supplied by others.

The final selection of a specific method of main line installation must await completion of the test loop operation and other investigations. Several installation concepts for the Arctic Slope area are under investigation at the Inuvik test loop. Some of these are shown in Figure 4.

Five manned and nine unmanned maintenance bases will be located along the pipe line route. These bases will be supplied with heavy construction equipment and fuel caches. The relatively high number of maintenance bases is considered necessary for a thorough and responsive maintenance program.

Major system facilities are presented in Figure 5.

#### FIELD TEST INSTALLATION

The test section which consists of roughly 2,000 feet of 48-inch diameter steel pipe is located at Inuvik and has been under con-

tinuous operation with heated oil since February 1970. It is planned to extend operation of the line into 1971.

The objective of this experimental field test installation is to evaluate methods of northern construction and to obtain design criteria for the construction and operation of a pipe line across a region of permafrost. Several types of construction are under test and the effects on both the pipe line and the environment are being monitored. The thermal performance of several forms of insulation as well as non-insulated pipe are being tested in the loop. Cooling-off factors, during shut-down, which will affect normal operation of a pipe line are also being evaluated. Experience gained in the construction and operation of the test loop will provide a basis for design, route selection, and protection of the environment along the route that the pipe line traverses.

The terrain in the test site area at Inuvik is mantled with approximately one foot of moss lichen and other organics. There is a layer of light brown silt beneath the organic material which rests on a silty gravel base. This silt is characterized by ice lens crystals and has an ice content of 70 to 95 percent by volume. Soil samples taken confirm that these conditions are representative of the detrimental permafrost sections that will be encountered along the route.

Although valuable information on transporting heavy equipment and materials down the Mackenzie River to the job site and on construction of the test section in the Arctic environment has been obtained, analysis and evaluation of operational data is required before significant conclusions can be drawn from this experiment.

#### ECONOMIC EVALUATION

The economic evaluation includes the preparation of order-of-magnitude estimates of capital, operating, and unit transportation costs to ascertain whether or not a Mackenzie Valley project is economically feasible. Sensitivity tests also serve to identify those areas of technology which have a significant effect on project viability and thus require further investigation.

The foregoing pipe line design and subsequent economics presented are based on a throughput forecast that is common to all of the industry studies, thus easily compared

tariff schedules are provided. Further investigation is necessary, however, to establish an optimum design with respect to station spacing. The ultimate design would be strongly influenced by the discovery of substantial oil reserves in the Canadian Arctic.

Tables 1 and 2 summarize the investment and operating costs over a 30-year period and are based on 1970 costs. All costs are in Canadian dollars except those presented separately for Alaska, which are in U.S. dollars. Conversion is at the rate of \$1.00 Canadian equals \$0.93 U.S.

The criteria used for economic calculations are outlined on Table 3 and are the same criteria used for comparative studies throughout the industry.

#### D.C.F. TRANSPORTATION COSTS

Constant tariff transportation costs have been developed for after tax discounted cash flow (DCF) rates of return of 8, 10, and 12 percent on total investment. These tariffs, based on the estimated capital and operating costs and the specified rate of throughput growth are calculated for 100 percent equity with a 30-year project life and no allowance for salvage value. These unit charges provide an amortization of capital at the specified rates of return and all direct operating charges, including operating labour, system maintenance, power, fuel, and contracted services, as well as ad valorem and income taxes.

The discounted cash flow total transportation costs, in Canadian currency, are as follows:

#### D.C.F. transportation costs (Prudhoe Bay to Edmonton)

Rate of return:	Tariffs (cents per barrel)
8 percent	51
10 percent	62
12 percent	73

#### I.C.C. TARIFFS

For comparative purposes, transportation costs which reflect declining tariffs over a 30-year period based on a seven percent return on rate base have also been calculated. The rate base used was derived from a projection of a United States interstate Commerce Commission valuation. The total

system tariffs, based on a 20/20 debt/equity ratio, are shown, by year, in Table 4. Financing is at an interest rate of nine percent per annum on the outstanding balance. Principal repayments are based on a 5-year moratorium with full debt amortization occurring evenly over the ensuing 25 years.

In the development of transportation economics, U.S. tax depreciation is based on a 22-year life and the "sum of the years digits" method of calculation. Canadian tax depreciation is on the following capital cost allowance rates:

#### CANADIAN CAPITAL COST ALLOWANCE

Pipe line, 6 percent per annum.  
Stations, 20 percent per annum.  
Storage, 10 percent per annum.

Income tax rates used are 51 percent on taxable income in Canada and 48 percent federal, plus 9.4 percent state on taxable income in Alaska. This results in a composite U.S. income tax rate of 54 percent. Book depreciation for the I.C.C. tariffs is 2.85 percent per annum.

#### MACKENZIE VALLEY PIPELINE RESEARCH LIMITED— PRELIMINARY REPORT, 48-INCH PRUDHOE BAY-EDMONTON PIPELINE—INVESTMENT SUMMARY

	Capital costs (thousands)		
	Alaska, United States dollars	Canada, Canadian dollars	Total, Canadian dollars
<b>INITIAL 600 MBD SYSTEM</b>			
Pipeline:			
Lands and R.O.W.	\$300	\$1,700	\$2,000
Materials	93,200	322,300	423,000
Installation	251,900	288,000	560,000
Total pipeline	345,400	612,000	985,000
Pump stations	14,800	41,000	57,000
Tank farm, meter stations, communications, and other plant	13,900	9,000	24,000
Total direct cost	374,100	662,000	1,066,000
Indirect costs and contingency	96,000	180,000	284,000
Total initial capital cost	470,100	842,000	1,350,000
<b>ULTIMATE 1,500 MBD SYSTEM</b>			
Future additions	27,900	107,000	137,000
Total ultimate system	498,000	949,000	1,487,000

#### MACKENZIE VALLEY PIPE LINE RESEARCH LIMITED—PRELIMINARY REPORT, 48-INCH PRUDHOE BAY-EDMONTON PIPELINE—OPERATING COST SUMMARY

[In thousands of Canadian dollars]

	Operating costs—year of operation							
	1	2	3	4	5	6	7	8
<b>Facilities:</b>								
Installed units (number)	16	30	32	42	46	46	47	51
Operating units (number)	8	15	20	24	29	34	41	50
Operating horsepower (thousands)	93	161	255	310	371	440	515	600
Stations (number)	8	15	16	21	23	23	23	23
Volumes (MBD)	600	800	1,000	1,100	1,200	1,300	1,400	1,500
<b>Expenses:</b>								
Personnel	\$3,400	\$3,400	\$3,600	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700
Materials and maintenance	5,300	5,800	6,100	6,100	6,400	6,600	7,000	7,400
Services and other expenses	6,800	6,000	6,900	6,900	6,900	6,900	6,900	6,900
Administration	2,500	2,500	2,600	2,600	2,700	2,700	2,700	2,700
Oil measurement losses	700	900	1,100	1,200	1,300	1,400	1,500	1,600
Fuel	4,900	8,500	13,000	6,700	8,000	9,500	11,100	13,000
Subtotal	23,600	27,900	33,300	27,200	29,000	30,800	32,900	35,300
Property tax	15,500	16,200	16,200	16,600	16,800	16,800	16,900	17,100
Depreciation	38,500	40,100	40,300	41,400	41,900	41,900	42,000	42,400
Interest	97,200	101,300	101,800	104,600	105,900	105,900	101,900	98,500
Subtotal	151,200	157,600	158,300	162,600	164,600	164,600	160,800	158,000
Total	174,800	185,500	191,600	189,800	193,600	195,400	193,700	193,300

Notes: 1. Depreciation expense is based on a composite rate of 2.85 percent; 2. Interest expense is based on a 80/20 debt/equity ratio; 3. Expenses for the years 9-30 are the same as the 8th year expenses except interest charges decline annually.

**MACKENZIE VALLEY PIPE LINE RESEARCH LIMITED, PRELIMINARY REPORT, 48-INCH PRUDHOE BAY-EDMONTON PIPELINE, ECONOMIC CRITERIA**

**Capital costs**

Shall be estimated and reported on a basis of present day value. Escalation of costs shall not be included. They shall be broken down by item and reported as a time schedule.

Interest during construction shall be included.

Line fill shall not be included as a capital item.

**Operating costs**

Shall include oil measurement losses of 1/10% of throughput valued at \$3/barrel.

**Economics**

Shall be analyzed for a 30-year life on a basis of:

(a) Total present value of capital and operating costs (excluding return and interest costs).

(b) Level tariff based on 8%, 10%, and 12% D.C.F. return on total project.

(c) Full I.C.C. tariff profile based on the following financial data:

- 80%/20% debt/equity ratio.
- 9% interest on debt with 5-year moratorium followed by 25-year payback.
- 7% return on approximate assessment of I.C.C. valuation.

**DEPRECIATION RATES**

	Return on ICC valuation	Income tax	
		Canada (percent)	United States
Pipeline.....	Composite rate of 2.85 percent.	6	22 year S.Y.D.
Stations.....			
Tankage and warehouses.....		20	
		10	

**Taxes**

No investment tax credit.

Income Tax—51% Canada; 54% U.S.A. and Alaska.

Ad valorem at state and provincial rates.

**Salvage**

Zero asset value at the end of 30 years.

**MACKENZIE VALLEY PIPE LINE RESEARCH LIMITED—PRELIMINARY REPORT, 48-INCH PRUDHOE BAY-EDMONTON PIPELINE—ICC TARIFFS**

[Cents per barrel—Canada]

Year	Throughput (MBD)	ICC Tariff (cents per barrel)
1	600	144
2	800	112
3	1,000	92
4	1,100	83
5	1,200	77
6	1,300	72
7	1,400	67
8	1,500	63
9	1,500	62
10	1,500	62
11	1,500	61
12	1,500	60
13	1,500	60
14	1,500	59
15	1,500	58
16	1,500	58
17	1,500	57
18	1,500	56
19	1,500	56
20	1,500	55
21	1,500	54
22	1,500	54
23	1,500	53
24	1,500	52
25	1,500	51
26	1,500	49
27	1,500	49
28	1,500	47
29	1,500	46
30	1,500	45

Note: Tariff is based on a 80-20 debt/equity ratio.

**INTERPROVINCIAL PIPE LINE COMPANY**

**Introduction**

This study investigates the capital cost and tariff requirements for a 48-inch diameter pipe line routed directly from Edmonton to Chicago. To study incorporates inherent economies by considering construction and operation of the line as an extension of the Interprovincial/Lakehead system. The alternative of expanding the system in steps through a looping program will be investigated in a future study.

**Summary**

The following table is a summary of throughputs, investments and tariffs for a 48-inch diameter crude oil line from Edmonton to Chicago. The study results presented are based on the same throughputs and economic criteria being used within the industry. Consequently, the tariffs can be readily added to or compared with tariffs developed in other industry studies.

**Economic Summary**

**Throughputs—(000) B/D:**

1st year.....	600
2nd year.....	800
3rd year.....	1,000
4th year.....	1,100
5th year.....	1,200
6th year.....	1,300
7th year.....	1,400
8-30th year.....	1,500

**Investments—(Canadian currency):**

Initial.....	\$445,000,000
Ultimate.....	\$520,000,000

**Tariffs—(cents per barrel):**  
 Constant tariff—30-year average, D.C.F. rate of return at 8 percent, 22; at 10 percent, 26; at 12 percent, 30.

Declining tariff—7-percent return on I.C.C. valuation—Debt/equity ratio—80/20.

**Tariff (cents per barrel)**

Year 1, 600 MBD.....	45
Year 3, 1,000 MBD.....	30
Year 5, 1,200 MBD.....	30
Year 8, 1,500 MBD.....	27
Year 15, 1,500 MBD.....	25
Year 30, 1,500 MBD.....	21

**PIPE LINE ROUTE**

A direct pipe line from Edmonton to the east side of Chicago near Griffith is estimated to be 1,489 miles in length. The proposed route is shown on Figure 2. The following is a list of the pipe line miles through each province and state traversed:

	Miles
Alberta.....	171
Saskatchewan.....	440
Manitoba.....	21
Canada—subtotal.....	632
North Dakota.....	244
Minnesota.....	246
Wisconsin.....	242
Illinois and Indiana*.....	125
U.S.—subtotal.....	857
Total.....	1,489

\*The 40 miles of relatively high construction cost through South Chicago was considered as a separate section of this study.

The new pipe line route would follow the Interprovincial right-of-way from Edmonton to Regina, then continue in a south-easterly direction, crossing the Mississippi River into Wisconsin just north of Minneapolis. The line would parallel the Mississippi River on the north side as far as La Crosse, then cross Wisconsin and Illinois to the Chicago Sanitary and Ship Canal at the point near Romeoville (south of Lemont). The canal cross-

ing is assumed to be near the present dual Lakehead pipe line crossing, thereby establishing the possibility of utilizing the idle leg. The \$700,000 cost of a new crossing is, however, included in this study. The line from the canal crossing to the terminal in Indiana is assumed to follow the Lakehead pipe line right-of-way. The location of the terminal is approximately one mile west of Lakehead's Griffith terminal, and is the terminalling point chosen by the Trans-U.S. study group. Property is available immediately north of the Lakehead terminal, although part of it would require draining because of the high water table.

The above list of mileages includes an allowance for contour and deviations. A relatively high allowance (2%) is used in the Illinois section since it may be necessary to direct the line to public utility right-of-way in certain areas. In fact, a high percentage of the Illinois section of line may require permission to use power, railroad, and state highway right-of-way on an annual rental basis. This study, however, is based on obtaining right-of-way easements throughout the entire length.

**FORECAST THROUGHPUTS**

The forecast throughputs used for the design and economics in this study are those being used by industry study groups and are as shown in the Economic Summary.

**MAIN LINE DESIGN**

A 48-inch diameter pipe line with a wall thickness of 0.406 inches using API-5LX-52 pipe was established as the most economical installation. Design is based on a 95% throughput to capacity ratio during the critical winter months. Crude characteristics of 27.7° API gravity and 220 SUS viscosity at 45° F. were used for the design.

In order to handle initial throughputs of 600,000 barrels per day, 7 pump stations will be required; whereas a total of 28 stations will be required when the line is pumping at a capacity of 1,500,000 barrels per day. Electric motors are considered as the prime movers for all stations. Each of the 12 Canadian stations and 16 U.S. stations will have 20,000 horsepower and 18,500 horsepower, ultimately.

Receiving and delivery tankage terminals are included in Edmonton and Chicago, respectively. At each location tank volume requirements for each year are based on three times the daily throughputs. Five pipe line maintenance crews and warehouses are considered necessary. One would be located at each terminal with the other three spaced along the line; one in Canada and two in the U.S.

Tables 5 and 6 summarize the investment and operating costs over a 30-year period and are based on 1970 costs. No provision has been made for engineering management costs in the investment profile, although construction supervision has been included in the estimates. It is felt that Interprovincial would do the engineering management of the project with a minimum of additional personnel, provided a reasonable lead time is available. Similarly, administration costs have not been included in the annual operating cost profile because if Interprovincial were to undertake the project, the additional administration would be negligible.

An economic summary of the Prudhoe Bay to Edmonton and Edmonton to Chicago system is presented in Table 7. Currency conversion is at the rate of \$1.00 Canadian equals \$0.93 U.S.

The criteria used for economic calculations are similar to those presented in Table 3 and used in the Mackenzie Valley pipe line study.

## INTERPROVINCIAL PIPE LINE CO., 48-INCH CRUDE OIL PIPELINE, EDMONTON-CHICAGO

## INVESTMENT SUMMARY

[Capital costs—(Thousands of dollars) Canadian]

	Year of construction								
	1	2	3	4	5	6	7	8	9 to 30
Main line.....	415,800								
Stations.....	16,000	19,000		42,600					
Tankage.....	11,700	3,100	3,100	1,500	1,500	1,500	1,500	1,500	
Other direct costs.....	1,300								
<b>Total.....</b>	<b>444,800</b>	<b>22,100</b>	<b>3,100</b>	<b>44,100</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	
<b>Cumulative total.....</b>	<b>444,800</b>	<b>466,900</b>	<b>470,000</b>	<b>514,100</b>	<b>515,600</b>	<b>517,100</b>	<b>518,600</b>	<b>520,100</b>	<b>520,100</b>

Note: Engineering management is not included. Construction supervision is included.

## INTERPROVINCIAL PIPE LINE CO., 48-INCH CRUDE OIL PIPELINE, EDMONTON-CHICAGO

## OPERATING COST SUMMARY

	Operating costs (thousands of Canadian dollars)—Year of operation							
	1	2	3	4	5	6	7	8
<b>Facilities:</b>								
Volume-MBD.....	600	800	1,000	1,100	1,200	1,300	1,400	1,500
Number of stations.....	7	14	14	28	28	28	28	28
Installed horsepower.....	94,000	212,000	212,000	536,000	536,000	536,000	536,000	536,000
<b>Expenses:</b>								
Power costs.....	\$2,420	\$5,900	\$11,450	\$15,120	\$19,460	\$24,540	\$30,370	\$36,960
Station costs.....	180	360	360	720	720	720	720	720
Pipe line costs.....	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770
Oil measurement losses.....	710	940	1,180	1,300	1,420	1,540	1,660	1,770
<b>Subtotal.....</b>	<b>5,080</b>	<b>8,970</b>	<b>14,760</b>	<b>18,910</b>	<b>23,370</b>	<b>28,570</b>	<b>34,520</b>	<b>41,220</b>
Property tax.....	6,730	7,050	7,090	7,770	7,790	7,810	7,820	7,840
Depreciation.....	12,680	13,310	13,400	14,660	14,700	14,740	14,780	14,830
Interest.....	36,040	37,820	38,080	41,660	41,060	39,700	38,320	36,850
<b>Subtotal.....</b>	<b>55,450</b>	<b>58,180</b>	<b>58,570</b>	<b>64,090</b>	<b>63,550</b>	<b>62,250</b>	<b>60,920</b>	<b>59,520</b>
<b>Total.....</b>	<b>60,520</b>	<b>67,150</b>	<b>73,330</b>	<b>83,000</b>	<b>86,920</b>	<b>90,820</b>	<b>95,440</b>	<b>100,740</b>

Notes: 1. Depreciation expense is based on a composite rate of 2.85 percent. 2. Interest expense is based on a 80/20 debt/equity ratio. 3. Expenses for the years 9 to 30 are the same as the 8th year expenses except interest charges decline annually.

## INTERPROVINCIAL PIPE LINE CO.—48-INCH CRUDE OIL PIPELINE, PRUDHOE BAY-EDMONTON-CHICAGO—ECONOMIC SUMMARY

Throughputs—(000) B/D: 1st year—600, 2d year—800, 3d year—1,000, 4th year—1,100, 5th year—1,200, 6th year—1,300, 7th year—1,400, 8 to 30th year—1,500.

## INVESTMENTS—\$(000) CAN.

	Miles	Initial 600 M b.p.d.	Ultimate 1,500 M b.p.d.
Prudhoe Bay to Edmonton.....	1,696	\$1,350,000	\$1,487,000
Edmonton to Chicago.....	1,489	445,000	520,000
<b>Total.....</b>	<b>3,185</b>	<b>1,795,000</b>	<b>2,007,000</b>

## TARIFFS—CENTS PER BARREL CAN., CONSTANT TARIFF—30 YEAR AVERAGE

	D.C.F. rate of return		
	8 percent	10 percent	12 percent
Prudhoe Bay to Edmonton.....	51	62	73
Edmonton to Chicago.....	22	26	30
<b>Total.....</b>	<b>73</b>	<b>88</b>	<b>103</b>

## DECLINING TARIFF—7 PERCENT RETURN ON I.C.C. VALUATION—DEBT/EQUITY RATIO, 80/20

	I.C.C. tariff (cents per barrel) Can. (year of operation)				
	1	3	5	8	30
Prudhoe Bay to Edmonton.....	144	92	77	63	45
Edmonton to Chicago.....	45	30	30	27	21
<b>Total.....</b>	<b>189</b>	<b>122</b>	<b>107</b>	<b>90</b>	<b>66</b>

## TRANS MOUNTAIN OIL PIPE LINE COMPANY INTRODUCTION

This study investigates the capital cost and tariff requirements for expanding the Trans Mountain system by adding a 36-inch diameter pipe line parallel to the present line from Edmonton to Puget Sound. The new pipe line system is designed to handle Arctic oil shipments. Requirements for Alberta oil would continue to be handled in the present system. To reduce construction costs initially, the existing 100 miles of 30-inch diameter looping would be included in the 36-inch line. This would later be replaced with 36-inch pipe and the two 30-inch loops would be returned to the basic 24-inch system.

All volume growth in the Puget Sound area is assumed to be with Arctic oil. Certain additional volumes are also included for transshipment to California from the Puget Sound area. For the purpose of this study, it is assumed that nominations for Alberta and British Columbia oil in the West Coast market areas will not exceed the 355,000 barrels per day capacity of the present system.

## SUMMARY

A summary of throughputs, investments, and tariffs for the 36-inch diameter system, based on the same economic criteria used for other related studies within the industry, is included in the following table. All figures are in Canadian dollars at a ratio of \$1.00 Canadian equals \$0.93 U.S.

## ECONOMIC SUMMARY

## Throughputs—(000) B/D: (Arctic oil)

1st year.....	300
2nd year.....	370
3rd year.....	460
4th year.....	570
5th year.....	690
6-30th year.....	800

## Investments—(Canadian currency):

Initial ..... \$190,000,000

Ultimate ..... \$290,000,000

## Tariffs—(cents per barrel):

Constant tariff—30-year average, D.C.F. rate of return, 8 percent at 20; 10 percent at 23; 12 percent at 27.

Declining tariff—7 percent return on I.C.C. Valuation—debt/equity ratio—80/20.

## Tariff (cents per barrel)

Year 1, 300 MBD.....	40
Year 3, 460 MBD.....	31
Year 5, 690 MBD.....	25
Year 8, 800 MBD.....	24
Year 15, 800 MBD.....	24
Year 30, 800 MBD.....	19

## PIPE LINE ROUTE

The expanded pipe line system to accommodate Arctic oil will follow the present routing of the Trans Mountain system over the 698-mile route from Edmonton to Puget Sound. Routing is shown on Figure 3 and is comprised of 252 miles in Alberta, 417 miles in British Columbia, and 29 miles in the state of Washington.

## FORECAST THROUGHPUTS

The forecast throughputs are based on the assumptions shown in the Economic Summary and visualize Trans Mountain moving a portion of the Mackenzie Valley pipe line volumes to the Puget Sound area.

## MAIN LINE DESIGN

A 36-inch diameter pipe with the wall thicknesses listed below was chosen as the most economical installation. The mileages include an allowance for contour and deviations of 0.5%. Design is based on a 95% throughput to capacity ratio. Crude oil characteristics of 27.7° API gravity and 220 SUS viscosity at 45° F. were used in the design.

**SUMMARY OF PIPE QUANTITIES**  
36-inch O.D. API-5LX-60

Wall thickness in inches:	Total miles
0.531	1.0
0.469	4.2
0.438	19.0
0.406	44.0
0.375	71.3

0.344 ----- 80.4  
0.312 ----- 482.1  
702.0

Horsepower for the new line will be installed at the existing 14 pump station sites on the Trans Mountain system. Initially, 25,000 horsepower will be required. This will be built up to an ultimate requirement of 220,000 horsepower.  
Trans Mountain's tankage at Edmonton

will be increased by 600,000 barrels initially and increased to 1,200,000 barrels ultimately for receipts from the Mackenzie Valley line. Shippers are required to provide receiving tankage at the delivery end of the system.

Tables 8 and 9 summarize the investment and operating costs over a 30-year period, based on costs escalated as shown.

An economic summary of the Prudhoe Bay to Edmonton and Edmonton to Puget Sound systems is presented in Table 10.

**TRANS MOUNTAIN OIL PIPE LINE CO.—36-INCH CRUDE OIL PIPELINE, EDMONTON-PUGET SOUND—INVESTMENT SUMMARY**

	Capital costs—Dollars Canadian—Year of Construction						Capital costs—Dollars Canadian—Year of Construction					
	1	2	3	4	5	6	1	2	3	4	5	6
Main line	127,670	170	10,920	10,920	510	340	26,000	560	3,130	3,350	2,420	2,930
Stations	4,760	2,850	4,630	6,660	11,290	14,970	22,790	740	4,710	5,950	4,830	6,620
Tankage	1,770	0	780	0	780		1,080	0	0	0	0	0
Other direct costs	2,630	80	130	120	170	140						
<b>Subtotal</b>	<b>136,830</b>	<b>3,100</b>	<b>16,460</b>	<b>17,700</b>	<b>12,750</b>	<b>15,450</b>	<b>49,870</b>	<b>1,300</b>	<b>7,840</b>	<b>9,300</b>	<b>7,250</b>	<b>9,550</b>
<b>Total</b>	<b>186,700</b>	<b>4,400</b>	<b>24,300</b>	<b>27,000</b>	<b>20,000</b>	<b>25,000</b>	<b>186,700</b>	<b>4,400</b>	<b>24,300</b>	<b>27,000</b>	<b>20,000</b>	<b>25,000</b>
<b>Cumulative total</b>	<b>186,700</b>	<b>191,100</b>	<b>215,400</b>	<b>242,400</b>	<b>262,400</b>	<b>287,400</b>						

**TRANS MOUNTAIN OIL PIPE LINE CO.—36-INCH CRUDE OIL PIPELINE, EDMONTON-PUGET SOUND—OPERATING COST SUMMARY**

	Operating costs—thousands of Canadian dollars—Year of operation							Operating costs—thousands of Canadian dollars—Year of operation						
	1	2	3	4	5	6	30	1	2	3	4	5	6	30
Facilities:														
Volume MBD	300	370	460	570	690	800	800	2,430	2,490	2,800	3,150	3,410	3,740	3,740
Number of stations	4	5	7	9	12	14	14	5,320	5,450	6,140	6,910	7,480	8,190	8,190
Installed horsepower	25,000	40,000	60,000	95,000	150,000	220,000	220,000	13,440	13,760	15,150	17,450	18,900	20,700	830
<b>Expenses:</b>														
Power costs	\$1,030	\$1,652	\$2,646	\$4,035	\$6,766	\$10,360	\$10,360							
Station costs	200	300	440	655	990	1,380	1,380							
Pipe line costs plus administration	180	218	274	360	494	650	650							
<b>Subtotal</b>	<b>1,410</b>	<b>2,170</b>	<b>3,360</b>	<b>5,050</b>	<b>8,250</b>	<b>12,390</b>	<b>12,390</b>	<b>21,190</b>	<b>21,700</b>	<b>24,450</b>	<b>27,510</b>	<b>29,790</b>	<b>32,630</b>	<b>12,760</b>
<b>Total</b>	<b>22,600</b>	<b>23,870</b>	<b>27,810</b>	<b>32,560</b>	<b>38,040</b>	<b>45,020</b>	<b>25,150</b>							

Note: 1. Depreciation expense is based on a composite rate of 2.85 percent. 2. Interest expense is based on an 80-20 debt/equity ratio. 3. Expenses for years 7 to 30 are the same as the 6th year except

interest charges decrease annually. 4. An allowance for oil measurement losses is not included in this operating cost summary.

**TRANS MOUNTAIN OIL PIPE LINE CO.—ECONOMIC SUMMARY**

**48- AND 36-INCH CRUDE OIL PIPELINE SYSTEM, PRUDHOE BAY-EDMONTON-PUGET SOUND**

	Prudhoe Bay to Edmonton	Arctic oil from Edmonton to Puget Sound	D.C.F. rate of return (percent)				
			8	10	12		
Throughputs—(000) B/D:							
1st year	600	300					
2d year	800	370					
3d year	1,000	460					
4th year	1,100	570					
5th year	1,200	690					
6th year	1,300	800					
7th year	1,400	800					
8th to 30th year	1,500	800					
	Miles	Initial	Ultimate				
Investments—\$(000) Can.:							
Prudhoe Bay to Edmonton	1,696	\$1,350,000	\$1,487,000				
Edmonton to Puget Sound	698	190,000	290,000				
<b>Total</b>	<b>2,394</b>	<b>\$1,540,000</b>	<b>\$1,777,000</b>				
Tariffs—\$/bbl. Can.: Constant tariff—30-year average:							
Prudhoe Bay to Edmonton			51	62	73		
Edmonton to Puget Sound			20	23	27		
<b>Total</b>			<b>71</b>	<b>85</b>	<b>100</b>		
Declining tariffs—7 percent return on I.C.C. valuation; debt/equity ratio—80/20.							
			I.C.C. tariff (\$/bbl) Can.—Year of operation				
			1	3	5	8	30
Prudhoe Bay to Edmonton	144	92	77	63	45		
Edmonton to Puget Sound	40	31	25	24	19		
<b>Total</b>	<b>184</b>	<b>123</b>	<b>102</b>	<b>87</b>	<b>64</b>		

**NEWSPAPERS PUBLISH IN PITTSBURGH AGAIN: FORUM FILLED NEWS GAP DURING STRIKE**

**HON. WILLIAM S. MOORHEAD**

OF PENNSYLVANIA  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. MOORHEAD. Mr. Speaker, the newspaper strike in Pittsburgh is over. After 4 months without the afternoon

Pittsburgh Press and the morning Post Gazette, the people of Pittsburgh are again reading their local newspapers.

The strike hurt our city but, as with most serious strikes the people most affected responded in ingenious and unselfish ways. The local radio and television stations beefed up their coverage of news and reported vital statistics. Out-of-town newspapers from Cleveland, New York, and Washington made their appearance and were sold as soon as they hit the stands in Pittsburgh. And

the still functioning weekly newspapers in the Pittsburgh area began turning out editions with more and more pages.

One of these latter publications was the Pittsburgh Forum, a sometimes muckraking, wheeling-dealing, pull-no-punches tabloid that leaped into the fray when the dailies ceased to publish.

Filling its pages with political and social commentary, the Forum, struggled and strained its capacity to turn out two and three times its normal number of pages.

Much credit goes to the publisher of the Forum, Tom Hennessy, and his excellent staff for the contribution they made to the city in the past 4 months.

I only hope the many readers and new advertisers who turned to the Forum during the drought maintain their ties to this very necessary and delightful paper.

My friend, Tom Hennessy, soon is going to take a new bride. I want to take this opportunity to congratulate Tom, and the soon-to-be Mrs. Hennessy, Debby Tien, and wish them many years of good luck and happiness.

### SOYBEANS TOO VALUABLE TO WASTE

#### HON. WILLIAM L. SPRINGER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. SPRINGER. Mr. Speaker, the National Soybean Crop Improvement Council, whose headquarters are in Urbana, Ill., is spearheading a campaign to reduce losses of soybeans at harvest-time.

For more than a year the council has worked closely with researchers from the land-grant agricultural colleges and the U.S. Department of Agriculture. Their studies show that in combining soybeans at harvesttime growers are losing one out of every 10 bushels of soybeans that they grow.

The following news release, issued by the council's managing director, Robert W. Judd, specifies what growers can do to reduce their losses to a minimum. In this era of strong demand throughout the world for soybeans, they are much too valuable to let go to waste.

The material follows:

#### BETTER HARVESTING IS KEY TO HIGHER SOYBEAN PROFITS

URBANA, ILL.—Better harvest management can add \$6.00 or more to soybean cash returns this fall. That's the finding of leading USDA and university researchers. These specialists say that average soybean growers lose as many as three bushels per acre through poor harvest management—a staggering \$350 million annual loss to U.S. agriculture.

"Soybean growers are losing one out of ten bushels of soybeans they grow," confirms USDA Secretary Clifford Hardin. "In a year when soybeans are in strong demand, there should be a special premium on minimizing harvest losses."

Spokesmen with the National Soybean Crop Improvement Council say at least two-thirds of the annual harvest loss is unnecessary. They say growers can retain as many as two bushels more per acre—an added \$600 or more from each 100 acres planted in soybeans.

The "secret" is a planned program of soybean harvest management—a step-by-step "checklist" for growers to follow this fall. Nucleus of the fall harvest program is adjustment and management of the combine.

"Prime problem areas in every combine are ground speed, reel speed, cutter bar height, and separation of soybeans from pods," says

University of Illinois' Ralph Nave. "Each can help prevent sizable harvest losses."

Nave, an agricultural engineer, is the nation's only such specialist assigned exclusively to soybean harvest research.

Soybean industry leaders recently endorsed a fall "Soybean Harvest Proclamation" that incorporates some of Nave's harvest recommendations. The formal document lists seven specific "steps" to a more profitable soybean harvest, pointing out that U.S. soybean growers could lose up to 123 million bushels of soybeans through improper harvest management. A total of 20 agronomists endorsed the program.

#### SEVEN PROFITABLE STEPS

The Council's Seven-Step Harvest Plan, as endorsed by USDA Secretary Hardin, begins with moisture levels:

1. Begin harvesting when soybean seed moisture reaches 13 percent. Shatter losses increase markedly when moisture levels drop below 11.5 percent, according to Illinois research. How does a grower determine moisture levels? Veteran growers can judge by biting the seed to check interior moisture, but most growers take field samples to the local elevator for a moisture meter test.

2. Harvest at an average combine speed between 2.5 and 4.0 miles per hour. Combines operate most efficiently at that range—and the cutter bar is allowed to ride down for maximum cut. Combines don't have speedometers, but Illinois' Nave says growers can judge ground speed by dividing the number of three-foot strides in the area covered by the combine in 20 seconds—by a factor of ten. This gives an accurate mph figure.

3. Count lost soybeans already on the ground before harvest—so that pre-harvest losses are not charged against combining. This permits accurate checking of harvest loss. Count the number of soybeans lying on the ground. Four beans per square foot indicate a bushel lost per acre.

4. Match ground speed to combine reel speed. Best speed ratio is a reel speed of 1.5 times the combine ground speed, according to Nave. A low reel speed reduces shattering, he points out, and reduces the number of bean pods that "pop out" of the combine after cutting. Another good guideline is maintaining 12 rpms of reel speed per each mph of combine ground speed.

5. Cut soybeans as close to the ground as possible. The goal is to harvest all of the pods—even the very lowest. A 3.5 to 4-inch stubble height is not good, according to Nave. His Illinois tests showed a 10 percent reduction in harvest losses when soybeans were cut off at 2½ inches. How is a low stubble height possible? Nave says by harvesting slow, and by using a "floating cutter bar" or automatic header control. Some soybean varieties have pods only two inches off the ground, he points out.

6. Measure soybean losses from cutting, gathering, and threshing operations to pinpoint necessary adjustments. The key guideline here, says Nave, is to "go by the book"—the combine operator's manual. Check the losses resulting from each area of operation, then re-adjust individually to optimum operating conditions.

7. Continually adjust the combine to changing crop conditions. Early morning dew and dampness must be compensated for during combining, Nave advises. Cylinder speed should be increased to 500 rpms or faster for tough bean pods, while combine concaves should be set closer. As the beans dry out in fall sunshine, the cylinder speed can be slowed, and the concaves adjusted open.

The combine's blower fan should also be slowed down—to prevent beans from being "blown out the back." Another changing crop condition is lodging. Nave advises to combine into the down soybeans—with reel tines set vertically. Angled tines may "hold" the soybeans, and increase losses.

"We support a national plan to assist growers in keeping their share of soybean profits through better harvesting methods," says the National Soybean Crop Investment Council's Robert W. Judd. "And the time spent by individual growers doing a more careful job of harvesting—could earn them \$15.00 or more per hour!"

### VOLUNTARY RETIREMENT OF FEDERAL EMPLOYEES

#### HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. HOGAN. Mr. Speaker, the Subcommittee on Retirement, Insurance, and Health Benefits of the Post Office and Civil Service Committee, on which I serve, today commenced hearings on pending Federal employee retirement legislation.

As the sponsor of H.R. 7403, which would liberalize the conditions under which Federal employees could elect voluntary retirement, I testified in support of this legislation. I include my testimony in the RECORD at this point:

#### TESTIMONY OF LAWRENCE J. HOGAN

Mr. Chairman, I am pleased to appear as a witness and advocate for my bill, H.R. 7403, which would liberalize the conditions under which Federal employees could elect voluntary retirement.

Under the present law, the earliest age at which voluntary retirement with an immediate annuity is permitted is 55 and then only for people who have at least 30 years of Federal employment. In addition, people whose separation is involuntary (but not for misconduct or delinquency) can qualify for an immediate annuity at any age if they have 25 years of service, or as early as age 50 if they have at least 20 years of service. However, when an annuity begins before age 55, the annuity is reduced by 1/6th of one percent of each month (2 percent a year) that the person is under age 55.

My bill would liberalize these provisions by:

1. allowing voluntary retirement whenever an individual's age and years of service add up to 80;

2. allowing voluntary retirements to people of any age who have 25 years of service and to people age 50, and over, who have at least 20 years of service, provided that the Civil Service Commission determines that a major reduction in force is under way;

3. cutting in half—to 1/12th of one percent—the reduction factor that applies to people who retire before age 55.

These liberalizations are designed to introduce a greater element of flexibility into the Federal civilian retirement program. While I have no idea how many people will opt for retirement under these provisions, it is my understanding that about 180,000 employees who are not now eligible for immediate retirement could become eligible if my bill



were enacted. I might point out that this would assist the President in his efforts to reduce the size of the Federal employment rolls through attrition.

I would like, at this point, to make an important observation about retirement and retirement age. Authorities on the subject are of the general opinion that there is no single age that is the retirement age for everyone. The age that any given individual should retire depends on the individual and the type of work he does. For some people in some jobs, retirement should come as early as 45 or 50, while others can function in their jobs up to 70, 75, or even 80. Retirement age, then, is a very individual characteristic. It varies from person to person and depends on how an individual is fitted to his job. Therefore, it would seem that the appropriate thing to do would be to build as much flexibility as is consistent with good management into the Federal retirement system. In my opinion, that is what the "sum-equal-to-80" provision would do. Not only would it allow an individual greater latitude in determining when he would retire but it would also guarantee the Government that the individual would have spent a considerable part of his life in Federal employment. For example, the man who starts working for the Federal Government at, say, age 20 could retire at age 50 with 30 years of service—5 years earlier than under present law. On the other hand, the man who starts Federal employment at age 30 could retire at age 59½ with 20½ years of service—only 6 months earlier than is possible under the 60-20 provision of present law.

The second liberalization proposed by my bill would operate only when a major RIF was in process. The proposal is simply to allow a person who wants to retire to do so, so that someone else will not lose his job. The provision would operate in the following manner. Suppose that there are two people both age 50, both doing the same type of work and under the RIF one has to lose his job. If one of the men has 19 years of service and the other 20 years, the man who will lose his job is the one who has only 19 years of service; the man who would not qualify for a retirement annuity.

Under my amendment, the man with 20 years of service could, if he wanted to, retire and get an immediate annuity. In such a case, the man with 19 years of service could stay on the job. I want to make it clear that this is a voluntary retirement provision; the choice would be up to the man with 20 years of service. There is nothing in this bill that would let the employing agency or any other person force an employee to retire.

The third change which my bill would bring about grows out of the other two. The reduction factor that is applied when a person becomes entitled to an annuity before age 55 would be changed from 1/6th of one percent to 1/12th of one percent for each month the employee is under age 55 at the time of retirement. This change seems necessary just to assure that people who retire early receive annuities that bear a meaningful relationship to the employee's pre-retirement income. For example, the man I mentioned earlier who could elect to retire with 20 years of service because a RIF was in process would get under present law an annuity equal to about 36 percent of his high-3 average salary, reduced by 10 percent to about 26 percent because he was under 55. Under my proposal, the reduction would be only 5 percent, to about 31 percent of the high-3 average.

Mr. Chairman, I appreciate being allowed to make this statement in support of H.R. 7403 and I hope that a favorable report will permit the legislation to get to the full House in the near future.

## IT IS KEEPING FREEDOM THAT MATTERS—NOT RACIAL EQUALITY

### HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. RARICK. Mr. Speaker, the use of Father Theodore M. Hesburg as a spokesman for the advocates of busing schoolchildren to achieve racial balance is about as relevant as the busing is to education.

Father Hesburg is a priest who is unmarried and has no children. But like any of our intellectual experts on everybody else's problems, he would permit his position as "father" to be exploited.

A bachelor is about as well qualified to speak as an expert on the duties and responsibilities of a parent in the busing conspiracy as the northern super-liberals are on race problems; ministers, baby doctors, and draft dodgers on military problems or nonworkers on taxes.

Uninvolved people who have never experienced reality in situations in which they purport to have solutions are always the first to offer self-styled expertise.

Perhaps people like Father Hesburg, despite their sincerity and dedication, do not realize that their actions clearly show they reject democracy, the rule by majority vote, when it does not fit their goals and objectives.

Or perhaps the busing priest would equate his approval of forcible kidnapping with a "new" teaching of love—do unto others as you would not have them do unto you. Quite obviously, Father Hesburg, a member of the CFR, qualifies as a member of the establishment. However, his actions, like those of many others in the "modern" ministry, are inconsistent with Holy Scripture.

Furthermore, as a salaried Nixon appointee on the Civil Rights Commission, his views can hardly be considered as impartial and without prejudice.

## EQUAL RIGHTS FOR WOMEN—HEARD, BUT NOT SEEN

### HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. ROSENTHAL. Mr. Speaker, women's rights advocates have been actively lobbying for an equal rights amendment for 47 years. Scheduled for a vote next week by the House is the same 47-year-old amendment, which has been ignored and delayed by the Congress since 1923.

The need for an equal rights amendment which would not only reinforce, but substantiate the equal status of women, is reflected in the numerous State laws which blatantly segregate and amplify alleged differences between male and female roles and capabilities in so-

ciety. There are more than 1,000 State and Federal laws which encourage the discrimination of the sexes through age qualifications and physical restrictions. The controversial Wiggins amendment to House Joint Resolution 208 is simply another attempt to nullify the impact of this legislation by allowing the continuing enforcement of this type of inequitable prejudice.

The role of women in society is undergoing dynamic change which cannot be ignored. Enactment of the equal rights amendment without the Wiggins amendment is the vehicle of governmental affirmation and responsiveness to this eventful transformation. Recognition of the woman in her new role must begin through practicable legislation, and not in passive theoretical lethargy.

## SUPPORT FOR MINING LAWS

### HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 21, 1971

Mr. BEGICH. Mr. Speaker, the Alaska Miners Association has forwarded to me a petition circulated among Alaska miners stating their strong support for current American mining laws.

I have forwarded a copy of the letter I received to my able colleague Ed Edmondson, chairman of the House Subcommittee on Mines and Mining of the Interior and Insular Affairs Committee. I believe, Mr. Speaker, that my colleagues in the House would find this letter most interesting and I, therefore, include it in today's RECORD:

ALASKA MINERS ASSOCIATION,  
Fairbanks, Alaska, September 14, 1971.  
Hon. Nick Begich,  
U.S. House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN BEGICH: Enclosed are copies of a petition circulated by the Alaska Miners Association last year. There are approximately 3,429 names on this petition, which very simply says that the signers believe in the American Mining laws and what they stand for. These signatures were acquired without making a special effort. Association members merely showed the petition to friends and acquaintances.

In this day of bigness and concentration of power, we can ill afford to scrap one of our great bulwarks of grassroots democracy, and it has baffled me to see men who otherwise profess to be friends of the small man rushing to do so. Those of us who have worked with these laws for years recognize that they grew out of true democracy and self government. The genius of the men who codified them lay in recognizing that the early miners had hit upon the most efficient and orderly system that could be devised, and also the most remunerative to society. We must remember that it matters little where revenue is called a tax or a royalty.

The Alaska Miners Association asks that you do all that you can to retain these laws.

Sincerely,

ERNEST N. WOLFF,  
President.