

Mr. BYRD of West Virginia. Mr. President, will the distinguished Republican leader include in his unanimous-consent request a provision that there be a limitation on the amendments that could be called up tomorrow? The limitation I am referring to is that we consider only those amendments tomorrow on which a time limitation has already been agreed to. That would place a limitation on the number of amendments tomorrow—six at the most.

Mr. SCOTT. I would rather not, if the assistant majority leader does not mind, for the obvious reason that we may have some more amendments come in.

Mr. BYRD of West Virginia. I see. Very well.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. SYMINGTON. Mr. President, reserving the right to object, what is the unanimous-consent request?

Mr. MANSFIELD. Consent to the unanimous-consent request has just been given. It will allow the Senate to take up six amendments on a 1 hour time limitation tomorrow, beginning at 9 o'clock and ending at 5 o'clock, and then we come to the vote on the division on the Pastore amendment.

One thing I want to make clear, that while the hour of 5 o'clock has been set, I think the Senate should be on notice that if an accommodation is necessary with a Senator like the Senator from Arizona (Mr. GOLDWATER), that accommodation will be made.

Mr. FANNIN. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? There being no objection, the unanimous-consent request is agreed to.

Mr. HANSEN. Mr. President, reserving the right to object—

Mr. MANSFIELD. It has already been agreed to. It was just agreed to.

Mr. HANSEN. It was?

Mr. MANSFIELD. Yes, it was. Even when the Senator raised the question, but if the Senator wants to rescind it, I will be glad to do so.

Mr. HANSEN. No.

Mr. LONG. Mr. President, if I understand it correctly now, beginning on

Monday next, we come in at 9 o'clock and then do I understand correctly that we will be voting on amendments to the Pastore amendment every hour after 9 o'clock with the same 1-hour limitation on amendments up until 5 o'clock, and then at 5 o'clock we will be voting on amendments which may arise therefrom?

Mr. MANSFIELD. That is what it will amount to, but again I ask my colleagues to understand the situation which has developed because of the fact that the Senator from Arizona (Mr. GOLDWATER) has four amendments, about which we knew nothing. It may go beyond that time.

Mr. LONG. Then Senators should be on notice that they can expect a vote on the first amendment to the Pastore amendment to come at about 10 o'clock on Monday morning next?

Mr. MANSFIELD. Roughly.

Mr. BYRD of West Virginia. If the distinguished majority leader will yield, I am not going to belabor this, but there is something that the distinguished Republican leader, I thought, included in his request that concerned me. It is for that reason that I want to have it clarified. I thought he indicated that on tomorrow we would proceed with other amendments to the bill which would include the six, and I thought he went on to include amendments also to the Pastore amendment.

Mr. PASTORE. No.

Mr. SCOTT. No. I will be glad to clarify that. I may have said it, but I think I requested that we vote on the six amendments first and then on other amendments to the bill, not including any amendments to the Pastore amendment. That will simplify it.

The distinguished majority leader and I will undertake to work out something in regard to the four amendments of the Senator from Arizona (Mr. GOLDWATER) with protection of the time there. Somehow, even if it is necessary to ask for a change in the unanimous-consent request, we will do so.

Mr. BYRD of West Virginia. I thank the Senator.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. MANSFIELD. I yield to the Senator from Wyoming.

Mr. HANSEN. That was precisely the point I was attempting to raise and I thank my distinguished colleague for clarifying the situation.

Several Senators addressed the Chair.

Mr. MILLER. Mr. President, may I say, on the basis of what the leader has said, that I am confused about tomorrow. I thought I heard it explained by the Senator from West Virginia and I thought others had, too, that tomorrow we were going to come in and discuss the six amendments and that we do not go on to anything else.

Mr. MANSFIELD. That is correct. If the Senate wants to, it can, but it will be up to the Senate to decide that. But we have those six on tomorrow.

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

Mr. MANSFIELD. I am glad to yield to the Senator from Colorado and then I shall move to adjourn the Senate.

Mr. ALLOTT. Mr. President, I have one short piece of legislative history which I want to establish with regard to this bill.

Do we have to get unanimous consent for me to have time to do that, or do I have to take time out of amendments on tomorrow to do it?

Mr. MANSFIELD. We will try to come to an accommodation in some way with the Senator. I cannot answer the question now.

Mr. ALLOTT. Mr. President, it will not take 5 minutes.

#### ADJOURNMENT TO 9 A.M.

Mr. MANSFIELD. Mr. President, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 a.m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 10 minutes p.m.) the Senate adjourned until tomorrow, Saturday, November 20, 1971, at 9 a.m.

#### NOMINATION

Executive nomination received by the Senate November 19, 1971:

##### U.S. DISTRICT COURTS

Leroy J. Contle, Jr., of Ohio, to be a U.S. district judge for the northern district of Ohio vice James C. Connell, retired.

## EXTENSIONS OF REMARKS

### VETERANS DAY—NOVEMBER 11

#### HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. LANDGREBE. Mr. Speaker, several of my distinguished colleagues in this House have already introduced legislation to return the Veterans Day holiday back to its traditional November 11 date. I commend these gentlemen and I will be joining them shortly with identical legislation of my own. I would urge my colleagues to

give speedy and favorable consideration to this action, which would serve to remind Americans of the importance and value of their precious heritage.

Until recently, I had looked upon the shift away from our traditional holiday observances and toward the new 3-day weekend holidays with equanimity. I cared little about it one way or the other. Then, two things happened within the past week that have given me pause to reflect.

First, I participated in a traditional Veterans Day observance in Hobart, Ind., on the old date of November 11. The observance, sponsored by the Veterans of Foreign Wars, was one of the most mov-

ing ceremonies I have ever experienced. My first thought was, "Patriotism is not dead in Hobart."

But then the greater significance of the event hit me. November 11 was not even a holiday any more. And still the people of Hobart turned out. Why? To pay tribute to those brave men, living and dead, who sacrificed so greatly to preserve their Nation and their freedom. Hobart's citizens did not need a day off from work to do this; they did it because they cared—because they valued the heritage of the American veteran.

The second event took place Sunday in Merrillville, Ind., only a few miles from Hobart, when I attended worship services

at the Prince of Peace Lutheran Church. This is not my home church, but I had several appointments in Merrillville that day. The pastor, Rev. Larry L. Shaver, delivered the sermon on the importance of the American legacy. I obtained an excerpt of that sermon and commend it to the attention of the House. The excerpt follows:

FROM SERMON DELIVERED BY REV. LARRY L. SHAVER, PRINCE OF PEACE LUTHERAN CHURCH, MERRILLVILLE, INDIANA, SUNDAY, NOVEMBER 14, 1971

Recently, I was shocked to read that our traditional Armistice Day observation of November 11 was being abandoned in favor of adding another 3-day holiday to the growing schedule of leisure-loving America. I suppose to many people this was looked upon as a very good move, especially to those who are thought to be overworked. But the importance of our American legacy is much more important! It seems that we have taken the freedoms provided by our forefathers' blood, sweat, tears and diligence and partially examined their sacrifice, siphoning off that which brings us pleasure and discarding that which costs us.

I've been told by some well-meaning people that we are not to become excited about our forefathers' experiences. And what is more, what they thought important is not necessarily binding on us today.

I cannot stand by and agree with apathetic and naive acquiescence to a partial view and appreciation of American history. I believe our legacy as Americans is something to get excited about. Our legacy as Americans is something to be proud of. Our legacy as Americans has an eternal lesson we must keep before us, namely, that freedom and the exercise of that freedom comes through and is guaranteed by our responsibilities gladly accepted and sacrifices willingly paid.

November 11 was a day set aside by thoughtful Americans as a day of solemn commemoration and astute hope for lasting world peace. It was a day men wanted to remember as a day when all wars should cease. Men died for that conviction. But our present day society has allowed through ignoring that precious legacy the latitudinarian element of our society to permeate. So, the new permissiveness that "everybody is doing it" ushers in the dangerous guarantee that legacy will be ignored and history will be forgotten. We have forgotten first principles. The Bible warns us that "to whom much is given, much is required."

The first book of the Bible, Genesis, lays down a clear mandate for law and order as the basis of a created universe. God wants man to live in an ordered society. But we in America have decided that occasions of prayers of commemoration and solemn thanksgiving should be replaced with a three-day holiday, a three-day vacation, if you please.

In a time when we need to embellish the fact of a costly national legacy, we have chosen to abandon the responsibilities to heed the lesson the legacy teaches. Monday can now be used to sober up from Sunday. In intent, this is a far cry from the famous Bible verse thought so precious to some framers of the Constitution, namely "Righteousness exalteth a nation."

#### NATIONAL DAY OF RECOGNITION FOR SENIOR CITIZENS

**HON. WILLIAM S. BROOMFIELD**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. BROOMFIELD. Mr. Speaker, I stand today to commend the efforts of

VIP—Very Important Patients—to dedicate Thanksgiving Day as a day of remembrance to America's senior citizens.

This nonprofit, voluntary agency has served to remind us all of the great debt of appreciation that we owe to the 20 million citizens age 65 and over. Indeed, in the final analysis, it was through their sacrifice, perseverance, and hard work that this Nation has scaled the heights of greatness.

I can think of no more appropriate time to extend our gratitude to this all too often neglected segment of our population. Thanksgiving is a day when we should take pause; to stand back and recall the many blessings that we have.

Unfortunately, for all too many senior citizens, especially those living alone or in homes for the aged, Thanksgiving Day is but another day filled with unbroken solitude. This is why I am most proud to join with my colleagues to make this occasion a truly meaningful event for these deserving people.

Mr. Speaker, these Americans which we seek to honor next week have written an admirable chapter in American history. Their record speaks for itself. I need not remind anyone here today of their defense of this country in two world wars nor their perseverance during the depths of the great depression. These are but a few examples of the spirit and vitality of this generation which we call older Americans.

They have displayed a quality of leadership and strength of moral character which, unlike mere physical power, endures the test of time. These same qualities still burn fiercely within these people to light the way for those of us who may be too easily tempted to despair.

I would be deeply disappointed, Mr. Speaker, if this national day of recognition did not serve as the impetus for a renewed concern for the peculiar handicaps which the elderly face. There is a great deal that we can do legislatively to amend these inequities.

In the meantime, I hope that all American families will take a moment this coming Thursday to acknowledge the blessings that our older citizens have bequeathed to us and demonstrate a continuing concern for their welfare.

#### LEGISLATIVE QUESTIONNAIRE

**HON. WILMER MIZELL**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. MIZELL. Mr. Speaker, since I first entered Congress in January 1969, I have done my best to provide the most accurate and effective representation possible for the people of the Fifth District of North Carolina.

Through a large volume of constituent mail, frequent visits with citizen groups in the district, open office hours in each of the district's eight counties, in private conversations with hundreds of my constituents every year and in other ways,

I have sought to learn their views on the great issues facing the Nation today, as well as their individual problems involving the Federal Government.

One of the most effective means I have found of gaging popular opinion in my district is the legislative questionnaire, a series of several questions dealing with matters of concern to my constituents and to the Nation at large.

I have recently tabulated the results of my 1971 legislative questionnaire, and I have already announced the results of the polls to the news media in the Fifth District.

I believe the results of the poll will also be of interest to my colleagues in the House, perhaps to compare my constituents' responses to those in other areas of the country.

Therefore, I would now like to place in the RECORD the text of my news release announcing the questionnaire results.

The text follows:

#### LEGISLATIVE QUESTIONNAIRE

WASHINGTON, D.C.—U.S. Representative Wilmer (Vinegar Bend) Mizell (R.-N.C.) today released the results of his 1971 legislative questionnaire.

Based on almost 10,000 responses, the poll reflects the opinions of Mizell's fifth district constituents on a wide variety of issues.

In releasing the results, Mizell said, "I sincerely want to thank the thousands of people in the fifth district who responded to my questionnaire. The results of this poll will be an invaluable tool in my efforts to represent as accurately and effectively as possible the views of the people I serve."

The questions and opinion percentages are as follows:

1. Do you favor the busing of school children to achieve racial balance?  
5% yes; 93% no; 2% uncertain.
2. Do you believe the present welfare system needs to be reformed?  
93% yes; 5% no; 2% uncertain.
3. Do you support a welfare reform that establishes a guaranteed annual income?  
13% yes; 82% no; 5% uncertain.
4. Do you favor Congress enacting a national health insurance program to cover catastrophic or prolonged illnesses?  
69% yes; 24% no; 7% uncertain.
5. Do you support the President's Vietnamization program for ending American involvement in Vietnam?  
79% yes; 16% no; 5% uncertain.
6. Do you support the overall objectives of the President's revenue sharing proposal to move power and control from Washington to the local level?  
80% yes; 13% no; 7% uncertain.
7. Do you think government workers and other public employees should have the right to strike?  
25% yes; 69% no; 6% uncertain.
8. Do you believe pornographic material should be sent through the mail only to those who have specifically requested it?  
77% yes; 17% no; 5% uncertain.
9. Are you satisfied with President Nixon's overall performance?  
55% yes; 37% no; 8% uncertain.
10. Do you favor restoring the right of voluntary prayer in schools and other public facilities?  
92% yes; 5% no; 3% uncertain.
11. Do you favor the President's proposed trip to mainland China?  
65% yes; 26% no; 9% uncertain.
12. Do you favor the admission of mainland China to the United Nations? (Select one)  
(A) Provided Nationalist China retains its seat in the U.N.—71%.  
(B) Even if the result is Nationalist China's withdrawal or removal from the U.N.—16%.

## WELFARE REFORM: TIME TO DO IT RIGHT

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. MIZELL. Mr. Speaker, my colleagues all know that I have spoken several times in this Chamber and elsewhere on the need for meaningful and constructive reform of the welfare system in America.

In my 1971 legislative questionnaire, 93 percent of my constituents in the Fifth District of North Carolina who responded to the questionnaire said they felt some kind of welfare reform was necessary.

The Congress has been considering this same problem during this session, and the House has passed a bill that goes a long way toward providing improved assistance to those who really need it.

One of the provisions of that bill, however, is totally unacceptable to me and, again according to my latest questionnaire, unacceptable to the vast majority of the people I represent.

That provision is the establishment of a guaranteed annual income floor. Eighty-two percent of my constituents responding to my recent questionnaire expressed definite opposition to this policy. I voted against the legislation passed by the House earlier in this session, largely on the basis of my unqualified and uncompromising opposition to a guaranteed annual income.

But I am still anxious for this Congress to continue its efforts to find a more suitable and practical solution to the welfare problem.

In my efforts to contribute to this worthwhile debate, I would like to insert in the RECORD at this time the text of a speech delivered last month to the West Virginia Chamber of Commerce by Mr. Archie K. Davis, who, as current president of the U.S. Chamber of Commerce, is one of my most prominent constituents.

I believe his remarks will prove informative and enlightening to my colleagues, and I urge them to give careful consideration to Mr. Davis' well-expressed message.

The text follows:

WELFARE REFORM: TIME TO DO IT RIGHT  
(Address by Archie K. Davis)

My primary purpose this evening is to discuss briefly some matters of grave concern to us all. I am aware that such an approach flies in the face of the public relations dictum that everything must be presented in a positive way. Unfortunately, the closest I can come to honoring that advice is to state that this country of ours, without question and in a very positive way, is deeply in trouble.

As Winston Churchill realized, early in World War II, there comes a time when sugar-coating bad news is ignoble and totally inadequate to the occasion, for great and courageous peoples have a way of overcoming seemingly insurmountable obstacles once they have made up their minds to face them.

Until President Nixon's dramatic economic policy statement, we Americans had not really faced up to our troubles. We were living—midway through the second half of the Twentieth Century—in a state of euphoria, if not in a fool's paradise.

### EVIDENCE OF ECONOMIC TROUBLE

Consider the evidence that confronted the President and his economic advisors just three weeks ago:

The postwar era of total American industrial and technological supremacy has ended. We now live in an age of intensifying international competition, but we have continued to behave, in many ways, as if nothing has changed.

Our economic problems have been steadily compounding. We have grown accustomed to three-year increases of 30 and 40 percent in wages, which have resulted in escalating prices in the face of relatively high unemployment. Our balance of payments position remains highly unsatisfactory. The United States faces its first trade deficit since 1893. The Federal budget deficit for fiscal 1971, just ended, is a near record \$23.2 billion. The Administration estimates that if we were at full employment, the budget would have shown a surplus of \$2.5 billion. But what difference do hypothetical calculations of non-existent full employment surpluses make when we are living through a deep-rooted and persistent inflation which has shown few signs of abating?

The post-World War II inflation in other industrial countries, particularly Canada and Great Britain, says Federal Reserve Board Chairman Arthur F. Burns, "shouts warnings that even a long stretch of high and rising unemployment may not suffice to check the inflationary process."

The reason is that inflationary tendencies in our economy have become chronic because of the rise of the welfare state, the growing imbalance in the power of the labor unions, and the shift of employment towards the service industries.

The welfare state pushes the Federal Government, under any administration, towards chronic budget deficits, and we have had 16 years of such deficits in the 21 fiscal years since 1950. Budget deficits that recur so regularly contribute to expectations of inflation, even though deficits incurred in recessions may not contribute to excess demand in a technical sense.

There are many new and costly forces at today's union bargaining table. They include unrealistic wage expectations of more militant union members who, expecting that chronic inflation will continue, want protection from both past and future inflation. They include wage settlements patterned on 30 percent increases compounded over a three-year period in basic industries like steel, compared with annual productivity gains of three percent per man-hour.

The result of excessive cost-push by unions in an economy pledged to full employment has been lessened resistance of employers to excessive wage demands. And the result of the wage-price spiral has been the loss of competitiveness in American products—and jobs—in the marketplaces of the world. Therefore, we are seeing an ominous trend towards government restriction of trade with other countries in order to protect union jobs and industry products in affected industries. But building discriminatory walls of tariffs and quotas to keep out foreign products would only bring retaliation as trading partners prohibit or restrict our exports to them.

The rising pressure by unions and some industries for selective trade restrictions, however, occurs at just the time when Europe and Japan offer a new competitive challenge to our mass production industries and jobs. The rapid move of the EEC countries toward economic unity gives their corporations, for the first time in the modern industrial era, economies of scale in production for a sub-continental freetrade market—an advantage that we have long enjoyed.

Japan, whose people save and invest more than 20 percent, as contrasted with our five-to-six percent of personal income, has more than doubled our record of growth since

World War II. Continued expansion by Japan in coming decades at past rates would make Japanese incomes the highest in the world.

Meanwhile, the shift of employment here from goods-producing to service industries may see 60 percent of our labor force in service industries by 1980. Our gains in productivity, however, have come most rapidly from agriculture and manufacturing. This means that, in order to maintain the real growth in our output which has been the source of our gains in reducing poverty, we need to concentrate on improving productivity in the service industries as well as in agriculture and manufacturing.

### NEW PROBLEMS AND OLD ILLUSIONS

It is only when we view our problems in their total relationship to one another that we begin to comprehend their total magnitude. A growing welfare state, chronic government deficits, steadily mounting inflation, a deteriorating competitive position in world trade, shrinking trade surpluses, the possibility of mounting unemployment, continued deficits in the international balance of payments, the declining value of the dollar, devaluation—all are so closely related that action and reaction are inevitably and predictably linked.

This was the grim and sobering evidence that confronted the Nation's top economic planners that August weekend at Camp David.

I believe these men realized that somewhere along the line, no matter how well-intentioned, we had gotten off the track. Our house was not in order. In a relative sense, other parts of the world were positioning themselves to move ahead of us. We could no longer afford the illusion of unchallengeable supremacy; that day had long passed, and yet there were—and still are—those among us who seem to think we still have unlimited resources, that the law of supply and demand, a desire to work, competitive efficiency in production, and financial responsibility really don't apply to us.

The irony of the moment is why this great nation of ours, at a time when its world leadership is seriously challenged, is so preoccupied with welfarism that it has been neglecting the basic ingredients of economic opportunity.

Such thoughts, I am sure, must have occurred to the President, because the economic program he announced August 15 places great emphasis on re-creating economic opportunity—on stimulating industry and providing new jobs. We cannot yet tell if the program will achieve its commendable goals, but there is no disagreement about the objectives.

And the President did something else of great significance on that day: He announced that the proposed welfare reform and revenue sharing programs would be deferred.

### TIME TO REEXAMINE THE WELFARE PROBLEM

We do not know if Congress will accede to the President's wishes—the House has already passed the welfare reform bill—but we may hope so. There is a desperate need to pause and take a long, hard look at the entire subject of welfare reform before we plunge recklessly into a disaster of unprecedented magnitude.

So with these thoughts in mind, I would like this evening to make a contribution to what I hope would be at least a year of responsible, thorough analysis of the welfare problem and its solution. We have gained a valuable breathing-space; it is essential that we use it to the best possible advantage.

And it is within this context one must strongly question the wisdom of the existing bill, H.R. 1, the so-called "welfare reform" measure with a price of almost incalculable dimensions. Attempting to solve the welfare problem in the manner represented by this bill would be directly comparable to fighting a fire with gasoline.

But to understand why this is true, we need to know something of the background

of our present welfare system—or nonsystem, to be more precise.

"Welfare" today comprises four major income-maintenance or income-supplement programs, plus Medicaid. Medicaid is worth an entire speech in itself, but I will exclude it from this discussion as it is not really a general income supplement.

The four programs remaining are Old Age assistance, Aid to the Blind, Aid to the Permanently and Totally Disabled, and Aid to Families with Dependent Children.

There are really no problems with the first three of these programs—aid to the aged, the blind and the disabled. The numbers of recipients in these categories have remained fairly stable over the years. There is no alarming growth trend, nor is there any argument about the justification for aid. These unfortunate citizens are unable to work through no fault of their own. Our society can care for them, and simple compassion demands that we do so. The only reform needed with respect to these categories is a simplification of administrative procedures, which is provided in H.R. 1, along with federalization of the payments, which is simply a form of revenue-sharing. It is one of the new noncontroversial sections of the bill.

#### AFDC: THE ROOT OF THE PROBLEM

The entire welfare problem is associated with the fourth category of aid—Aid to Families with Dependent Children.

AFDC began modestly enough in the 1930's, as a federal supplement to state widow's pensions. It has since become a monster that seems to feed and grow larger on every attempt to reduce its size. By the beginning of this year, there were nearly 10 million people on AFDC rolls. The typical AFDC family has three children, one adult. Most live in big cities. Half the families are white, half black. In three cases out of four, the father is absent. Two out of five families include illegitimate children.

From the early 1950's to 1970, the average monthly benefit of AFDC families more than doubled. Throughout these same years, the number of welfare workers has increased 50 percent faster than the number of welfare recipients.

There are now at least 163 programs in the Federal Government designed to eliminate poverty. They are conservatively estimated to have cost \$23 billion in the fiscal year 1970. The projected cost for these programs for fiscal 1972 is \$31.1 billion. That is enough money to provide \$4,800 for every poor family of four, if it were distributed directly to the recipients.

#### MORE MONEY NOT THE ANSWER

In short, we have attempted to overcome the problem by a vast increase in the amount of money and manpower devoted to its solution. The result is almost incredible: The AFDC rolls increased by nearly 300 percent during the most affluent period in this nation's history. In the last ten years alone, the cost of AFDC benefits has gone up nearly 500 percent, to \$4.85 billion for 1970.

It should not be surprising to discover that offering higher welfare benefits tends to increase the number of people on welfare. That is the effect one would naturally expect. As AFDC payments get larger, they reach the wage level for low-paying jobs. New Jersey and Alaska, for example, both have AFDC payment schedules calling for more than \$4,000 a year for a family of four. In New York City, a family of four on AFDC, and living in public housing, is receiving the equivalent of more than \$7,000 a year. Under these circumstances, one would expect many workers in low-paying jobs to quit work and go on welfare. There is ample evidence that this is precisely what is happening. The higher the welfare benefits, the faster this process will escalate.

Needless to say, if the incentives are such that former workers are quitting in favor of

welfare, it is not realistic to expect many welfare recipients to seek jobs. There is evidence that many welfare recipients would prefer to work for a living, but not if it means a cut in their income. The welfare recipient who is receiving the equivalent of \$7,000 a year in aid, without taxes, will hardly leap at a job paying \$4,000 a year, with taxes, if it means the loss of the aid.

#### GUARANTEED INCOME A GUARANTEED DISASTER

H.R. 1 attempts to meet this problem by permitting the welfare recipient to keep some of his welfare check even after getting a job. As the bill now stands, the government would provide a minimum of \$2,400 a year for a family of four with no income, and would pay benefits on a decreasing scale until a family's earned income reached \$4,320. That means the government would be paying money to those with low-paying jobs as well as to those without jobs.

This tapering-off of aid is supposed to provide an incentive for the recipient to seek work. Apparently not even the authors of H.R. 1 felt this incentive would work, for included in the bill are provisions requiring the able-bodied and trainable to accept job-training and jobs.

Several studies have shown that this kind of work "incentive" is really an incentive to quit work. The most recent was a study commissioned by the National Chamber and conducted by two Georgetown University economists, Prof. Alfred J. Tella, and his wife, Dorothy. It indicated that the effect of work "incentives" like those proposed in H.R. 1 would tend to induce the "working poor" to work less, not more.

A federal test of the guaranteed income concept is now in progress in New Jersey. It is not yet complete, but the preliminary findings indicate the same result as the Chamber study, namely, guaranteed income plans reduce rather than enhance the work incentive. To put it another way, neither the theory nor the recipients work well in practice.

So in the final analysis, what the taxpayer would be asked to do under this bill is to pay for a huge expansion in the numbers of people on welfare—from 10 to 25 million—in the name of "welfare reform," but without any real reform.

Further, there is every evidence that the cost of this program—if it were enacted—would increase more sharply than any welfare program in U.S. history. The initial proposal of a minimum benefit of \$1,600 a year has already been increased twice—to \$2,200 and then to \$2,400—and the law is not yet through Congress! The National Welfare Rights Organization is demanding a guaranteed minimum income of \$6,500 a year—a figure that would cover half the population of the country and cost \$75 billion a year, if there were still any taxpayers left to pay it.

The fact that it would make the welfare problem worse, rather than better, is undoubtedly the *biggest* thing wrong with the "welfare reform" bill, but it is not the *only* thing wrong with it.

#### SOCIAL SECURITY TAXES UP

If this bill were passed, Social Security Taxes would go up as well. Next year, the tax rate would increase from 5.2 to 5.4 percent, which doesn't sound like much in itself, but the taxable wage base would also rise—from the present \$7,800 to \$10,200. These two changes would cost an extra \$142.30 a year for anyone making at least \$10,200 annually. They would cost his employer the same amount.

In other words, for the average man, this one increase alone would more than wipe out the benefits of the tax relief the President has proposed for next year.

And that's only the first of a series of proposed rate increases. By 1980, the cost of Social Security under H.R. 1 would be double the cost scheduled for that year under the present law. The combined employer-

employee tax rate would increase from the present 10.4 percent to 14.8 percent by 1980, and the wage base would climb to \$14,100.

Some of the government's own experts are reported to be questioning the need for such steep increases, and we can only hope that those reports are true. If the government takes away with its left hand more than it gives with its right, efforts to stimulate consumer buying activity are doomed to early failure.

What, then, might be the net effect of the kind of welfare program embodied in H.R. 1? It could expand dramatically the numbers on welfare in our nation, reduce significantly the amount of work performed, and raise ominously the taxes ordinary Americans may have to pay in order to finance a huge underclass of nonworkers and part-time workers who will have, with government approval, a vested interest in steadily increasing the level of income guarantee in the years ahead.

If anyone thinks "it can't happen here," he only has to look at New York City, where with a modified income guarantee in effect for the working poor, one out of seven people in that rich city are on welfare—that's 1,200,000 people out of 7 million, receiving close to \$2 billion in support from taxpayers.

#### WELFARE AND INFLATION

There is much more yet that is wrong and disturbing about the philosophy exemplified by H.R. 1. It is that such an expansion of the welfare state would threaten the middle class family with continued chronic inflation, just when the country is at last trying to come to grips with that danger.

The plain fact is that inflation and higher taxes have long been eating away the real gains in income of many middle class Americans. The Tax Foundation has calculated the experience during the 1960's of a hypothetical family, the Greens, having a 19-year-old son—a freshman in college—and a 17-year-old girl, a high school senior. Charlie Green makes \$11,000 a year, owns his own home, worth \$30,000, and commutes to his job by car. Total direct taxes (not counting hidden taxes) now take 32 cents out of every dollar of his income, compared to 23 cents ten years ago. Even though he earns \$3,500 more in salary than in 1960, there is no net gain. Higher taxes have taken over half his pay raise: \$1,768 to be exact. Inflation has taken the other half, since the dollar of 1960 has shrunk to 77 cents today.

Inflation and taxes in this country have been wiping out the gains in real income of tens of millions of poor and nonpoor families while our government leaders, again no matter how well-intentioned, have been fundamentally undermining our will to work for a living. The huge increase in taxes of the 1960's has not brought the people of this country the reduction in poverty, the increase in human welfare, or the improved quality of life that the liberal spenders promised us. Instead, they have brought the opposite.

No matter how hard Congress tries to "abolish poverty by 1976," poverty cannot be abolished by legislation, it can only be abolished by intelligent use of our resources to raise people's real incomes by economic growth and a stable dollar. Abolishing poverty by legislative fiat is a tragic and deceptive shell game to buy off the poor, while taxes and inflation eat away at their incomes and at the vital center of our confidence in intelligent economic advance.

#### GUARANTEE OPPORTUNITY, NOT INCOME

The National Chamber believes we need in this country to open, not close the door to job opportunity. We can guarantee opportunity for the poor and the nonpoor, for business and labor, not by more subsidies that swell the size of an already surfeited welfare state, but by getting our government fiscal house in order, winning the battle against inflation, which has been bleeding poor and nonpoor alike, and providing condi-

tions for stable, noninflationary economic growth and high employment.

The National Chamber is urging the Administration and Congress to develop a continuing new program which recognizes (1) that most AFDC families are on welfare because they have lost their regular breadwinner, and (2) that the long-range solution must be found in helping the family adult—in most cases, a mother—become a regular breadwinner.

This new program must emphasize occupational rehabilitation, and operate at the community level in our 130 larger cities (where the majority of AFDC families live). The goal must be to train able-bodied adults now on AFDC and to get them into jobs. This can be done by:

Identifying the manpower potential of AFDC adults in each of these communities.

Developing priorities among these adults for referral to job training.

Making expanded child care facilities available, so that AFDC mothers can take job-training and subsequent jobs.

Identifying shortages of qualified workers for entry-level jobs—on a continuing basis, through such methods as the Job Bank.

Providing adequate training allowances.

Continuing some welfare for a period of time; for about one year of regular full-time employment, to facilitate debt repayment and help overcome the uncertainties of initial job success.

Solution of the AFDC problem must be given top priority in any welfare reform. Additionally, the Administration and the Congress should develop a program for upgrading the regularly employed family heads whose present earning capacity is relatively low.

This approach should be centered on establishing public-afterwork training programs for those in "working poor" families. It would help those at lower-pay levels to improve their lot, if they have initiative and desire, and it would also help meet employers' needs for workers with better skills.

It would help solve the AFDC problem, because, as these workers moved up the ladder, jobs for AFDC adults would be opened.

Such a constructive two-part alternative is needed to solve our welfare problem. We do not need merely a welfare expansion bill.

#### A REPRIEVE

This review of the relationship of inflation to welfare schemes brings us full circle to H.R. 1 and its threat to overflow our welfare rolls, escalate our tax rates, and dry up the work effort of our people.

President Nixon has given us a reprieve. He has recognized that bold, new initiatives are essential to surmount our serious economic problems. And he has also recognized that it is time to set aside some of the old initiatives that threatened to lead us ever downward.

I heartily endorse his strong leadership in the struggle for economic stability, and I welcome his implied assessment of the family assistance plan as a program we cannot now afford.

But it is important to remember that where H.R. 1 is concerned, a reprieve is not a pardon. Nor is the decision to stall this costly program the President's alone. Business leadership will still be sorely needed to combat with all the vigor at its command the potentially disastrous effects of a guaranteed income.

Every businessman in this country, who cares about the social values which have made this nation great, should urge his senators to defer H.R. 1 not just for a year, but forever. Then let's get busy and find a real solution to the welfare problem. We in the National Chamber intend to do all we can, and we need your help.

## THE NORTHERN IRELAND SITUATION: A REPORT, NO. 15

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. BIAGGI. Mr. Speaker, an English inquiry panel recently investigated charges of brutality by British soldiers against citizens of Northern Ireland. Their conclusions were that there was no brutality. This is absurd.

I have been including in the RECORD over the last several weeks, affidavits of abuse and brutality. Bear in mind, that these are only a few of the cases. Many will not sign affidavits for fear of reprisals. The inquiry was nothing short of whitewash.

Mr. Speaker, we here in Congress must continue to protest the persecution and denial of rights that are daily occurrences in Northern Ireland. My resolution calling for a plebiscite in all of Ireland to determine the question of national reunification should be passed. To delay action is to deny to the citizens of Northern Ireland the justice they are due.

The report follows:

#### REPORT ON ARREST, INTERROGATION AND TREATMENT OF: JOSEPH HUGHES

Age: 45. Father of 10 children, ages 3-19. On Monday August 9, 1971 at about 4 a.m. my wife heard shouts and the door being broken down. There were 8 soldiers there. She woke me. She preceded me downstairs and was butted by a rifle in the stomach. My daughter Geraldine (16) was struck on the head with a baton. The officer in charge kept repeating, "Hugh Joseph Hughes" (not my name). Another said, "let's have him." The soldiers were agitated and in hurry and kept saying, "the women will be out any moment."

I was pulled by the hair on to the street, batoned on the head and kicked on the leg. I was then forced to run 400 yards in my bare feet to a truck.

The children upstairs panicked and screamed as I was rushed off. My wife was butted with a rifle as she protested to the soldiers.

I was transferred to a lorry, made to be face down on the floor, covered with blankets and struck with rifles. There were other detainees in the lorry, some lying on top of each other.

The lorry drove off to collect other detainees. We reached Girdwood Army Barracks about 7 a.m. I was pushed off the lorry and on to the ground. I was put into a room and interrogated, (name, address, politics etc.) During the morning a number of detainees were maltreated by the army in full view of the police.

About 12 noon I was removed to Crumlin Road jail. There were two other detainees in the cell, one was taken away later. I was kept there until Tuesday night 10 August at 11 p.m. I was finally released at 11:45 p.m. I was refused transport home and had to go up Cliftonville Road, while there was a lot of shooting in the vicinity.

My specific complaints are:

1. Injuries to myself:

- (a) From batoning
- (b) A severe stomach wound inflicted by a soldier with his gun when on the lorry
- (c) Blisters on my heels and feet from forcible exercise over the obstacle course
- (d) An army injury received when I refused to sing "The Queen"

- (e) Wounds on hands and legs from kicks
2. Obscene language—e.g.:
  - (a) On the obstacle course "Run and train like soldiers, you bastards."
  - (b) In the lorry, "Your Virgin Mary was the biggest whore in Bethlehem."
  - (c) Also in the lorry, "Sure they are all the Pope's bastards."

## FAVORABLE ACTION TAKEN BY HOUSE BANKING AND CURRENCY COMMITTEE ON VARIOUS LEGISLATIVE PROPOSALS

### HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. PATMAN. Mr. Speaker, on November 16, the House Banking and Currency Committee met in executive session and took action on several bills. It has been requested that these bills be placed on the next suspension calendar, which I believe will be Monday, December 6. The ranking minority member of the committee, the Honorable WILLIAM B. WIDNALL, and the full committee are in accord with the request to have these bills placed on the suspension calendar for this date.

In an effort to provide the Members of the House with as much information on the import of this legislation as soon as possible, I am taking this time to inform the Members of the legislation which the committee favorably reported and provide a brief analysis of each of the substantive provisions thereof.

The House Banking and Currency Committee, by a vote of 25 to 0, favorably reported H.R. 11452, to amend the National Flood Insurance Act of 1968 to extend for 2 years—until December 31, 1973—the date by which an area must have adopted adequate land use and control measures in order to qualify for flood insurance coverage and the date as of which the existing authority for emergency Federal implementation of the program will expire, to suspend—until December 31, 1973—the existing provisions making flood insurance coverage a condition of Federal disaster assistance, and to assure the inclusion of church properties among those for which flood insurance is provided.

H.R. 11452 basically extends and amends certain provisions of the National Flood Insurance Act of 1968. The National Flood Insurance Act was enacted as part of the omnibus 1968 Housing and Urban Development Act after almost 15 years of consideration by the Congress. Under the 1968 act, in order to qualify for flood insurance, a comprehensive flood study of the community by the Corps of Engineers would have to be undertaken and completed so that an actuarial basis upon which to write the flood insurance policies could be determined. For many communities this would represent many years before they could qualify for this coverage. In the 1969 housing bill, with the cooperation of our distinguished ranking minority member, the emergency flood insurance program

was enacted, which waived the comprehensive flood study for flood prone communities and permitted the Federal Flood Insurance Administrator to determine a proper premium rate to be charged. There is no question that this program has proved most successful and popular throughout the country, but more important, it has provided essential flood insurance for many areas of this country who need this coverage immediately. At the present time some 653 communities have Federal flood insurance coverage and of these 653, some 433 are covered under the emergency flood program. This program expires on December 31, 1971, and must be renewed for another 2 years if these communities are to be able to keep their flood insurance.

Another section of H.R. 11452 would extend for 2 years—until December 31, 1973—the date by which an area must have adopted adequate land use and control measures in order to qualify for flood insurance coverage. Many communities just now being covered by flood insurance face a much too early time within which to make adequate provisions for land use and control measures.

Section 3 of H.R. 11452 would suspend until December 31, 1973, the existing provisions of the Flood Insurance Act prohibiting Federal disaster assistance to the extent that flood insurance is available in an area.

Finally, Mr. Speaker, section 4 of H.R. 11452 amends the Flood Insurance Act and makes it clear that church properties are to be included in the definition of those properties eligible to be covered.

Mr. Speaker, the second bill which the committee favorably reported is H.R. 11488, which, if enacted, would amend section 404(g) of the National Housing Act by striking out "1.75 percent" and substituting in lieu thereof "1.60 percent." An amendment to this bill was adopted, which amends the Housing and Urban Development Act of 1965.

The purpose of the two sections of H.R. 11488 are as follows: By changing the ratio of insurance reserves held by the Federal Savings & Loan Insurance Corporation to insured savings from 1¼ percent to 1⅓ percent, it would provide an estimated \$450 million in additional funds which savings and loans could make available for home mortgage loans, rather than being forced—as existing law would require—to prepay such funds into the FSLIC. This would be the effect of this amendment. In no way would the FSLIC fund be impaired.

Present law requires that if the ratio of the Federal Savings & Loan Insurance Corporation reserves to insured savings falls below 1.75 percent by December 31 of a given year, member savings and loan associations are required to commence prepaid insurance premiums equal to 2 percent of their savings growth during the year. It was not anticipated that FSLIC reserves would fall to 1.75 until 1973 or 1974—by which time the Congress would have worked out a more permanent and stable method of maintaining an adequate FSLIC financial structure. There has been, however, an ex-

traordinary increase in insured savings in 1971—which has been extremely helpful in stimulating home building—and the reserve ratio may drop to 1.75 or slightly below by December 31, 1971. The reserve ratio decline is solely the function of the increase in savings and does not reflect a reduction of dollar reserves.

By changing the 1.75 in existing law to 1.60, the triggering of the prepaid premiums can be postponed for a year, giving Congress enough time to review this matter and time to devise a permanent system for generating FSLIC reserves. This amendment would leave the FSLIC reserves at a very adequate level—substantially above the 1.25 reserves existing for the Federal Deposit Insurance Corporation.

The amendment adopted to this legislation by the committee would extend the waiver of conformity to comprehensive planning as a prerequisite to water and sewer grants. This waiver expired as of October 31, 1971, and this section would reinstate it to June 30, 1972.

Mr. Speaker, H.R. 11488 as amended passed the committee unanimously.

Mr. Speaker, the House Banking and Currency Committee also favorably reported, with amendments, House Joint Resolution 838 which, if enacted, would defer until January 1, 1973, the effective date of an amendment to section 5219 of the revised statutes relating to the taxation of national banks by States, by a vote of 21 to 4.

Basically, Mr. Speaker, Public law 91-156 revised the law as regards the ability of States to tax national banks. This act provided for a two-step revision of Section 5219 of the revised statutes. For the period from December 24, 1969, through December 31, 1971, this law permitted the home State of a national bank to subject such bank to any tax that is imposed generally on a nondiscriminatory basis throughout the taxing jurisdiction—other than a tax on intangible personal property. The interim provisions also authorized imposition of a number of taxes on national banks that have their principal offices outside the taxing State, if the tax is imposed generally throughout the taxing jurisdiction on a nondiscriminatory basis. Such taxes included sales and use taxes, taxes on real property, documentary stamp taxes, taxes on tangible personal property, and taxes imposed on the ownership, use or transfer of tangible personal property.

This act also directed the Board of Governors of the Federal Reserve System to make a study to determine the impact on the banking system and other economic effects of these changes in existing law, especially the effects of allowing States to impose intangible property taxes, so-called doing business taxes and other similar taxes on national banks. The Board of Governors of the Federal Reserve System concluded its study and states that additional legislation is needed before the permanent amendment becomes effective on January 1, 1972. The House Banking and Currency Committee has not had the time to delve into this matter in detail. It is, therefore, for this reason that this ex-

tension has been recommended by the committee.

Finally, Mr. Speaker, the House Banking and Currency Committee, by a vote of 14 to 11, favorably reported House Joint Resolution 944, with an amendment. The effect of this legislation, if enacted, as amended, would retain for an additional 6 months, until June 30, 1972, the discretionary authority which the Secretary of the Department of Housing and Urban Development and the Director of the Veterans' Administration have with respect to the establishment of FHA and VA mortgage interest rates at levels determined necessary to meet mortgage market rate conditions.

Also, the committee adopted an amendment which would allow the Government National Mortgage Association, for a period of 6 months after enactment, to issue commitments to purchase mortgages where the original principal obligation does not exceed more than 50 percent of the limitations now contained in existing law. This means that in high-cost areas GNMA would be allowed to issue commitments on FHA-insured mortgages where the original principal obligation amounts to a range of \$33,000 to \$36,000, whereas now they are limited to issue commitments to purchase mortgages only up to a range of \$22,000 to \$24,000.

Mr. Speaker, as indicated initially, my reason for making this statement is to provide the Members of this body with the basic information necessary to consider various proposals which, hopefully, the Speaker will place on the suspension calendar for December 6. Certainly at that time, if recognized for this purpose, as chairman of the committee, I shall endeavor to fully explain these proposals and attempt to answer any questions that may be raised.

#### AVIATION IN ALASKA

#### HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. BEGICH. Mr. Speaker, aviation plays a major role in communication and transportation in Alaska. As a result, it is absolutely necessary that the industry be safe and reliable.

Much of the responsibility of assuring that the aviation industry is safe and reliable depends on the flight and ground school instructors. It is their responsibility to provide the aviation industry with qualified men and women. Through their dedication and service, they have shown they are committed to this responsibility and will continue to make Alaska's air travel safe, reliable, and efficient.

In an effort to show our gratitude for the dedication shown by these people, Gov. William A. Egan of Alaska proclaimed the week of October 24, 1971, Alaska Flight and Ground School Instructor's Week. I am proud of the work done by these instructors, and they can

be proud of their magnificent contribution to the growth of aviation in Alaska.

I am including a copy of the proclamation for my colleagues' inspection:

**PROCLAMATION—ALASKA FLIGHT AND GROUND SCHOOL INSTRUCTORS' WEEK**

The air commerce and general aviation industry has contributed immeasurably to the growth and development of the state of Alaska and shall continue to play a vital role in the future development of this great, sovereign state.

The state of Alaska recognizes the important functions of all flight and ground school instructors in their continuing dedicated effort to foster and promote safe flight standards in all fields of aviation in Alaska.

The Alaska Transportation Commission is the sponsoring agent for a Flight Instructor Clinic to be presented in Anchorage by the Federal Aviation Administration during the month of October 1971.

Therefore, I, William A. Egan, Governor of Alaska, do hereby proclaim and call upon the people of our state to observe the week beginning October 24, 1971, as Alaska Flight and Ground School Instructors' Week to be dedicated to the Alaska flight and ground school instructors in recognition of their continuing efforts to raise the standards of aviation and assure high quality of aviation training to present and future Alaskan pilots.

Dated this 19th day of October, 1971.

WILLIAM A. EGAN, Governor.

**RESOLUTION—HOPE FOR PEACE IN IRELAND**

**HON. LESTER L. WOLFF**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. WOLFF. Mr. Speaker, the Congress and the people of this country have been deeply concerned over recent developments in Northern Ireland, especially with the growing violence and killing as a result of the hostilities between the Catholic and Protestant factions in this dispute.

I have joined with a number of my distinguished colleagues in introducing a sense of Congress resolution expressing our fervent hope for peace and setting forth our wish to see a unified Ireland, with an end to this tragic strife.

Thus, I am especially pleased to call to the attention of my colleagues in the House a resolution recently adopted by the Bedding, Curtain & Drapery Workers Union of New York, AFL-CIO, which similarly expresses the hope that this turmoil and discrimination cease in Northern Ireland.

**RESOLUTION**

Whereas, the Catholic population in Northern Ireland is a minority which has been subject to discrimination in housing, employment and voting rights by the Protestant majority of Northern Ireland; and

Whereas, at the request of the government of Northern Ireland, Great Britain has dispatched armed troops to aid the Protestant dominated government in suppressing the efforts of the Catholic minority to obtain equal rights, justice and opportunity; and

Whereas, the presence of the British troops has led to increased hostility and polarization between the peoples of Northern Ireland; and

Whereas, the Protestant Prime Minister of Northern Ireland has invoked "emergency

powers" which permits the incarceration of the Catholic minority without trial; and

Whereas, the presence of British troops and the invocation of "emergency powers" has resulted in the death of at least seventeen people, the arrest of hundreds more, and the wholesale suspension of the Catholic minority's civil liberties;

Therefore, it is hereby resolved that the members of Local 140, U.F.W.A., are strongly opposed to British military intervention and the support which it provides the oppressive majority, and hereby demands that the British Government immediately withdraw its military forces from the territory of Northern Ireland as a step toward unity of all Ireland and freedom.

**ALTERMATT OF CONNECTICUT**

**HON. ROBERT H. STEELE**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. STEELE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

[From Journal of American Insurance, NOVEMBER-DECEMBER, 1971]

**ALTERMATT OF CONNECTICUT**

Connecticut may be known officially as the Constitution State, but to millions of Americans it's the Insurance State, and with good reason.

Hartford, the state capital, has practically become synonymous with the word "insurance." In all, some 59 insurance companies with total assets of more than \$30 billion have home offices in the state. Over 42,000 persons are employed in the state's insurance industry.

The list of Connecticut insurance "firsts" is long, but a few of them are:

The first auto insurance policy.

The first aviation policy.

The first accident insurance policy.

The first industrial engineering organization designed to reduce the number and severity of industrial accidents.

The first life insurance policy for astronauts in space.

Diversification, however, is the key to Connecticut's economy. One of the smallest states in the nation (it ranks 24th in population and 48th in area), it has the highest per capita personal income, is 12th in total value added by manufacture, and in 1970, had a gross state product of \$17.8 billion.

Of the total GSP, some 38 percent was attributable to the output of manufactured products; the services on nonmanufacturing establishments added another 61 percent, and agriculture made up the balance.

Today, the state is a national leader in the production of aircraft engines, helicopters, submarines, bearings, silverware, copper rolling and drawing and the cold finishing of steel shapes.

Connecticut ranks first in the nation in the per capita number of industrial research laboratories, and in recent years there has been an influx of major business organizations relocating corporate headquarters or executive offices in the state.

During the past three years such noteworthy names as American Can Company, International Business Machines, Xerox Corporation and Schweppes, Limited, have constructed or announced plans for new facilities in the state.

Helping to underwrite the economy of Connecticut is the insurance industry which supervises the activities of the 633 insurance companies licensed to do business in the state. Heading the department is Paul B. Altermatt who was appointed Connecticut In-

urance Commissioner on February 10, 1971, to a term which will expire on March 1, 1975.

Commissioner Altermatt attended New Milford public schools in Connecticut, and later graduated from Wesleyan University in Middletown. From 1951 to 1953 he served as a U.S. Marine Corps officer and had a tour of duty in Korea.

In 1956, he was graduated from Georgetown Law School, Washington, D.C., and was admitted to practice law in the state and federal courts of Indiana and Connecticut. In 1957 and 1958 he practiced law in Muncie, Indiana, and then returned to Milford where he became a partner in the law firm of Cramer and Anderson, serving until he resigned to take up his state duties.

Commissioner Altermatt is a member of the American Bar Association, the Indiana Bar Association, the Connecticut Bar Association, Danbury Bar Association, and Litchfield County Bar Association. He is also the former town attorney of New Milford and Bridgewater, and former chairman of the United Fund and Milford Hospital Fund Drive. He is also a long-time member of the New Milford Board of Education.

As a member of the National Association of Insurance Commissioners, he serves as Chairman of Zone 1, which includes eight Eastern states and the Virgin Islands. He is also a member of the NAIC Committee on Financial Condition, Examination and Reporting. In addition, he serves on the group's Valuation of Securities Subcommittee, and the Subcommittee to Consider Elimination of Reinsurance Offset in Model Rehabilitation and Liquidation Act, where he is vice chairman.

Commissioner Altermatt, 41, is married to the former Ann Taylor. They have five children.

**PRESIDENT NIXON SHOULD TAKE ACTION ON CHEESE IMPORTS**

**HON. GRAHAM PURCELL**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. PURCELL. Mr. Speaker, President Nixon should delay no longer in taking action on the Tariff Commission's recommendations on quota-type cheese costing 47 cents a pound or more.

The Commission, at the President's request, held hearings earlier this year and submitted their recommendations to him on July 28. At that time they recommended that the 47-cent-price break be eliminated and that those cheese types costing over that amount be placed in the same quota with their less costly counterparts.

Though more than 3 months has passed, the President has done nothing.

Unfortunately cheese costing more than 47 cents a pound, still outside of quota, is coming into this country at a far greater rate than last year. For the first 9 months of 1971 these were running 10 to 15 percent above the same period last year.

I believe that much of this increase is due to the fact that importers are trying to get as much shipped in as they can before quotas are imposed by Presidential action. Thus any delay on the President's part in taking action is only playing into their hands, to the detriment of the domestic dairy industry.

For these reasons it is imperative that the President take early action.

TELL IT LIKE IT IS

**HON. ROBERT H. STEELE**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. STEELE. Mr. Speaker, in politics as in advertising, these days, the emphasis is on youth. Our advertising experts tell us that the youth market is of prime importance—that young people set the styles, and will be tomorrow's major customers. As for politics, there are few among us who do not expect the new young voters to be a decisive force in the next elections.

It is one of the great strengths of Radio Free Europe and Radio Liberty and they have won a solid and increasing place in the minds of young Soviet citizens and young East Europeans. The letters they receive confirm this more and more. And RFE's audience surveys show that the steady growth in listenership which this station enjoys is coming primarily from the 16-to-25 age group.

Here are the figures—based on public-opinion polls conducted by leading West European opinion-testing institutes among East European visitors to the West.

In Czechoslovakia, the percentage of persons 16 to 25 who listen to RFE jumped from 40 percent to 65 percent between 1965 and 1969.

In Hungary it jumped from 53 percent to 67 percent, and in Poland from 35 percent to 56 percent.

In the first two countries, RFE now attracts larger proportions of youth than of any other age groups.

In Poland the young listenership has almost drawn even with the others.

RFE's music programs have had an effect in attracting the young. But as a Hungarian boy recently wrote to Radio Free Europe:

We don't turn off the station while it broadcasts news . . . often we listen to you on the streets; the policeman stands by and pretends not to hear it. Three boys in our group are sons of Party officials, and the same is true about their fathers.

As that letter suggests, music may have initially brought a lot of young listeners to Radio Free Europe, but the radio's youth-oriented programs have held this new audience and made it a permanent one. First there is Radio Free Europe's straightforward, no-nonsense news about internal affairs of East Europe and the outside world. But also there are lively talk programs for youth, conducted by East Europeans—many of them young and only recently arrived in the West—who have learned from their own experience what it is like to be cut off from the world and even from the truth about one's own country. These programs deal with ideals, discussions and dissent among Western students, fun and fashion, films, books, religion, and history. They include free-speaking roundtable conferences and interviews which are widely popular.

A Rumanian student writing to the *Neue Literatur*—a cultural publication in his own land—in February of this

year, explained the need for such programs. He wrote:

Here we are not used to discussions. Our heads are stuffed with the ideas and theories of other people. We do not ask for freedom to act, but why are we denied the freedom to think?

East European governments worry about their young people listening to youth-oriented programs from the West. They know that it creates a pro-Western cult, which has an underlying political significance. Nevertheless, the East European radios have been forced to copy such broadcasts and air them at the very same time Radio Free Europe does its own. Poland, Czechoslovakia, Hungary, Rumania, and Bulgaria all do this.

Hungarian officials who try to guard the ideological purity of young people have gone even further. Back in 1965, when Radio Free Europe introduced a late-afternoon program of music and talk called Teenager Party, the national youth organization's monthly journal admitted that the "overwhelming majority of the young people are definitely enthusiastic" about that program.

There have even been direct admissions of Radio Free Europe's impact. The Soviet official youth publication *Komsomolskaya Pravda* said last May that Western nonpolitical programs directed toward youth are "seemingly innocent"—but, it warned, the 16-year-olds who today are only interested in these programs will become accustomed to listening to Radio Liberty and Radio Free Europe and will begin to listen to other programs of these stations.

In May of last year, there was a particularly frank appraisal of Radio Free Europe in the Czechoslovak Communist Party's theoretical journal, *Nova Mysl*, based on a study of listenership by the Czechoslovak radio itself. The writer said this study revealed that Radio Free Europe was the most popular of foreign radio stations among Czechoslovak listeners of all ages, and especially popular with youth. The author went on, and I quote:

Analysis of the sociological structure of the respondents shows that the number of listeners was substantially higher among young people and among people of higher education, who are clearly interested in gathering information from the largest number of sources. . .

The telling point here, I think, is the admission that Radio Free Europe's listenership is highest among the young and the well educated, who want "information from the largest number of sources." The standard propaganda line against Radio Free Europe and Radio Liberty used to be that they were "cold war instruments," staffed by aging refugees who had lost touch with their countries, capable only of anti-Communist polemics or extravagant claims for the capitalist system. But that line has changed—at least among responsible critics in East Europe. They recognize that these stations concentrate on events and trends within the East European societies themselves, and that they know what they are talking about. Especially they recognize that these stations speak the same language as the young and imaginative and liberal-thinking element inside East Europe.

Czechoslovak Party leader Gustav Husak, on the day he took over from Dubcek in April, 1969, complained that the journalist and writers and intellectuals who had tried to create "socialism with a human face" in 1968 were still thinking and saying the same things a year later . . . and that Radio Free Europe was talking their language. Husak said:

If one reads the monitoring of Radio Free Europe, one finds the same things—the same way of speaking—and frequently the same terminology as one does in the writings of some of our publicists.

And a year earlier, the Polish Party Central Committee's chief of "Educational Affairs"—that is, ideological indoctrination—complained that the March 1968 demonstrations of students and writers in Poland had provided ammunition for Western broadcasters. He said:

Free Europe could proclaim to all and sundry that it had not invented an "anti-regime affair," but had merely provided a platform for the writers of Poland.

In short, what Radio Free Europe and Radio Liberty are doing is to drag facts and ideas out into the light of day, where young East Europeans can examine them and make up their own minds. And I need hardly add: the way they make up their minds will affect the future of our young people as well as themselves.

We can even hope that this ventilating of facts and ideas will persuade the Communist governments themselves to give their youth a chance to think. Let me quote again from the Soviet youth journal, *Komsomolskaya Pravda*, on May 29 of this year. It said that Soviet publicists could draw serious lessons from the work of Radio Free Europe and Radio Liberty, and added:

The press reports which we publish should deal more openly with the unfavorable aspects and developments of our society. It is better for us to analyze these aspects ourselves than to wait for the commentaries of Western radio stations . . . We fail to impress many people these days by talking about the "bared teeth of savage imperialism." We must analyze things more thoroughly for our young people.

When official radio in the Communist bloc acts seriously on this recommendation, it will start to draw listeners away from Radio Free Europe and Radio Liberty. Until their competition follows their route, however, Radio Free Europe and Radio Liberty have an important role to play.

WILL THE U.N. EXPEL THE UNITED STATES?

**HON. JOHN R. RARICK**

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. RARICK. Mr. Speaker, the approval of this Congress to permit the President to authorize purchase of chrome ore from Rhodesia so long as this country is dependent on Communist



sources as the sole supplier was signed into law yesterday at noon. Such action by this Congress to approve of non-Communist sources for strategic materials vital to our national security and defense drew immediate retaliation from the United Nations. By a vote of 106 to 2 the United Nations sought by the use of world propaganda to intimidate the President of the United States to violate the laws as well as the security of the people of his own Nation.

The interesting follow up to the U.N. called for prohibition of trade with Rhodesia was U.S. approval of \$528 million in export licenses for sophisticated U.S. equipment to be shipped to a truck factory in the Soviet Union.

The expulsion of the Nationalist Chinese may prove to be to their benefit. In fact, many informed Americans feel that expulsion of the United States by the United Nations "peace bloc" would benefit the United States. And they would expel the United States if it were not that we were bankrolling the organization and furnishing the real estate as well as supplying the barn which houses the conspirators.

I include the following related news clippings:

[From the Chicago Tribune, Nov. 17, 1971]  
U.N. VOTES 106 TO 2 TO BAN CHROME DEAL  
(By William Fulton)

NEW YORK.—Members of the United Nations General Assembly, including Red China, today ordered the United States to continue its ban on the importation of chromium ore from Rhodesia.

The vote was 106 in favor, 2 against with 13 abstentions.

The resolution attempted to force a reversal of congressional action permitting President Nixon to purchase the ore from Rhodesian sources as long as this country is dependent on the Soviet Union as the sole supplier.

The U.N. Security Council in 1968 embargoed the ore along with other Rhodesian products in an effort to bring the Salisbury white minority government to its knees.

#### HAS CONGRESS' OK

Both houses of Congress have approved the new legislation, which is awaiting the President's signature. The United States did not participate in today's voting on the grounds the matter was still in the constitutional process.

"We do not participate," announced Astronaut Alan B. Shepard Jr., a U.S. delegate, when his country's name was called.

Portugal and South Africa cast today's negative votes. Abstentions were registered by Belgium, Brazil, Britain, Canada, Dominican Republic, El Salvador, France, Greece, Guatemala, Italy, Luxemburg, Malawi, and the Netherlands.

Today's attempt by the assembly to apply pressure upon a sovereign state in the midst of law-making procedure was unprecedented.

#### CONCERN TOLD

The U.N. resolution expressed the assembly's "grave concern at the recent legislative moves in the Congress of the United States of America which, if carried thru and confirmed, would permit the importation of chrome into the United States from southern Rhodesia and thus would constitute a serious violation of the above-mentioned Security Council resolution imposing sanctions against the illegal regime in southern Rhodesia."

A key operating clause called upon the Government of the United States to take the "necessary measures" to prevent Rhodesian imports. It reminded Washington of Article

25 of the U.N. Charter stating that member countries would carry out Security Council decisions.

The resolution requested the government of the U.S. report to the assembly on the action taken.

Twenty-four countries most of them African, drew up the resolution. The Soviet Union hopped on the bandwagon.

#### TERMED ILLEGAL

Soviet Delegate Ivan G. Neklessa charged that the "illegal Ian Smith regime" in Rhodesia was being supported by the United States, Britain and other North Atlantic Treaty Allies.

Ambassador Huang Hua, delegate for the Communist People's Republic of China, said that his vote for the current resolution did not imply it had supported previous resolutions on this subject. This was interpreted to mean that past action had not been severe enough.

Rako Naco of Communist Albania said his delegation would have preferred a stronger resolution even to the point of condemning "United States imperialists."

Hassan Kaid Abdulleh of Somalia charged the American Congress has defied the U.N. by its vote.

#### RESUME ARMS DEBATE

The assembly resumed its debate on a Soviet proposal for a world disarmament conference, postponed until the arrival of the Red Chinese delegation. Representatives of Poland, Bulgaria and Hungary, Soviet satellites, were among the speakers.

Western delegates regard the matter as a grandstand play for Afro-Asian delegates demanding a greater voice in U.N. disarmament talks. The Westerners feel a global conference would be too unwieldy for effective negotiations.

[From the Washington Evening Star,  
Nov. 18, 1971]

#### NEW CHROME LAW PUTS ADMINISTRATION ON SPOT

The White House is being studiously indecisive about the new law allowing U.S. imports of Rhodesian chrome in direct violation of U.N. sanctions against the rebel white regime in Africa.

The law was contained as an amendment by Sen. Harry F. Byrd Jr., I-Va., in the \$21.3 billion military procurement legislation signed yesterday by President Nixon.

Byrd argued that resuming chrome imports from Rhodesia allows the U.S. to break its current dependence on the Soviet Union for this strategic material, which is used mainly in the manufacture of steel.

But White House press secretary Ronald L. Ziegler and State Department officials noted yesterday that the amendment does not become effective until Jan. 1. Ziegler said the United States would make no comment or take any action to "jeopardize" the current negotiations between Britain and Rhodesia to end the rebellion.

#### PROTESTED IN U.N.

The chrome amendment has caused a storm of protest in the United Nations. On Tuesday the General Assembly voted 106-2 to condemn the United States for breaking the Rhodesian embargo. Yesterday angry black African delegates threatened to take the matter to the U.N. Security Council.

But the more immediate problem for the Nixon administration is the impact of the law on relations with Britain. British Foreign Secretary Sir Alec Douglas Home is now in the Rhodesian capital of Salisbury negotiating a compromise with the all-white regime, and the British have suggested this symbolic American break of the sanctions undermines a "tough" British position.

American officials admit that the new law, requiring the President to admit Rhodesian chrome into the U.S. so long as that ore is

bought from Communist countries, is in violation of the U.N. charter. But the legislation is perfectly legal, they say, since a U.S. statute, effective subsequent to provisions of a treaty, prevails over the obligations of that treaty.

#### MOST FROM SOVIET UNION

Last year the United States imported about \$35 million worth of chrome, nearly 60 percent of it from the Soviet Union. The administration, in opposing the Byrd amendment in Congress, argued that the huge U.S. stockpile of this strategic material was sufficient guarantee against over-dependence on the Soviet Union.

Now the administration, according to U.S. officials, is studying the new law to see whether any loopholes exist in administering it. In the meantime they are playing down the importance of this congressional mandate to break the U.N. charter.

[From the Washington Evening Star,  
Nov. 18, 1971]

#### FACTORY TOOLS—\$528 MILLION SALE TO RUSSIA OKAYED

(By George Sherman)

The Commerce Department today announced approval of \$528 million in new licenses for American equipment to be shipped to a truck factory in the Soviet Union.

It is the second announcement of a multi-million dollar trade deal with the Soviet Union by the Nixon administration this month. On Nov. 5 the administration said \$136 million in seed grain was being sold for cash to the Soviet government.

The announcement today covers 54 licenses for truck and machine tool equipment to go to a foundry at the Kama River truck plant. The licenses, which cover potentially defense-related equipment, have been approved by both State and Defense departments.

#### STANS VISITING RUSSIA

The announcement follows by only a day the departure for Moscow of Commerce Secretary Maurice H. Stans on a mission to increase trade with the Soviet Union. He is scheduled to stay 10 days, returning Dec. 3 by way of Warsaw.

Before leaving yesterday, Stans is reported to have told a group of leading American businessmen in New York that the administration sees a potential of \$5 billion in trade developing annually between the Soviet Union and the United States.

Given the current tally on Soviet-American trade, the estimate is considered startling by experts here. Last year the United States exported \$118 million in goods to the Soviet Union, and imported \$72 million from there. So far this year U.S. exports to the Soviet Union are running at \$111 million, with a projected total for 1971 of \$150 million.

Imports to the United States from Russia have declined. For the first nine months this year they were only \$48 million, with a projected total for this year of \$65 million.

But Commerce Department officials point out that licenses given for trade of potentially defense-related materials have increased enormously. So far, \$1,112,000,000 worth of licenses have been given this year for such trade to the Soviet Union.

Officials note that administration has launched a calculated campaign to increase trade as a preliminary to President Nixon's scheduled trip to Moscow in May. This decision reflects the conclusion in policy-making circles that Moscow, partly because of its conflict with China, has decided to reach long-term agreements with the West.

Last June the administration sought to stimulate trade with the Soviet Union by taking grain and many other items off the list which requires prior government consent to export to the Communist bloc. It did this at the same time it announced the relaxed trading restrictions for Communist China.

The 54 licenses authorized today come on top of 15 others worth \$461 million already authorized for the Kama River truck plant. The over-all project is estimated to be worth \$1.5 billion and is going forward despite the decision by the Mack Truck Co. to withdraw from another \$750 million deal regarding that plant.

The material authorized for the foundry today includes equipment and machine tools to manufacture truck axles and transmissions, plus the furnaces to produce crankshafts and gears.

Under American law, the U.S. government can approve these exports if it can show they will not be for military use and that the same equipment could be obtained by the Soviet Union from non-U.S. sources.

#### COMPUTER HARDWARE AND TECHNIQUES IN UNITED STATES UNDERUTILIZED

### HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. HANNA. Mr. Speaker, I have long been concerned about the underutilization of the computer hardware and techniques developed in this country. If we are to remain out in front in this exciting field, we must give greater attention to broadening the practical application of the techniques and hardware. I am including recent correspondence with the National Bureau of Standards Center for Computer Sciences and Technology. I am sure my colleagues in the House will find it worth their attention and concern:

OCTOBER 12, 1971.

Mrs. RUTH M. DAVIS,  
Director, Center for Computer Sciences and Technology, National Bureau of Standards, Gaithersburg, Md.

DEAR Mrs. DAVIS: I want to thank you for your thoughtful and most helpful testimony before the Science Research and Development Committee, of which I am a member.

I wish to ask you two questions to be answered in writing for the record. I have long been concerned about the gap between the potential of computer hardware and the level of utilization of that hardware. I believe that this gap is due to the fact that we have two kinds of specialists (computer technicians and problem area subject matter specialists) who often are unable to communicate effectively with each other. The failure to interface computer expertise and social problems leads to underutilization of computers.

Is it your experience that the quality of performance of the Center is related to the quality of the inputs developed for computers?

Is it your opinion that the value of computers is closely related to the quality of the systems that generate the activity for which the computer is adopted?

I would very much appreciate your views on these matters. Please forward copies to me and to the Committee.

Thanking you in advance, I remain

Yours sincerely,

RICHARD T. HANNA,  
Member of Congress.

NATIONAL BUREAU OF STANDARDS,  
Washington, D.C., November 17, 1971.

HON. RICHARD T. HANNA,  
House of Representatives,  
Washington, D.C.

DEAR MR. HANNA: Thank you for your letter of October 12 requesting additional information relative to my testimony before

the Subcommittee on Science, Research and Development on September 22.

Your observations and questions concerning the gap between the potential of computer hardware and the level of actual utilization of that hardware are most perceptive. The effective utilization of computer resources is a problem of serious concern to the Center for Computer Sciences and Technology at a time when there is a need to insure that computer services meet the needs of the computer customer.

I have attached an answer to the two questions you have raised. Because of the interrelationship of the two questions, I have answered them as a single question. I am sending copies of this correspondence to Mr. Philip Yeager for use by the Subcommittee as you requested.

I would be happy to provide any further information you may want regarding the subject of computer utilization.

Sincerely,

RUTH M. DAVIS, Ph. D.,  
Director, Center for Computer Sciences  
and Technology.

Question 1. Is it your experience that the quality of performance of the center is related to the quality of the inputs developed for computers?

Question 2. Is it your opinion that the value of computers is closely related to the quality of the systems that generate the activity for which the computer is adopted?

These two questions, as we view them, directly address a major problem we all face in dispelling unjustified misapprehensions and criticisms of computers. I should like to rephrase your questions as part of my answer, however, so that there will be no doubt as to what is my interpretation.

The first question highlights the relationships between the quality of computer services provided to customers and the completeness, accuracy, and timeliness of the information supplied to the computer system for processing. It also, and correctly so, implies the need for an adequately managed information system to insure proper inspection and analysis of the inputs to computer systems followed by the correction of detected errors and the insertion of missing relevant information.

I would be quite comfortable in rephrasing your question to state axiomatically that:

The quality of computer services is directly dependent upon the completeness, accuracy, and timeliness of the inputs available to the computer system. Conversely, if the handling of information being supplied for processing by a computer system is poorly done, then the computer services being provided will not be satisfactory to customers.

Some of the most frequent and, perhaps, most disconcerting examples of the relationship between quality of input and quality of computer services provided occur in computer-based systems for maintaining customer billings and providing account statements. The pervasiveness of computer usage for these functions has exposed large numbers of people to the frustrations of inaccurate billing statements caused by poor quality inputs to the computer. Some of these cases, such as a recent one involving the repossession of a citizen's automobile based on erroneous information from a computerized billing system, are submitted to the courts for resolution.

Some business enterprises have initiated significant legal actions to recover damages resulting from alleged inadequate performance of computer systems. *Scientific American* magazine's suit to recover damages caused by the inaccurate performance of a computer system to handle files on subscribers, and Transworld Airlines' suit relative to its computerized passenger reservation system are two examples of the growing concern of business over the quality of computer services. Most often, the causes of these

service problems are incorrect inputs prepared manually for computer processing.

Another example of this relationship involves the quality and accuracy of the software developed to run on computers. There is a tendency for customers to assume that the numerical results produced by their computers are accurate; however, in some cases this is an unwarranted assumption. For example recent validation tests of 27 computer programs for calculating least square representations of data showed that many of those programs gave poor results, some totally unacceptable. The major concern here is that important policy decisions may be made on the basis of computer-produced data which are invalid because of inaccuracy in the input data or in the computer software or both.

The second question addresses a very complex and significant topic about which much misunderstanding and confusion have arisen. It essentially contains its own answer. I should, therefore, like to rephrase the question as a set of descriptive statements as follows:

Computers are oftentimes acquired to perform some portion of the functions which are the responsibility of an existing organization. The newly acquired computers may perform in a different way, functions previously done or may perform new functions not done previously.

In either case, the services provided by the computer system are affected by the quality of performance of all the other organizational elements on which it depends. As a result, the actual value of a computer to a customer will be less than its realizable value when the computer is inserted into an organization of low quality performance. Similarly, the acquisition of a computer will not, *per se*, improve the quality of services provided.

Unfortunately, there are numerous examples of organizations planning the acquisition of a computer with high expectations of success in solving specific problems only to find later that the problems not only were not solved but, indeed worsened by the computer. Many local governments, for example, are finding that the acquisition of computers on an uncoordinated, departmental basis has not really solved their problems; instead the computer system makes more untenable problems in compatibility and information transferability between existing department systems. Frequently, this failure is due to narrow and inaccurate analyses of a single department's functions without regard to the interactions with other departments or without any serious attempt to streamline functions to create a quality environment in which the computer can function effectively. As a result, systems conflict with each other, create chaos in providing services, and drive operating costs upward. These difficulties, primarily the high operating costs, are forcing local governments to reappraise their computer utilization and perform comprehensive systems analyses across the whole spectrum of governmental functions in order to develop applications which are of sufficient quality and effectiveness to warrant the costs of implementation and operation.

Some eastern states are learning that computers, *per se*, will not improve the quality of services in the area of maintaining accountability of old oil and gas wells. These states, accustomed to maintaining a manual accountability of locations of such wells through files of old deeds, have attempted to automate the process. The input to the computer is information derived from deeds, a source which was inadequate even in the manual system. As a result, states which need to locate old wells to replace rotten wooden plugs in order to protect the environment against leakage and to prevent injury to people who might fall into the abandoned wells are finding that their expensive com-

puter systems provide little improvement over the manual system. This further illustrates the correctness of your concern about the value of a computer being dependent upon other supporting systems.

LEN B. JORDAN—IDAHO'S DISTINGUISHED CITIZEN OF THE YEAR

HON. ORVAL HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. HANSEN of Idaho. Mr. Speaker, when I came to the Congress nearly 3 years ago I was given so much assistance by so many of the Members that it would be impossible for me to recount. From my own State of Idaho, Senator LEN JORDAN smoothed the path, and continues to do so, at every opportunity. No newcomer to the Congress has ever had a finer friend and mentor than I have in Senator JORDAN. On Monday night in Idaho's capital city of Boise, I was honored to be present as the 45th All-Idaho Congress named Senator JORDAN as Idaho's Distinguished Citizen.

Ralph J. Comstock Jr., president of the Idaho State Chamber of Commerce, presided at the standingroom only banquet which was attended by business and professional leaders from all parts of Idaho. He pointed out that Senator JORDAN had more than met the criteria set for the distinguished citizen recognition, that is, "achievement in the highest traditions of individual enterprise, devotion to principle and service to his State and its people."

In private life, Senator JORDAN has been a laborer, cowboy, accountant, wool-grower, cattleman, and businessman. He enlisted in the Army during World War I and earned an officer's commission before his honorable discharge. The Senator worked in lumber camps and on ranches and utilized football scholarship to help him attain a degree in business administration. He was not only a varsity halfback but his scholarship is attested to by holding the key of Phi Beta Kappa.

Senator JORDAN has given more than 20 years of service to Idaho and the United States, serving in the Idaho House of Representatives, as Governor of Idaho; Chairman, U.S. Section, International Joint Commission; member, International Development Advisory Board and as a U.S. Senator.

Since their marriage, his wife Grace, an outstanding author and lecturer, has worked by his side and shared in his public service.

Mr. Speaker, as part of my remarks I include the letter sent by President Nixon to Senator JORDAN; the text of remarks made by Marcel Learned on "Len Jordan—The Man" and remarks made by J. Lynn Driscoll in presenting the award to the Senator:

WHITE HOUSE,

Washington, D.C., November 5, 1971.

DEAR LEN: Nothing could give me greater pleasure than to express my wholehearted concurrence in your selection as Idaho's Distinguished Citizen of the Year.

Your twenty years of public service as State Representative, Governor, and United States Senator speak for themselves of distinguished accomplishment and unswerving dedication to the public trust.

There is little one can say to embellish the high standard you have set, or to add luster to the effective legislative leadership that has earned you the confidence of the people of Idaho and the respect of your colleagues and associates.

As one who has valued your friendship, your judgment and your support, I am proud to join in tribute to you as a distinguished citizen of your State and your Nation.

Sincerely,

RICHARD NIXON.

LEN JORDAN—THE MAN

Address Given at the Presentation of the Distinguished Citizen of Idaho Award to the Honorable Len B. Jordan, U.S. Senator by Marcel Learned in Behalf of the 45th All-Idaho Congress

Senator Len, Grace, President Ralph, Ladies and Gentlemen:

I consider it my very good fortune, Len, to have been asked to speak at this presentation tonight. Over a long number of years it has been not only my privilege to have been associated with you professionally and in your business affairs, but, more importantly (to me, at least) as a personal friend.

Vividly do I remember the combinations of business and pleasure I have shared with you—particularly the visits we made together to some of the ranches in which you were interested.

I seriously debated with myself as to how I might structure this presentation—should I relate all the mass of statistics and accomplishments that this man has garnered over the years? Certainly his accomplishments are many—they are most impressive. Yes, they indeed are worthy of note. Still, it seemed to me that we have gathered here tonight to pay homage to Len Jordan—The Man—not his accomplishments—and in this respect it also seemed to me that we ought to explore a bit the Inner man of Len Jordan—what makes him tick—why has he been able to ascend to high places?

A few days after I mentioned to Jane that I had been afforded this opportunity for tonight, she handed me a clipping from the newspaper that she believed might be appropriate for a "theme," as it were, for what I have to say about Len Jordan—The Man. I liked the quotation and I want to share it:

"On his desk in Tokyo, the late General MacArthur kept a plaque inscribed as follows: Youth is not a time of life—it is a state of mind. You are as young as your faith—as old as your doubt; as young as your self confidence—as old as your fear; as young as your hope, as old as your despair."

I think that quotation fits Len Jordan—for he is, in his own way, a philosophical man. And as such, he is a young man—for he has faith, he has hope, he has self confidence—and he is a believer in the rights of others.

Faith—Yes, Len Jordan has faith—a faith that is of multiple facets, Grace Jordan has said that Len's faith was based upon a belief in three things—the honesty of human nature, a just and kindly God—and the law of averages. And Len has lived by those tenets all his life. He believes in people and he thrusts them—unless, of course, someone comes along such as occurred in Washington a couple of years ago. And then he used a part of his faith—his "law of averages." He felt he had more than a 50-50 chance that a quick blow to the chin of his opponent would give him the edge. And so it did—the potential robber lost his shirt and was most happy to make a speedy exit without any of Len's possessions.

Len Jordan has always been a God-fearing

man. It is interesting that when Len was attacked, he was on his way to the Senate Prayer Breakfast. He merely brushed himself off, said nothing to anyone, delivered that morning to the Senate Prayer Breakfast his speech entitled "The Good Samaritan," and then went about his business. It was only when his secretary noticed an ugly welt appearing over his eye that the story was reluctantly told later that day.

Len has solid religious beliefs—based upon the very practical approach that he needs the help of God in his everyday endeavors. It has been said that the prayers a man lives on his feet are just as important as those he says on his knees.

I think Len Jordan himself best epitomizes the honesty of human nature. Years ago, shortly after Grace and Len had come out of the Snake River Canyon and settled in Grangeville, Len had the opportunity to acquire an insurance agency. This agency had been run by a young man who had gone to the War. He was a pilot and he had been declared missing in action. The young man's father sold that agency to Len Jordan. Len took it and built the agency to more than double its previous size—then the soldier appeared on the scene, very much alive—and I'm sure we can all imagine the chagrin of the young man and that of his father who sold the agency to Len. It is a measure of the stature of Len Jordan—The man that he returned the business intact to that young pilot for exactly the amount he had paid for it when it was a much smaller business.

HOPE—Certainly Len Jordan—the man has—and has always had—hope. Len was caught in the depression days with his funds in a bank which closed for the bank holiday and that bank never reopened. Len, with a great wife and three small children, had but little else except a fine reputation, a willingness to work 18 hours each day, and a hope for the future.

A bank owned Kirkwood Bar Ranch, the "Home Below Hell's Canyon" that Grace Jordan made famous. The bank had confidence in Len Jordan. He believed his "law of averages" would help him succeed—Len Jordan had the faith that caused him to believe he could pay off on that ranch. Len and Grace fought the bears, they fought the cougars. Len rode the range in all kinds of weather—and they raised a family to their teens. Len worked tirelessly improving his wool and lamb output by better breeding practices. He kept his expenses trimmed to the bone. And eleven years after Len and Grace moved to the Canyon, hope had paid off for them. They had accumulated a modest stake and they moved their family to Grangeville. It was from Grangeville that Len Jordan was to ultimately launch his political career. Yes, Len had hope—he had faith—he believed in people.

And Len Jordan is a man of great self-confidence. Had that not been so, he would never have risen to the heights he has achieved. I'm sure, Len, that we might be forgiven for indulging just briefly in the political arena tonight. For it was self-confidence—belief in yourself—that elected you Governor of the State of Idaho. You were virtually an unknown back in 1950 within the political world, were you not? I'm told that in the first meeting wherein your possible candidacy was first discussed, you, Grace, Dave Doane and Bill Campbell comprised the entire "committee."

And it was the confidence displayed by Grace, Bill and Dave that provided the spark you needed to announce your intentions. I think I'd be remiss if I didn't mention that you had a formidable press section, Len. Grace, being the writer that she is, prepared your press releases, and Bill Campbell, being the errand boy that he is (excuse me, Bill) delivered those releases to the local newspapers. Incidentally, I think it of interest that one of Len's great friends today was his

Democratic opponent in that Governor's race, Calvin Wright. Well, each of us knows the results of all of your campaigns, Len. Grace has been a great campaigner with you, and you have had a multitude of great people to assist you. Your own self-confidence, your confidence in others, and their confidence in you, has always stood you in good stead.

And, ladies and gentlemen, may I indulge one bit further in the realm of politics. Len Jordan and Frank Church have made a great team in the U.S. Senate. Here, a Democrat and a Republican have stood side by side on those matters important to Idaho. And I think it a tribute when the Senator from the other side of the aisle recently said "Len, I hardly know how to say how much I shall miss you. Our relationship has indeed been ideal."

*Self-confidence*—Yes, indeed, Grace tells the story about Len having a very severe toothache one night when they lived in that *Home Below Hell's Canyon*. Grace's father was a country doctor who sometimes had to pull teeth. Len found the dental forceps used by the good doctor and decided he could pull his own lower molar. Things were going fine until the tooth was about half out and the forceps slipped off. The pain was doubly severe by this time, but Len set Grace's bedroom mirror on the kitchen table, pulled the kerosene lamp a bit closer, reapplied the forceps and again went to work. He grunted, he groaned, and he succeeded in extracting the tooth. Grace built up the fire, fixed Len a cup of coffee and he went to bed, obviously pleased with himself.

*Len Jordan—The Man?*—Might he not more appropriately be called *Len Jordan—the Gentleman?*—for the definition of a gentleman is a man who is well-bred—and a man who is an honorable person. Yes, I think we could all agree that:

*Len Jordan—the Gentleman—Has Faith, not doubt; Self-confidence, not fear, Hope, not despair.*

Thank you much for this privilege.

REMARKS BY J. LYNN DRISCOLL IN PRESENTING DISTINGUISHED CITIZEN OF IDAHO AWARD TO SENATOR LEN B. JORDAN

When Hugh Wilson offered me the opportunity to take this place on tonight's program and after I had accepted the invitation, I began to wonder why he had selected me for this honor. After considerable mental effort the only plausible conclusion that I could come to was that he wanted someone who by having already qualified for the groups which Len will soon be joining and who could therefore rightfully welcome him to the now much publicized Senior Citizens Fraternity and the Unemployed.

While I cannot say that I was personally acquainted with Len Jordan during his days as a sheepman below Hell's Canyon, and in the Grangeville area, I knew of him in those days and then became very well acquainted with him as Governor of Idaho, as a member of the International Joint Commission, the Canadian-U.S. Commission, working on settlements of the problems involved in the use of the waters in the rivers arising in Canada and flowing into the U.S. and vice versa; and then as U.S. Senator.

While I have not always agreed with him I have most certainly learned to respect his ability, his intelligence, his judgment and his honesty. I have seen him, as many of you have, take actions or cast votes that were not politically popular and which beyond doubt cost him votes at the ballot box but his innate honesty made him do what his conscience told him was right regardless of the political consequences.

Due to his living and working below Hell's Canyon for so many years, his experience as Governor of the State of Idaho when there was strong pressure being brought to bear to have the present Hell's Canyon Dam built by the Bureau of Reclamation to provide funds

for the irrigation of the Mountain Home desert, his years on the International Joint Commission and later as United States Senator where he had full access to all the engineering studies and reports on Hell's Canyon and the Snake River, I know of no man better qualified to vote intelligently on the proper program for the use of Hell's Canyon than Len Jordan nor in whom I would have more confidence in his judgment on that question.

In passing let me suggest that if you have not already read the book, "Life Below Hell's Canyon" written by Grace Jordan, Len's distinguished wife, I suggest you do so. It is a very interesting and entertaining book.

Len, I sincerely regret your decision not to run for office again. I am very sure you could have been easily reelected but I believe I understand your reasoning. In all honesty I must say that I find myself in total agreement with your decision.

It is now my privilege to present you with the award that the Idaho State Chamber of Commerce has seen fit to bestow upon you, the 1971 Distinguished Citizen of Idaho. I know of no one more richly deserving of it.

Welcome, Len, to the Senior Citizens and the ranks of the Unemployed!!

BELL HELICOPTER—A PRIME EXAMPLE OF GOOD MANAGEMENT IN THE AEROSPACE INDUSTRY

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. WRIGHT. Mr. Speaker, it may be unfortunate in one respect that so much recognition is given to various deficiencies, large and small, in the performance of various aerospace companies on various Government procurement.

A tragic consequence of this preoccupation with negatives is the American public's image of an industry that played a major role in holding this Nation together during World War II and two other major conflicts in our century. A growing segment of the public is placed under the impression that the aerospace industry now is being led by inept, bungling management.

Against this background it is incumbent on us to present to the public the other side of the coin.

A number of aerospace firms have, over a period of many years, exercised very good management and avoided monumental cost overruns and severe technical difficulties.

A refreshing example is Bell Helicopter Co., of Fort Worth, which has achieved an outstanding record in filling Government contracts.

Perhaps no single aircraft program has been of more importance to the U.S. Army than the development of the UH-1 "Huey" and, subsequently, the AH-1 Huey Cobra helicopters. The Bell management record on these projects speaks for itself:

During the period of 1958-69, Bell Helicopter Co. compiled a record of on-schedule deliveries unmatched in aircraft manufacturing. This achievement included one 18-month span during 1965-66 when production increased 150 percent to meet the Government's wartime needs.

While many defense-related firms have released figures showing cost overruns on their Government programs, Bell has fulfilled its obligations at below negotiated cost on more than \$1 billion worth of business with the U.S. Government.

On the UH-1 and AH-1 programs, Bell has achieved cumulative value engineering savings of \$18.5 million to the U.S. Government.

Cumulative work simplification program savings have amounted to \$9 million.

Bell's cost awareness program, inaugurated in 1964, has resulted in overall savings of \$58.8 million.

Thus these three programs alone have resulted in identifiable savings totaling \$86.3 million for the benefit of the American taxpayer.

It should be noted in regard to the value engineering, work simplification, and cost awareness programs that these savings are computed on the basis of the net amount that accrued during the 12-month period following actual installation of the improvement. However, actual savings are far greater when one considers that these economies continue to accrue as long as the object of the cost improvement is in effect.

During the course of the UH-1 and AH-1 programs, Bell has maintained a high level of logistics support while meeting production demands. This has included supporting aircraft accumulating some 3 million flying hours yearly.

This Bell success story began in 1955 when the Defense Department named the company winner of an industrywide design competition to develop the Army's first turbine-powered helicopter. It was to be used for medical evacuation and general utility missions.

The initial UH-1's met or exceeded contract requirements for speed, load capacity, rate of climb and hovering capabilities. In the ensuing years, successive models have been gradually upgraded to accommodate a number of growth version engines, to double their tactical payload capacities, and to carry out a large range of missions, including weapons-firing roles.

Officially called Iroquois but more popularly known by their GI-coined name of Hueys, these helicopters also joined the inventories of the Marines, Air Force, and Navy in the 1960's—the only vertical-lift aircraft in history to enjoy such commonality of use.

There were many skeptics when the Hueys went into Vietnam combat. However, they carried out their combined roles of aerial ambulance, truck, jeep, and artillery so effectively under the most demanding climatic and topographic conditions that the conflict became known as the helicopter war.

That these versatile machines were designed to absorb enemy hits in major components and still return safely home is vividly pointed up in Army statistics. These show that throughout their service in Vietnam, the loss rate has been one helicopter for every 33,000 sorties, and their availability rate has been an extremely high 72 percent.

However, by 1964, Bell had become increasingly aware of the fact that Hueys

serving as armed escorts for their troop-carrying counterparts required increased speed, maneuverability, range, and endurance plus improved protection for helicopter and crew.

In September 1965, Bell announced that it had developed the high-speed, tandem-seat, streamlined Huey Cobra gunship to meet these requirements. The Government awarded Bell a production contract in April 1966, and 14 months later the first Huey Cobra was delivered to the Army. This is an amazingly short period of time from diagnosis to fulfillment of a critical need. It undoubtedly resulted in the saving of countless lives. Huey Cobras were credited with blunting the Communist Tet offensive of early 1968 and have been the backbone of our close support of ground troops ever since.

During the past decade almost 10,000 of these two series of helicopters have effectively served our Armed Forces and those of other free world nations. This is a tribute to the foresight of Bell management and its parent organization, Textron Inc., and their continuing efforts in product improvement and research and development—much of which has been company-sponsored.

Bell has long been recognized as a low-cost producer. Effective and comprehensive cost controls are inherent in the company's operation.

In 1968, Bell received the first annual U.S. Army Aviation Systems Command Contractor Cost Reduction Award. In 1969, the Department of Defense cited these efforts, presenting its Contractor Cost Reduction Achievement Award to Bell.

The company has maintained close cooperation with the Small Business Administration to insure participation by smaller firms in building Bell helicopters. In 1969, 65.5 percent of purchase orders were placed with small businesses, representing 28.4 percent of dollar value of all purchases.

This is the other side of the coin—the side that all too seldom is given recognition. In the face of the highly publicized adversities with which a number of aerospace companies are faced, I believe the public is entitled to know about these and other examples of good management, cost consciousness and technical excellence in the aerospace industry.

**SPEECH OF CHAIRMAN WILBUR MILLS BEFORE THE 58TH NATIONAL FOREIGN TRADE CONVENTION**

**HON. CHARLES A. VANIK**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. VANIK. Mr. Speaker, on Tuesday, November 16, Hon. WILBUR MILLS, chairman of the House Ways and Means Committee—with whom I have been privileged to serve—delivered a major address before the 58th National Foreign Trade Convention. As usual, the chairman's speech was remarkable for its clarity, its directness, its competency, and its comprehensiveness.

Chairman MILLS pointed out the frightening parallels between the world trading situation which existed during the darkest days of the great depression and which exist today. He warned that while international trading imbalances cannot be corrected overnight, it is imperative that action be taken soon:

Indeed, there is every evidence that, as the timetable for lifting the additional duty on U.S. imports remains indefinite, the negotiating leverage for achieving a meaningful realignment of currencies will be dissipated.

He stated that our present drift must not be allowed to destroy the mechanisms and atmosphere which have permitted world trade to expand from \$55 billion in 1950 to \$311 billion in 1970.

As Chairman MILLS pointed out, the President's action of August 15 was taken without congressional authorization and without the request for enabling legislation. To provide legitimacy for this Nation's policies, to give direction and restore confidence, the Congress and the executive must cooperate in the development of new policies.

I am sure that under the guidance of the able gentleman from Arkansas we will soon be able to develop a trade policy that will be in the best interests of our own Nation and of the world trading community.

Following is a full text of Chairman MILLS's statement:

REMARKS OF CONGRESSMAN WILBUR D. MILLS, BEFORE THE 58TH NATIONAL TRADE CONVENTION, NEW YORK, N.Y., NOVEMBER 16, 1971

I am both pleased and honored to be here today and to participate with you in your exploration of the "Imperatives for World Economic Progress" in this 58th National Foreign Trade Convention. This annual convention has a long tradition of deliberating on those policies of business and government which enhance the free flow of trade and investment and which contribute to economic growth and well-being throughout the world.

I am sure I am not the first speaker to pay tribute to that tradition by quoting from a statement by Secretary of State Cordell Hull. Secretary Hull spoke a great many truths concerning the importance of foreign trade and the vital necessity of international cooperation in trade relations. As I view the state of our international economic affairs, it occurs to me that a statement of Secretary Hull before the Committee on Ways and Means is particularly apropos at this time.

The date is March 8, 1934, and the statement is in support of H.R. 8430, which became the Reciprocal Trade Agreements Act of 1934. Secretary Hull observed: "The field of international trade, however, upon the existence of which the economic lives of scores of nations depend, and the economic well-being of all nations in important measure depend, is hopelessly clogged and obstructed by prohibitions, embargoes, quotas, restrictions, and numerous other economic and currency impediments. The processes of exchange and distribution have broken down and adequate relief imperatively requires the restoration of confidence, employment, normal commodity prices, and normal trade, both internal and external." (Emphasis supplied.)

This description of conditions in international trade of 37 years ago appears to me to be perilously close to conditions which can develop in the world economy should the present attitudes and policies in world trade centers persist. Prohibitions, import quotas, bilateral restrictions, discriminations, economic and currency impediments are com-

ing to be increasingly used, if not in practice, at least in terms of proposals by governments as they seek to protect their own economic situations or to redress real or alleged imbalances in their economic affairs.

There is no doubt that the economic conditions, both internal and external, which faced the United States this past summer were of an extremely serious nature. Inflation, under-employment and long-time budgetary deficits domestically, were reflected in increased imports, lagging exports, and deficits in our balance of payments and balance of trade.

These conditions to which the President addressed his action on August 13 did not develop overnight. And I believe we need to remind ourselves that they cannot be corrected in a brief period of time.

Internationally, the President's action in imposing an additional duty of 10 percent on most dutiable imports and suspending the convertibility of the dollar into gold represented for the United States a new freedom from the rules of the game as they particularly applied to this country. Given the role of the dollar in the international monetary and financial system, the United States has not had the flexibility enjoyed by other countries to adjust the value of its currency to reflect shifts in economic conditions and relative economic strengths. In trade, the position of leadership assumed by the United States had up until this summer foreclosed unilateral action in the trade field to assist in the necessary adjustments in the international economic accounts.

The President's shock treatment certainly worked up to a point. Our international economic problems have now received the attention of our trading partners which they previously had tended to ignore in face of the overall economic strength of the United States. I believe that the reaction of our trading partners after the initial shock has been for the most part one of cooperation.

The correctness of the United States action on August 15 will be lost sight of, however, if other governments are given time to react in response to pressures from their own producing interests. Indeed, there is every evidence that, as the timetable for lifting the additional duty on United States imports remains indefinite, the negotiating leverage for achieving a meaningful realignment of currencies will be dissipated.

Indeed, as Mr. Hull observed, we need a "restoration of confidence," for despite the actions of August 15, we still have a crisis of confidence on the part of the business community and labor. This is particularly true of our trade policy.

Abrupt changes in policy are usually characterized as the end of an era. It is my hope that the forces which have been set to work since August 15 will not result in the end of the era of cooperation in international trade and monetary policy in which world trade has expanded from \$55 billion in 1950 to \$311 billion in 1970.

Trade expansion policies, including the trade policy the United States has pursued, anticipate economic adjustments. Trade expansion policies run into trouble when the economic adjustments resulting from reduction in trade barriers develop faster than they can be assimilated by the affected economic interests. The success of the trade agreements program until recently has been due to the recognition that trade liberalization must proceed surely but slowly if it is to remain economically viable and politically acceptable.

The leadership the United States has been able to exert in international trade is due to the fact that under the trade agreements extension acts and the Trade Expansion Act of 1962, the Congress and the President were speaking with one voice. The failure to extend the President's trade agreement authority after June 30, 1967, has contributed

substantially to the deterioration of consistency in our trade policy and indeed has raised the question as to whether the United States has a trade policy.

The history of the trade agreements program has been one of the President seeking increased flexibility to deal with our trade problems internationally and the Congress providing written safeguards in recognition of the interest of producing groups in our economy. Thus, over the years, a balance of forces was achieved in delegating tariff adjustment authority to the President under specified conditions which provided for escape from situations of import competition to which industries and workers could not adjust.

In the Trade Expansion Act of 1962, the Congress granted the President more sweeping tariff reduction authority than ever before. However, despite the introduction of the concept of adjustment assistance for firms and workers injured by imports, the safeguard provisions of the 1962 Act and their administration failed to recognize that our producing interests would need quick and effective relief in dealing with the type of competition from imports that subsequently developed. In part, we failed to recognize that economic growth abroad has contributed greatly to the efficiency of foreign producers. Moreover, in administering other phases of our trade laws, we have failed to take into account the type of trade practices, often government-assisted, which have placed our own producers at a disadvantage, not only in the United States markets but abroad.

The tremendous shift in attitudes toward our trade policy on the part of a number of major industries and labor unions is compelling testimony to the failure of government policy to deal adequately with competitive forces to which our own trade laws should be addressed. It is an important aspect of the crisis of confidence on the part of manufacturers and workers.

Industry after industry has failed in its efforts to obtain relief under the tariff adjustment provisions, or, as they are known more familiarly, the escape clause provisions, of the Trade Expansion Act. Relief under the Antidumping Act or the countervailing duty provisions has either been so slow in coming or administered so reluctantly that the United States producers have despaired that the government would provide any assistance with unfair pricing policy of the foreign exporters and their governments.

There has been improvement recently in the administration of the Antidumping Act. Nevertheless, the complete breakdown in confidence of both management and labor that the government would respond to severe problems of import competition has caused industry after industry to seek legislated import quotas. Such proposals would impose quotas on imports across broad industrial sectors. Such relief is in contrast to the more selective type of relief contemplated in the escape clause provisions, and is, of course, of great concern to our trading partners, since it represents a completely different approach from trade policy that this country has pursued up to this time. Such an approach contradicts the type of international obligations which we must insist our trading partners live up to in view of our own great interest in world markets.

I share the concern of those who feel that the trade problems facing the United States are so serious that we must devise trade controls which will limit imports to a certain percentage of the domestic market. I still feel, however, if we amend our present laws wisely and prudently, we can retain the benefits of expanded world trade and safeguard our own producing interests, both business and labor.

But we must do so very soon. That is why I am concerned that we have not been able to take advantage of the imposition of the addi-

tional duty on imports to obtain quick and responsible action on the part of all major trading nations in the realization of exchange rates. It obviously is not possible to agree on a restructuring of the international monetary system in a short period of time. Nevertheless, an interim agreement on currency values could do much to quiet the concerns of many that the longer the present situation in the international monetary market persists, the more governments will resort to artificial currency manipulations and trade controls. I think we need to remember that whatever the cost of the failure to act earlier to make fundamental changes in the international monetary systems, it is at least partially offset by the great increase in world trade achieved under that system due in no small part to stable currency values. Thus, in any political strategy to reform the monetary system, I think we must keep in mind that the reforms must be accomplished without losing the economic benefits all countries enjoyed under the old system.

Among the beneficiaries, too, have been those economic interests actually engaged in international trade and investment. The indefiniteness of the present monetary and trade situation is not one that instills confidence in businessmen to make those decisions which lead to economic growth. Thus, the very nature of the present series of confrontations in trade policy give me great concern.

As I have indicated, the imposition of the additional duty on imports was basically sound and necessary in view of the currency crises and other ominous trends of last summer. Indeed, I had publicly stated my willingness to consider legislation under which a temporary border tax adjustment could be imposed. However, the President's action in imposing the 10 percent additional duty on most dutiable imports was without the specific authorization of the Congress. As you are aware, there has been no clear-cut explanation of the legal basis of the President's action under the national emergency he declared. Suffice it to say, the President has apparently terminated, in whole or in part, previous Presidential proclamations reducing duties pursuant to his trade agreement authority.

On some \$4.5 billion in imports in 1970, the President's action had the effect of terminating all previous trade agreement concessions so that the rates of duty applying to imports are the statutory rates of 1930. It now appears that some importers are considering whether to petition for a ruling on the legality of the additional duty. A collateral question arises as to the President's authority, under the trade agreement provisions, to rescind the additional duty once he has terminated the previous tariff reductions.

Still another problem that must be faced is whether and how the President will deal with the last stage of the Kennedy Round scheduled to become effective on January 1, 1972, under a previous trade agreement proclamation which the President has terminated, in part, or "suspended." While such a question may appear superfluous in face of the 10 percent additional duty, it will hardly appear so minor to our trading partners.

Thus, my concern here is that, despite the obvious necessity of the additional duty, the lack of appropriate consultation with and delegation of authority from the Congress regarding this matter in particular has created uncertainty as to what trade policy in the United States is, and what the aims of this country are in dealing with our trading partners.

Again, in my own view, we are in the position we find ourselves because, by force of circumstances in both the executive branch and in the Congress, it has not been possible to work together to develop a balanced package of trade measures which would, on the

one hand, give the President authority and flexibility to deal with trade problems internationally and, on the other hand, provide in our own domestic trade law reasonable and effective programs to deal with adverse competitive situations and available to all producing interests on the same basis.

In this regard, it is popular these days to state that many of our international trade problems will be solved if we recapture the competitive spirit and effectiveness of the proverbial Yankee Trader. I, too, subscribe to that theory. I certainly do not share the views of others that United States exports are passe, and that the United States should resign itself to becoming a service economy. Such a concept may fit the econometric models that are also popular these days, but which have little in common with the real world.

A part of the real world of international trade is contained in a number of bills pending before the Committee on Ways and Means which are based on hard analysis that existing trends in trade are robbing United States workers of job opportunities and eliminating profitable operations of many small firms which cannot adjust by investing abroad. The realities of trade policy in the 1970's, therefore, must involve a new awakening between workers and business in the United States as to the mutuality of their interest. For too long have we ignored the vital commercial aspects of day-to-day developments in our trade relations. Too often, market access problems abroad for United States producers have gone unsolved and the only viable answer for the individual corporations has become increased investment to produce abroad. It may well be that we should spend less time in coordinating policies and more time and thought to developing a single government department which will have the full responsibility for pursuing United States commercial interests abroad with the same fervor and success that foreign producers expect and obtain from their governments.

The world moves very swiftly these days. If we do not shortly begin to exhibit that maturity and political ability to understand and be understood by our major trading partners, all of the benefits we have come to enjoy from years of international economic cooperation can soon disappear. Moreover, there is a task ahead of rebuilding a trade policy for the United States which will reflect, first, its economic and, second, its political position in the world today. This task cannot be accomplished by the President alone. Today more than ever before, the President's power and flexibility to meet problems in trade must necessarily rest on the authority delegated to him by the Congress.

Finally, both management and labor must work toward the common goal of recapturing the competitive edge in producing in this market and abroad. This may sound like so much sophistry to some, but if this country is to remain the economic power and political force in the world economy that our traditions demand, it must be done through business and labor working with and through government toward their own interests both as producers and consumers.

#### ADMIRAL ZUMWALT OUTLINES NAVAL TRENDS

### HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. SCHMITZ. Mr. Speaker, Adm. E. R. Zumwalt, Chief of Naval Operations and member of the Joint Chiefs of Staff, made an excellent speech on October 14 of this year concerning various fac-

ets of the current decline of our naval forces in the face of a Soviet naval buildup which the admiral characterizes as, "a seeming frantic effort."

Before inserting this sobering assessment of the Soviet naval threat into the RECORD for the benefit of my colleagues I would like to take the liberty of listing here a few of the essential points made by our Chief of Naval Operations.

Admiral Zumwalt points out that:

Between 1966 and 1971, when the U.S. produced 88 combatant and amphibious ships, Soviet shipyards produced more than 200.

Two of the products of their development and shipbuilding are capable of directly challenging the ability of the United States to use the seas. These are the expanding Soviet anti-ship missiles, and their submarine forces. They exist and are at sea today, and they are increasing at a rapid rate.

Anti-ship missile launching platforms have increased four-fold since 1960, while the Soviet submarine force now numbers over 300 attack and cruise missile submarines as compared to the 57 which the Germans had at the beginning of World War II.

Not counting ballistic missile types, the Soviets overtook and passed us in total numbers of nuclear submarines in 1963—almost eight full years ago—and they are still building them at a faster rate than we are.

Since 1965, Navy strength has been reduced by 25 percent of its ships, 20 percent of its combat aircraft and 7 percent of its total uniformed and civilian personnel. Thus while the Soviets have been making a seemingly frantic effort to build a Navy capable of challenging our own . . . we have been sliding steadily downhill.

To replace even our present level of naval forces on an orderly basis every 25 years, we must invest \$3 billion each year in new construction, at 1972 price levels. We have not been able to approach that level of investment for the last eight years.

Although the dollar level of Navy funding today is higher than in the years before Vietnam, our real purchasing power has been cut 13 percent as a result of inflation. We have in effect lost a whole generation of shipbuilding in the last decade—and, given the accelerated Soviet effort in the same period, they have established tremendous relative momentum.

Today, our allies and the uncommitted nations of Eurasia and Africa may well see themselves as increasingly encircled by offshore Soviet naval might as a result of visible and frequent Soviet naval exercises in the Atlantic, and the continuous Soviet naval presence in the Mediterranean Sea and Indian Ocean.

Admiral Zumwalt projects present trends into the future and, based on an increasingly evident U.S. weakness relative to the Soviet Union, sees our allies first moving toward "an accommodation by some toward Soviet Power, then growing neutralism, and finally, the United States could become an island, economically and militarily isolated—and Americans might have no choice but to stand helplessly watching as the final sands of our hour of greatness run out."

The full text of the remarks delivered by Admiral Zumwalt at the military banquet of the Chamber of Commerce—Navy League, St. Louis, Mo., on October 14, 1971, follow:

REMARKS BY ADM. E. R. ZUMWALT, JR.

I am delighted to be with you here in St. Louis—Gateway to the West since the earliest days of the republic, and now an increasingly important gateway to world markets

for the commerce of the American middle-west.

It is clear that St. Louis is deeply involved in the international trade of our country when one considers that the overseas export trade alone from the port of St. Louis in 1969 amounted to a value of \$322 million dollars; and further, that the state of Missouri has had the highest annual growth rate in overseas trade of all the 50 states in the past decade. These are impressive indicators that this community is indeed aware of the significance of our overseas trade.

I am sure, then, that you will be interested in hearing my perceptions of the changing realities of American maritime power—and the possible implications I see for the future, assuming the continuance of present trends. I also want to discuss with you the Nixon Doctrine which seeks a generation of peace.

First, by way of background, you are all aware that unprecedented demands are today being placed upon the energies and resources of our nation as a result of the confluence of the two great currents of world and national affairs—within the nation we are buffeted by turbulence arising from well springs of social, political and economic instability, while in the world beyond our shores, ponderous forces are afoot, slowly tipping the scales of the international security balance to a position markedly different from that of the past 25 years.

Many of the specific issues arising from these dual pressures on the nation have been widely publicized, and are therefore known to you—but I would like to speak to you tonight of a trend which is neither widely known nor clearly understood in America.

This is the fact of the declining balance of the naval strength of the United States as compared to the Soviet Union, and its implications for the future welfare of our country.

I believe that it is vital for all Americans to understand the nature and extent of the change in our military and maritime situation because, although honest men may differ in their choices of solutions to commonly perceived problems, it is essential to clearly understand the nature of the problem before an informed choice can be made. The ultimate decision makers on this, as on all issues, are the American people acting through their elected and appointed representatives. Thus, they need to be as well-informed on this issue as they are on those now more widely-publicized in the land if a rational ordering of priorities for our national resources is to be made.

Secretary Laird recently pointed out that, although the United States is the number one nation in the world economically and would maintain that position in the future, he could not say the same thing about the projected relative position of the United States militarily in the years immediately ahead. He added "I'm still convinced the American people do not want to be inferior militarily . . . and I think this talk of budget cutting will be something of the past . . . once they realize the significance of the tremendous momentum of the Soviet Union."

That momentum encompasses the full spectrum of military power. Within the conventional field specifically, Soviet naval and maritime power is on the increase, and the fact that it is has added a new dimension to world affairs. Only the best informed and most perceptive Americans have sensed that it has already changed the secure viewpoint from which we have observed world affairs since 1945. Here is why.

The Soviet Union emerged from World War II as the greatest of the European land powers. When the Soviets shortly thereafter tried to use their superior land power to acquire European and middle eastern territory, we and our allies undertook to halt them by executing a series of mutual de-

fense agreements. NATO was the foremost of them, and was followed by a number of bilateral and multi-lateral pacts which now include over 40 nations in what has come to be known as the free world alliance system. These agreements were backed by American economic strength, our Navy and our strategic nuclear superiority. They were effective in countering Soviet thrusts and are responsible in large part for western strength and prosperity today.

These are maritime alliances in the fullest sense. They depend utterly upon the ability of the United States to freely use the seas to support its allies and to prevent them from being encircled from the sea. Their maritime nature can best be demonstrated by considering the relative positions of our friends and our potential opponents. Almost all of our allies are overseas, as are all of our potential opponents.

The President noted the unique maritime dependence of the United States in 1970 when he said:

"One other point I would make briefly is this: What the Soviet Union needs in terms of military preparedness is different from what we need. They're a land power primarily, with a great potential enemy on the east. We're primarily of course a sea power and our needs, therefore, are different."

This is a most perceptive and telling observation. Soviet vital interests require a large army and air force to protect the Eurasian heartland—our vital interests require a capability to control and use the seas which bind together the maritime alliance of which we are a part.

Why then are the Soviets committing resources to building a Navy? Because, since World War II, the balance of world power has depended upon a series of countervailing western alliances, which in turn depended to a great extent upon the large and powerful United States Navy which came out of that war.

As in the past two centuries, when Russian objectives of expansion were forestalled by the British and Japanese fleets, the Soviets today perceive the U.S. Navy as the key obstacle standing in the way of their goal.

Since World War II, the U.S. Navy, in conjunction with its allied free world navies, has been the guarantor to all that our seaborne commerce and strategic materials would continue to flow and that our interlocking alliance system was underwritten by credible naval power.

The Soviets see this fact as a point of vulnerability, and so they have carefully optimized their forces to be most effective against the U.S. Navy.

Our Navy has four principal functions and capabilities which it must provide:

First, in this nuclear age, it must contribute to deterrence of nuclear war.

Second, it must be able to control the areas of the sea that we wish to use—in short, to keep our sea lines of communications open.

Third, when it is our national policy to do so, it must be able to project U.S. power ashore on foreign soil and against opposition to protect our own vital interests or support our own or allied ground forces.

Fourth, in peacetime it must manifest an overseas presence demonstrating to our allies and possible adversaries that a challenge to our overseas interests or those of our allies may result in a confrontation with U.S. armed forces.

After the strategic nuclear role, the most essential of these capabilities is that of Sea Control, for if we are unable to use the seas against opposition, all other missions are neutralized—the Soviets also perceive this as vulnerability, and they have chosen their weapons well. The Soviet Navy thus far is designed not to overpower us on the surface of the sea and to attack our shores, but to

deny us the use of the seas and to drive us from the positions from which we support our alliances. The large Soviet submarine and missile fleets are admirably suited to the task.

Having thus set the stage, let me develop the case further by pointing out four realities in today's environment which influenced our need for and govern the Navy's ability to perform these functions.

The first of these realities is nuclear parity. Today, we no longer possess superiority in nuclear arms. Soviet arms are on a par with ours.

The main effect of this stand-off is that the United States must look to conventional forces to provide the means of protecting our interests. Without sufficiently strong and mobile conventional forces we may only have two options where our interests are threatened: to engage in nuclear war, or to back down. These, as you recall, were the only options available to Khrushchev in the 1962 Cuban Missile Crisis.

The second reality is the Nixon Doctrine. Although under it we will continue to honor our commitments, it stresses increased, self-reliance on the part of our allies and promises reductions in our own overseas bases and forces. As such it contains important naval implications:

First, if we are to reduce overseas forces and bases, it is essential that we maintain a credible capability to return in force if needed—even if opposed—for in the absence of such a capability, both our allies and possible adversaries may question the worth of our commitments.

Second, our commitments demand adequate sealift. Even with the availability of the newest cargo aircraft, over 90 percent of overseas military cargoes must travel to their destinations on the surface of the oceans. For this reason, there can be no plan for the possible engagement of U.S. armed forces overseas which does not assume that we or our allies will be in control of the sea lines of communication to the threatened area.

Finally, we must maintain an independent U.S. capability to prevent an effective challenge to our free use of the oceans and of international air space. There will be times when we will be called upon to go it alone. Cuba was one such instance, Jordan in 1970 was another.

The third reality, as I have mentioned previously, is Soviet naval and maritime expansion. Since we no longer possess nuclear superiority, Soviet naval expansion gives them the potential to greatly diminish our conventional military capability to support our alliances and to protect our commerce.

As we might have expected, this Soviet naval growth can be traced directly to the Cuban Missile Crisis of 1962, when the weakness of the Soviet Navy and U.S. strategic nuclear superiority forced them to back down in the face of a resolute U.S. stand.

Since then, the Kremlin has allocated vast resources to gaining strategic nuclear parity and to naval building programs—resources made available in part by drastic cutbacks in the Soviet manned space effort. To illustrate their renewed naval emphasis, between 1966 and 1971, when the U.S. produced 88 combatant and amphibious ships, Soviet shipyards produced more than 200. The Soviet fleet now approaches the U.S. fleet in total numbers of combatant ships.

This development has not gone unnoticed by our allies—in the new edition of the prestigious naval annual *Jane's Fighting Ships*, its editor Mr. Raymond V. B. Blackman says:

"The situation for the U.S. Navy is serious. By any standards, the Soviet fleet now represents the supernavy of a superpower."

Two of the products of their development and shipbuilding are capable of directly challenging the ability of the United States to use the seas. These are the expanding Sov-

iet antiship missile forces, and their submarine forces. They exist and are at sea today, and they are increasing at a rapid rate.

Anti-ship missile launching platforms have increased fourfold since 1960, while the Soviet submarine force now numbers over 300 attack and cruise missile submarines as compared to the 57 which the Germans had at the beginning of World War II. Not counting ballistic missile types, the Soviets overtook and passed us in total numbers of nuclear submarines in 1963—almost eight full years ago—and they are still building them at a faster rate than we are.

The fourth and final reality is our own reduction in the numbers and strength of our own naval forces.

Since 1965, Navy strength has been reduced by 25% of its ships, 20% of its combat aircraft and 7% of its total uniformed and civilian personnel.

Thus, while the Soviets have been making a seemingly frantic effort to build a Navy capable of challenging our own, even to the possible extent of conceding the moon race to us, we have been sliding steadily downhill. Two forces prompted our decline.

First, to replace even our present level of naval forces on an orderly basis every 25 years, we must invest \$3 billion each year in new construction, at 1972 price levels. We have not been able to approach that level of investment for the last eight years.

The higher budgets of the Vietnam years were committed to replacement of losses or expenditure of weapons—shipbuilding allocations were cut back to help pay these daily operating costs of the war. In essence, we were forced to accept steadily growing obsolescence as one of the costs of that war.

Secondly, although the dollar level of Navy funding today is higher than in the years before Vietnam, our real purchasing power has been cut 13% as a result of inflation. We have in effect lost a whole generation of shipbuilding in the last decade—and, given the accelerated Soviet effort in the same period, they have established tremendous relative momentum.

If these two opposing trends continue, it is inevitable that the United States Navy will one day be inferior to the Soviet Navy.

In my opening remarks, I said that Americans must understand the nature and extent of changes in our military and maritime situation and also their implications with regard to our welfare, future security and economic well-being.

What would be the affect on Americans if the relative circumstance I have suggested does ultimately come to pass?

First, one must accept the fact that the ability to move commerce across the earth's surface, and, if need be, to project power beyond national boundaries, are foremost among the essential determinants of a nation's international importance. For the United States, both of these factors entail movement over the world's oceans.

The elements of national power are clearly understood by both our allies and our adversaries. Today, our allies and the uncommitted nations of Eurasia and Africa may well see themselves as increasingly encircled by offshore Soviet naval might as a result of visible and frequent Soviet naval exercises in the Atlantic, and the continuous Soviet naval presence in the Mediterranean Sea and Indian Ocean. They are watching these developments with interest.

No one can foresee the future, but it is possible to construct a hypothetical scenario for the future which fits the facts as they are and which is consistent with the lessons of history—a scenario which can become real only if we allow it to. First, there are certain assumptions which can be drawn from the facts as they are known today:

For instance, it is generally considered that, so long as an approximate parity in

nuclear delivery and defense systems exists between the USSR and U.S., nuclear war is not likely between them. The awful results to the populations of both nations would make initiation of nuclear attack an irrational act.

If we concede the irrationality of a nuclear war between the U.S. and USSR, we must further hypothesize the improbability of a NATO war. Because of the enormous importance of the outcome of a NATO conflict, we have tied our nuclear commitment to NATO for the past twenty-five years. The near certainty of a NATO war triggering a nuclear exchange is recognized by both parties. For this reason, it is logical to assume that both parties will try to avoid circumstances which could lead to a NATO war.

And so, my scenario is premised on an assumption that the Kremlin may therefore be expected to continue seeking to achieve its objectives short of nuclear war. And, for the first time in modern history, the door is ajar for Russia to break free of the entanglements of encircling land alliances and to spread power and influence toward historical objectives in the Middle East, Asia and even in Europe.

Under such circumstances, the Kremlin could choose to follow this course:

They could continue to avoid nuclear war, or situations which they perceive could readily result in nuclear war.

In the absence of an agreement at the SALT talks they may continue their build-up of strategic nuclear weapons for psychological effect.

They could take advantage of the momentum of their naval expansion and increase "showing the flag" or "gun boat diplomacy" actions in Eurasia and Africa.

They could continue to foster communism worldwide through aid and subversion, exported along with trade and economic programs to key areas of western vulnerability.

Finally, possibly later in this decade, if they feel they are ready, they could be free to confront the United States with superior force in a non-NATO area of the world where we must stand alone, and we might be forced to back down, as they were forced to do over Cuba. Under my hypothesis, if and when this time comes, the Soviets would be very rational and cautious, as we have been when the preponderance of power lay with us—they would be certain to allow us the option to back away—and they would carefully calculate the outcome so that our allies and friends around the world will clearly perceive the fact that we have backed away.

And, if we allow this scenario to become reality, or even to become a realistically calculable outcome, our allies may then make the interpretation that our weakness reflects a lack of will to continue as a great power, and they may choose to believe that the game is over for us all.

If they did so, there would first be an accommodation by some toward Soviet power, then growing neutralism, and finally, the United States could become an island, economically and militarily isolated—and Americans might have no choice but to stand helplessly watching as the final sands of our hour of greatness run out.

But the tragedy to America's hopes and aspirations I have described need not come to pass—there is yet time for you, and your fellow Americans, to influence the outcome.

The dilemma you face is real—the needs of our cities; of the environment; of our more deprived citizens and of an adequate defense must all be provided for—and our resources, although vastly greater than those of any other nation, are not limitless. But as President Nixon has said:

"Let us not, then, pose a false choice between meeting our responsibilities abroad and meeting the needs of our people at home. We shall meet both or we shall meet neither."

Americans know that the paths of history



are littered with the remnants of great nations whose strength at crucial times was proven second-best—and I believe very strongly with Secretary Laird and President Nixon that the dynamic ideology of individual freedom espoused by all Americans will not permit such a tragedy to overtake us or those who have stood with us.

Finally, President Nixon has designed his Nixon Doctrine around the three pillars of strength, partnership and a willingness to negotiate. We are in or about to begin many talks and negotiations which we believe can lead to a generation of peace and world stability—and the Navy's role during this period is to contribute to the strength of our nation as we negotiate.

With your help the Navy is ready to do its part of the job.

**COL. RICHARD BENSON, ELKINS, W. VA., LUMBERMAN AND SKILLED PILOT, PROVIDES HAPPY HOURS FOR YOUNGSTERS FROM THE WEST VIRGINIA CHILDREN'S HOME AND GROUP OF CUB SCOUTS**

### HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, November 19, 1971

Mr. RANDOLPH. Mr. President, much of what we see and hear is both bad and sad. News that floods our television screens, travels the air waves to our radios, and appears in newspaper type, is too often weighted on the negative side of our constantly changing American scene.

Sometimes we ponder if people are pausing, in their hurried life, to be kind and helpful to others.

Richard Benson, of Benson Lumber Co. in Elkins, W. Va., recently entertained 54 youngsters from the West Virginia Children's Home with a bountiful wiener roast, airplane rides, and short spins in Benson's 1914 Model T Ford. Benson and his wife, Dorothy, hosted youngsters from the West Virginia Children's Home who thoroughly enjoyed their hospitality.

Benson also took a group of 86 Cub Scouts, Boy Scouts, and members of their families, for rides in his refurbished DC-3, the Gooney Bird. The Elkins Scouts had Carl R. "Budd" Bennett, of Buckhannon, as their copilot.

These young people were excited with their experiences, and their letters to Benson emphasized their enthusiasm, some of which were quoted in the November 8 issue of the Inter-Mountain, published in Elkins, and edited by Eldora Nuzum.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

[From the Inter-Mountain, Elkins, W. Va., Nov. 8, 1971]

**IT'S LIKE CHRISTMAS—54 CHILDREN AT BENSON'S SATURDAY**

The tall dark-haired boy peered out the airplane window eagerly. "Boy," he said to nobody in particular, "this is just like Christmas."

He and the other 53 youngsters at the West Virginia Children's Home were invited by Elkins lumberman and pilot, Richard Benson for a ride in his DC-3 plane and for an old-fashioned wiener roast in the Benson's backyard on Saturday afternoon.

The wiener roast featured—what else—hot dogs, marshmallows, pop, potato chips and lots of games.

But the big attraction of the day was an airplane ride for every child. The children were divided into two groups and then each group went for a half-hour ride in Benson's DC 3.

All through the flights the young passengers talked and squealed with excitement.

"Wow, this is the first time I've ever been on an airplane. Can I sit with you? When are we going to take off? Hey, are we taking off? Wheeeeeeeeee! Can we take off our seat-belts now? Look down there. Is that a cow? That's not big enough to be a cow. Can I go up and see the pilot? Watch me be sick, I'm going to be sick. Hey, this is fun! Can we go again?"

Once on the ground, the children were caught up in still more excitement.

They were provided with sharpened sticks, given hotdogs and pointed in the direction of the open fire.

"That was good," one boy said happily, polishing off a hot dog. "Can I have another one?"

"Me, too," a girl chimed in. "That makes five for me!"

When the hotdogs were gone they toasted marshmallows—approximately 1,000 of them—and gulped pop. Many danced to music provided by tapes set out along the bank of the stream which borders the Benson's yard, while others threw footballs and played golf.

Some romped with the Benson's Great Dane, "Princess," and more played with "Dustball," a cocker spaniel owned by next-door neighbors Mr. and Mrs. Harry Marson.

Another star attraction was a 1914 antique car, Benson's pride and joy, which Don Adams drove and countless excited kids rode—and rode. "Can I drive, can I drive?" boy after boy shouted hopefully.

Sunday night, after the outing at the Bensons was over and only memories left, the youngsters sat and wrote to the adults who "threw" the party.

"I enjoyed the picnic very much," said nine-year old Keith Dills. I also liked the airplane ride. The most fun was the games, and the roasted hotdogs. And the very best is how nice the people were."

"I thought that everyone had a groovy time," said 16-year-old Rhonda Sands. "All I have left to say is thank you for the fun time you all gave us, and for taking time to do it."

"It was the first time that I had ridden in a plane and it was very exciting," said Francine Palmer, 14. "The food was good, I like the Model T Ford car, too. I'm glad you took time out to give us so much fun."

"I liked the airplane, that was the best," Cynthia Critelli wrote. "It was the first time I had been on one."

"I liked the plane ride very much," said 15-year-old Marvin Hollandworth. "And the hot dogs were delicious. I really liked the party a lot. I wish that we could do something for you all sometime."

"I like the picnic," wrote eight-year-old Craig Dills. "I like the airplane. I like the Model T car. I like to look down out of the airplane. I wish I could go back."

"I enjoyed the picnic and the delicious food," said Roger Graves. "I wish that I could do something for you someday. I want you to know that I enjoyed the airplane ride, and it was the first time I was on an airplane. So I guess that was the reason that I enjoyed it so much."

"We saw houses that looked like blocks and cows that looked like dots," wrote ten-year-old Joseph West. "Thanks a lot."

"Just a few lines to let you all know we enjoyed the airplane ride," Jerome Graves wrote.

"It was fun riding that and the truck. It was my first time in an airplane. I want to thank you for all letting us come to the picnic. Have a fun winter!"

"It is fun to do something you have never done in your life, and I had never been on a real airplane until you all took me," 14-year-old Lorraine Farmer wrote. "Thank you very much."

### MARINER 9, FIRST MANMADE OBJECT TO ORBIT ANOTHER PLANET OF OUR SOLAR SYSTEM

**HON. GEORGE P. MILLER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. MILLER of California. Mr. Speaker, recently a historic milestone was reached in America's unmanned space exploration program directed by NASA, when the Mariner 9 spacecraft became the first manmade object to orbit another planet of our solar system. Several days ago, I had the privilege of visiting Caltech's Jet Propulsion Laboratory in Pasadena, Calif., during the very critical orbit insertion maneuver of the Mariner spacecraft. The calculations were so precisely implemented by the Jet Propulsion Laboratory mission operations team that the orbit achieved was well within the planned nominal parameters. A small orbit trim was later performed to refine the orbit to improve telecommunications to earth.

The near perfection of this project can be traced to the high caliber of management of NASA, Caltech and the Jet Propulsion Laboratory who together achieved a rare working relationship where each contributed complementary expertise required to meet the rigid design and operations schedules.

To a large degree, the success of the Mariner program can be attributed to the conservative engineering approach of basing, in part, the design of each succeeding spacecraft upon the proven designs of prior Mariners, as well as the Ranger and the Surveyor projects. Another factor was the retention of experienced technical teams at Jet Propulsion Laboratory and NASA. For example, Mr. Dan Schneiderman, currently Mariner '71 project manager was also project manager of the successful 1967 mission to Venus. Earl Glahn, the NASA Mariner '71 program manager was also associated with Jet Propulsion Laboratory on a previous space mission.

While at Jet Propulsion Laboratory, I read an article in the Los Angeles Times for November 14, 1971, covering the orbit insertion phase of the Mariner mission. Mr. Speaker, I insert this article in the RECORD:

**MARINER 9 ENTERS ORBIT AROUND MARS FLAWLESS MANEUVER SETS STAGE FOR 3-MONTH PHOTO PROBE**

Mariner 9 intercepted Mars Saturday, fired its rocket brake and looped into orbit around the dust-shrouded planet 75 miles from the surface.

The flawless encounter after a flight of

almost half a year marked the first time a spacecraft has orbited another planet and set the stage for three months of photographic exploration and mapping when a vast Martian storm subsides.

Scientist Albert Hibbs, monitoring spacecraft communications for newsmen announced the complete success of the extraordinary maneuver sequence after Mariner reappeared from behind the planet.

"Everything looks exactly as predicted," he said. "The results of the orbital maneuver appear to be so close to perfect they would be off if they were any closer."

#### EVERYTHING LOOKS GOOD

"Mariner 9 vanished behind the planet within one second of the time expected.

The battery is charging at high rate. We are getting data as we should. The spacecraft looks good. The orbit looks good. Everything looks good."

Chasing Mariner to the same target planet are two heavy Soviet probes which the Russians acknowledged Saturday will attempt to land instrument packages on the Martian surface, the first within a few days, the second at the end of the month.

Cheers resounded in mission control at the Jet Propulsion Laboratory in Pasadena when Mariner cut off the 300-pound thrust of its little braking engine at precisely the right second and again when the probe reappeared after vanishing behind the planet for 36 minutes.

Just prior to encounter, the spacecraft electronic brain maneuvered it through two turn sequences (roll and yaw) to align it properly for the 15-minute braking burn that slowed it from 10,917 m.p.h. to 8,612 m.p.h. and permitted its capture by the invisible tether of Martian gravity at 4:33 p.m.

Critical in the gyro-stabilized maneuver sequence were two periods when the probe's signals to earth were cut off in shifting antennas.

#### A CRUCIAL MOMENT

And particularly crucial was the regaining of Mariner's stabilizing lock on the sun after the maneuver was completed. Without power, the probe's batteries could have kept it functioning for only five minutes after it appeared from behind the planet.

As it was, the sun lock was regained shortly before Mariner disappeared behind Mars. The cruciform probe flipped into an initial orbit that carried it from a low point of about 800 miles out to a high point of approximately 11,000 miles.

The braking burn started when Mariner was 1,711 miles off the Martian surface, streaking over the sunlit side of the southern hemisphere 60 degrees below the planet's equator.

Fourteen minutes after engine cutoff—when orbit was achieved—the probe raced behind the planet and started its long climb up the far side of Mars to reappear off the dark side at a point 60 degrees above the equator.

Its momentum carried it to the 11,000-mile-high point of the orbit, called apoapsis, where its speed dwindled to 1,969 m.p.h. only to accelerate again as Mars dragged it back to the low point (periapsis) at a velocity of 8,612 m.p.h.

The spacecraft swept into its initial orbit that will be altered with a trim maneuver Tuesday to reduce the high point of the swing to 10,200 miles and settle Mariner into a two-a-day orbit routine.

Details of these distant events in space were transmitted to the monster 210-foot Goldstone antenna near Barstow, but because of the vast distance involved controllers at the Jet Lab were always more than six minutes behind time in learning what had transpired.

This also means that if Mariner's electronic brain reports some critical occurrence in the weeks to come it would be more than 13

minutes—with signals at the speed of light—before the probe could be given corrective commands (with instant response from earth), considering two-way signal time.

In passing behind Mars, and then reappearing after 36 minutes, the spacecraft provided its first occultation information for scientific study of the Martian atmosphere.

This is data obtained from variations in radio signal strengths as the transmissions pass through the Martian atmosphere just before and just after the probe is occulted or hidden behind the planet.

Three earlier flyby explorations of Mars (Mariner's 4, 6, and 7) produced only one entering and one exit occultation study each. Mariner 9, by comparison, will provide two sets of data each day—in two orbits—for a total of 180 studies in three months.

Mariner's final series of approach pictures, played back to mission control Saturday night after the spacecraft hooked into orbit, showed Mars looming huge in size but still obscured by dust raised by the storm that has been sweeping the planet.

Scientists were encouraged, however, despite the blank appearance of the planet on the TV monitors, because computer enhancements indicated that features not visible in the raw photos will show up when the pictures are finally processed.

They said also that the dust storm will be a bonanza for investigators studying variable features of the planet and said Mariner's camera should be able to follow the course of the waning storm and learn much about the processes that affect the surface.

Another encouraging factor was the improved view of the southern polar cap, which showed up distinctly in photos taken closer to the planet.

MISS KATHERINE W. CLOSE,  
ALLEGANY COUNTY, MD.

HON. J. GLENN BEALL, JR.  
OF MARYLAND

IN THE SENATE OF THE UNITED STATES  
Friday, November 19, 1971

Mr. BEALL. Mr. President, for many years the work of the Republican Party in Allegany County, Md., has been furthered immeasurably by the long and diligent work of Miss Katherine W. Close. But her dedication to the GOP is matched only by her loyalty to the Baltimore Colts in general, and star quarterback Earl Morrall in particular.

Recently, Miss Close had the opportunity to have dinner with Mr. and Mrs. Morrall, as well as with Tom Matte, stellar halfback of the Colts. Needless to say, this was a tremendous thrill for her. On November 10, 1971, the Cumberland Evening Times published an article written by its very able sports editor, J. Suter Kegg, detailing the occasion. I ask unanimous consent that the article be printed in the RECORD, so that Senators might read of the work of this fine Republican lady.

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

[From the Cumberland Evening Times,  
Nov. 10, 1971]

MORRALL HAILS "CLOSE" CALL

(By J. Suter Kegg)

For years Katherine W. Close has been a Republican pillar, being regarded as one of the most diligent and hardest-working party

members in Allegany County. So it was naturally a tremendous thrill when some years ago she met the late President Eisenhower at a reception for U.S. Sen. Charles McC. Mathias, then a congressman from Maryland's Sixth District.

But something embarrassing happened to Miss Close that day. She was so excited by the chance to shake the President's hand that she couldn't think of Allegany when he asked her which county she was from.

Two Sundays ago Miss Close had a similar experience, only this time she didn't lose her tongue. She not only met her favorite football player, quarterback Earl Morrall of the Baltimore Colts, but had dinner with him and his wife at the Green Spring Valley Inn following the Steeds' 34-21 victory over Pittsburgh.

Also in the party were Tom Matte, the Colts' veteran running back, and Dr. and Mrs. James Cotton. Dr. Cotton is head of the Geography Department at Frostburg State College.

Matte was a "friendly intruder" of sort at Green Spring Valley Inn because prior to entering professional football he played at Ohio State. And anyone who knows anything about the Big Ten realizes that Ohio State and Michigan State are enemies on the gridiron.

Miss Close became an admirer of Morrall when he was an All-American at Michigan State. She had seen him play there a number of times and followed his career with enthusiasm when he entered the NFL. In 1968, the year the Colts got him in a trade with the New York Giants, Earl's popularity rating with the Frostburg woman rose dramatically.

"Can you imagine a 62-year-old woman being a football hero-worshipper?" Miss Close asked. "But I guess it's true because there's not a player for whom I've had as much admiration as Earl. Up until I met him I read everything I could about his personal life and I pictured him as being an All-American off the field as well as on it."

She is convinced of this more than ever following the dinner meeting of two Sundays ago. The same goes for Morrall's wife, Jane. "She, like Earl, is the type of person upon meeting for the first time, you think you've known all your life. And whereas I couldn't talk when I met President Eisenhower, I do not believe I ever stopped chatting during my visit with the Morralls."

Miss Close didn't go to Baltimore empty handed upon learning that she was going to meet the Morralls. She baked one of her special pound cakes and took it along, topping it with, as she put it, "real yummy icing with lots of calories."

The surprise of the day, however, was the appearance of the amicable, ever-smiling Tom Matte. "He really put the icing on the cake," she said, "in spite of being from Ohio State."

Miss Close is an authority when it comes to cakes. Prior to retiring three years ago, she was home service counselor in schools and among homemaker groups for the Potomac Edison Company for 38 years. She has also served many years as judge of baked goods in the Cumberland Fair as well as the Garrett County Fair.

Up until last year Miss Close, who resides at 93 Broadway in Frostburg, had seen Michigan State in at least one home game for 17 straight seasons. Her brother-in-law, Louis Potter Jr., is professor of music at MSU, a position he held prior to that at Illinois.

She used to see Illinois play, too, but no one on that team ever impressed her as has Earl Morrall.

Miss Close never saw a pro game in person until this year. She sat through the rain in Baltimore's opener with the Jets, as she did when the Colts entertained the Steelers. "But it was worth it, well worth it," she said. Morrall happened to lead the Colts to victory in both games.

## SURRENDER OF PANAMA CANAL?

## HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. RARICK. Mr. Speaker, as my State of Louisiana is an important coastal State with large numbers of people involved in shipping. I have long been interested in Panama Canal problems because 70 percent of trans-Isthmian traffic either originates or terminates in U.S. ports. What happens to traffic through the Canal inevitably makes its impact on many States in our country, especially those with ocean shipping, such as Louisiana.

In recent years in the Congress I have observed with increasing concern that, because of ill-advised policies of placating radical revolutionary groups in Panama, continued U.S. sovereignty over the Canal Zone and Canal is in serious danger.

This, Mr. Speaker, is not accidental but the result of inept conduct of canal policies on the part of certain elements in the Department of State who at this moment seem determined to surrender to Panama our treaty-based sovereignty over the Canal Zone, regardless of the provision of article IV, section 3, clause 2 of the U.S. Constitution that vests this power in the entire Congress and not alone in the treaty-making department of our Government—President and Senate.

On November 8, 1971, the able and distinguished chairman of the House Panama Canal Subcommittee, Mr. MURPHY of New York, announced that on November 29 his committee would start hearings on the entire canal problems. This is most fortunate for the taxpayers of our country who as of June 30, 1968, had invested a net total of more than \$5,000,000,000 in the Panama Canal enterprise, including its defense.

In this connection, I would stress that the Canal Zone is not an ordinary piece of real estate comparable to that for a shopping center but a strategic major artery of marine transportation. It is naive or worse for officials of our government to think that they can give away a bowling alley or other elements of that vast industrial enterprise with impunity, for the canal must remain wholly American or it will be lost to the only other great power capable of handling it.

As informed Members of both the Senate and House have repeatedly stressed the real issue at Panama is not United States sovereignty over the Canal Zone versus Panamanian but U.S. control versus U.S.S.R. domination. Its loss by the United States as planned by certain elements in the State Department would be a threat to the entire free world.

On November 18, 1971, Anthony Harrigan published in his column *Sensing the News*, an interesting discussion of the present Canal situation. I note with special interest that he did this on the 68th anniversary of the signing of the treaty with Panama that granted the United States exclusive sovereign powers over

the Canal Zone in perpetuity for the purpose of constructing, maintaining, operating, sanitating and protecting the Panama Canal.

Because of the timeliness and pertinence of the indicated article, I quote it as part of my remarks:

## SENSING THE NEWS

(By Anthony Harrigan)

## SURRENDER OF PANAMA CANAL?

Current negotiations concerning the future of the Panama Canal could lead to another setback for the cause of freedom in this hemisphere.

Public attention has been focused on the Nixon administration's new Asian policy, which has resulted in expulsion of the free Chinese from the U.N. and American appeasement of Red China. But the U.S. is in danger of surrendering strategic advantage much closer to home. In Washington, many observers believe the Nixon administration is prepared to turn over much of the Panama Canal Zone to the Panamanians.

No need exists for such action. The United States purchased the Canal Zone and dug the canal. It has been generous, perhaps excessively generous, with Panama. The U.S. has a right to the Canal Zone in perpetuity.

Control of the Canal Zone is one of the few strategic and political advantages the U.S. possesses in Latin America after a decade of retreat from a position of unquestioned power in this hemisphere. Indeed the Panama Canal is essential for interfleet mobility for major U.S. naval vessels. Effective operation of the canal wouldn't be feasible if an unstable, left-oriented Panamanian government controlled the Canal Zone. Panama, unfortunately, is a notoriously unstable country.

Sen. Strom Thurmond (R-S.C.) recently pinpointed the strategic importance of the Panama Canal, saying: "As an artery of marine transportation, the Panama Canal enterprise became, and still is, a part of the coastline belonging to the United States. As such its exclusive control by the United States is necessary for national defense just as the control of the Chesapeake Bay or New York Harbor is necessary for national defense."

The senator added: "It is discouraging to report that negotiations are once again underway with Panama, even though the present government is a revolutionary regime with little prospect of stability and with no procedures for ratifying a new treaty."

It is shocking that U.S. officials would contemplate giving away a U.S. strategic advantage and throw away the vast sums American taxpayers have invested in the Canal Zone. Transfer of the Zone to Panama would deprive the United States of significant military and economic protection. It is doubtful that the U.S. could use the canal in a time of international crisis if an antagonistic regime were in charge in the Canal Zone. Indeed whoever controls the Canal Zone is in a position to exert leverage on all countries using the canal, especially the South American countries whose goods must transit the canal to reach U.S. and European markets. Panama is not a suitable country to exercise this leverage. The world already has had bitter experience with another unstable country—Egypt—controlling a key waterway.

Today, the Panama Canal Zone is an island of freedom in a region ridden with demagogic or totalitarian regimes. Central America, in particular, has a long history of petty dictatorships and violence. In World War II the free world narrowly avoided Axis political domination in Panama.

An American resident of the Canal Zone recently protested in a letter to *The New York Times* any sell-out of the U.S. control of the Zone, noting "the rule of terror under

which the people of Panama exist." The author of the letter asked: "Is this the kind of life we are expected to live in the Canal Zone? Are we Americans, who have fought for freedom since the birth of our country, going to surrender now?"

Now is the time for the American people to let President Nixon know that they are opposed to any surrender of U.S. sovereignty in the Panama Canal Zone or any lessening of American control over the "Crossroads of the World." If the American people don't assert their convictions on this point, the U.S. security interest in the Panama Canal Zone may fare as the cause of the Free Chinese has fared at the hands of liberal advisers in the White House and State Department.

## MEMORIAL RESOLUTION FOR THE LATE CLINTON M. HESTER, CHAIRMAN, EXECUTIVE COMMITTEE, MADISON MEMORIAL COMMISSION

## HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, November 19, 1971

Mr. RANDOLPH. Mr. President, Clinton M. Hester, a cherished personal friend and, until his death recently, chairman of the executive committee of the James Madison Memorial Commission, will be missed by members of the commission and those who are interested in and have worked for the Madison Memorial Library.

Clinton Hester diligently studied the Madison era and gave exceptional service to the commission. He was dedicated to this high purpose and toiled each day as a gentleman and benefactor.

Dr. Harold W. Dodds, chairman, James Madison Memorial Commission, and public members: Dr. Colgate W. Darden, Jr., Norfolk, Dr. William T. Hutchinson, Chicago; Senate Members: ALAN BIBLE of Nevada, WALLACE F. BENNETT of Utah, ROMAN L. HRUSKA of Nebraska, and the Senator now speaking; House Members: EMANUEL CELLER of New York, JOHN M. SLACK, Jr., of West Virginia, WILLIAM C. WAMPLER of Virginia and S. FLETCHER THOMPSON of Georgia, have participated in the formulation of a memorial resolution for Clint Hester.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

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

## MEMORIAL RESOLUTION FOR THE LATE CLINTON M. HESTER, CHAIRMAN, EXECUTIVE COMMITTEE, MADISON MEMORIAL COMMISSION

The members of the James Madison Memorial Commission record with genuine sorrow the death of Clinton M. Hester, Esquire, a member of the Commission since its creation and for several years Chairman of its Executive Committee. Mr. Hester was a lifelong student of the Madison period of our country's history and deeply interested in the Madison Memorial Commission. He was firm in his determination that Madison, who played such a leading role in the formative years of our nation's history, should be memorialized in an appropriate manner. We re-

gret that his hope to see this realized in the form of the Madison Memorial Library of the Library of Congress to the accomplishment of which he contributed so substantially could not be fulfilled. He was untiring in promoting the aims of this Commission. His devotion and his valuable services as Chairman of our Executive Committee will be a constant reminder of his exemplary citizenship.

THE OLD FIRST CHURCH OF  
SPRINGFIELD, MASS., BECOMES  
A HISTORICAL LANDMARK

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. BOLAND. Mr. Speaker, the Old First Church of Springfield, Mass., one of New England's most striking examples of the lingering Federalist influence on the Greek revival architecture of the early 19th century, has just been designated a historical landmark by the Massachusetts Historical Commission.

It is a beautiful church, Mr. Speaker, and it wholly merits its new status.

Completed in 1819 in what is now Springfield's Court Square, it is the earliest extant church by Isaac Damon and quite probably the second one he designed. The parish it serves—the First Congregational Parish—was organized in 1637 and is now considered the oldest continuing body of worship in Massachusetts.

I was honored, Mr. Speaker, to take part in the ceremonies dedicating the Old First Church as a historical landmark.

I place in the RECORD an Old First Church bulletin outlining the church's history, the program for the dedication ceremonies, and an article about the church published August 25, 1819, in Springfield's old Federalist & Journal:

REACHING BACK WHILE REACHING FORWARD

Blest more than most churches with a glorious past, we who are privileged to serve the church today drew strength from the past in order to thrust ourselves into the present and future with the same Gospel proclaimed by those who have gone before us. It is with a deep sense of the past, and appreciation for it, that makes us a unique community of Christians facing the future together. The church has always been that instrument of God's which combines both past and present and has a unique ability to survive into the future.

Next Monday afternoon at 2:00 p.m. in our sanctuary we will be invited to share a joyous occasion involving our rich heritage. It will also give us an opportunity, both as individuals and as a church, to reevaluate ourselves and our ministry and think again of reaching forward into the future.

You will recall that on September 12 a special meeting of the church was held following our regular morning worship. At that meeting a motion was passed that requested the Massachusetts Historical Commission to designate Old First Church an historical landmark. This action had been on the minds of many of our members for many years and the motion presented to the meeting on September 12 was passed with great enthusiasm. As a result of our action, the Massachusetts Historical Commission will hold an open

public meeting in our sanctuary on Monday afternoon, October 18 (this coming Monday) starting at 2:00 p.m. The purpose of the meeting will be to certify our beautiful church as a state landmark.

It will mark another significant milestone in the long history of Old First Church. Please plan to come. If you work, try to get an hour off; and if you have other appointments, perhaps you will feel this to be important enough to rearrange your schedule. Your presence will help us make it the grand and glorious day memory of the past and hope for the future that it deserves to be.

Many of you will not need to be reminded that our present building is the fourth meetinghouse to accommodate our congregations throughout its long history. The Massachusetts Historical Commission, after inspecting the church and reading something of its history, has prepared an evaluation that will undoubtedly become an important record for the church. The evaluation reads:

"The First Church of Christ, Congregational, completed in 1819, is the earliest extant church by Isaac Damon and is probably the second church he designed. This is the fourth meetinghouse built for the First Parish, which was organized in 1637 and is thought to be the oldest continuing body of worship in Western Massachusetts.

"The First Church seems to set the pattern for church design Damon was to follow throughout most of his career. Elements used in the First Church—the tower and arch, the spire stages derived from the Wren-Gibbs idiom—continues to appear in Damon's later churches.

"The style of the First Church is a country builder's interpretation of the transition between the late Federal and early Greek Revival styles. The building contains the same components as the numerous New England meetinghouses built during this period. A rectangular mass with pitched roof houses the auditorium. The giant Doric portico, carrying the same roof pitch as the auditorium, serves as a focal point for the entrance. The tower, which partially projects from the auditorium, rises from the platform of the portico through its roof. It is supported, in part, by the roof of the auditorium and terminates in a three stage spire.

"Although alterations to the auditorium have been made at various times, the basic proportions of the room have not been disturbed and little change has been made in the components most important to the character of the church. The gallery, which is supported by graceful Ionic columns, still runs along three sides of the chamber. The original coved ceiling remains in place, though its curves have been shortened and decorative detail added at a later date.

"In the 1870's a brick Parish House was added to the rear of the Church. This Venetian Gothic structure was altered in the mid-twentieth century, but fortunately a few original architectural details remain."

In 1945 the church published a booklet entitled "Meeting Houses of First Church of Christ" written by Harry Andrew Wright. At the end of that booklet he mentions the great timbers in the church which came from far up the Connecticut River. They were immense white pines that cannot be found today. He also relates the following:

"Here worshipped Thomas Blanchard, who in 1825 (146 years ago) drove through Main Street in the world's first automobile, a car equipped with three-speed transmission, foot brake and differential. Here came John Brown, whose soul still marches on. Here Jenny Lind sang. In 1848, in the center aisle, the body of John Quincy Adams lay in state when enroute from Washington to Boston."

And to this place, so lovely and beautiful, so rich in memories, and so filled with hope and faith for the future, we have invited our Mayor, our Commissioners, our friends and loved ones, to hear the Massachusetts Histor-

ical Commission hold their meeting and designate this church as a State Historical structure. Do plan to be with us as we reach back and reach forward.

WELCOME TO OLD FIRST CHURCH ON THE OCCASION OF ITS CERTIFICATION AS A MASSACHUSETTS HISTORICAL LANDMARK

MEMBERS OF THE MASSACHUSETTS HISTORICAL COMMISSION

John F. X. Davoren, Chairman.  
Dr. Richard W. Hale, Jr., Acting Chairman.  
Thomas B. Adams.  
Dr. John O. Brew.  
Msgr. Edward G. Murray.  
Robert F. Needham.  
Prof. William H. Pierson, Jr.  
Dr. Maurice Robbins.  
Dr. Clifford K. Shipton.  
Dr. Walter M. Whitehill.  
Albert B. Wolfe, Esq.  
Carroll P. Sheehan.  
Alfred Sherman.  
Arthur W. Brownell.  
Bruce Gullion.

Miss Anne Wardwell, Survey Director Commonwealth of Massachusetts.

OPEN MEETING OF THE MASSACHUSETTS HISTORICAL COMMISSION

Certification ceremony

Remarks from the Senior Minister of Old First Church, Rev. Delwin R. Lehmann.

Remarks from Mr. Robert Walker, Chairman, Special Committee of the Church.

Remarks from the Honorable Frank H. Freedman, Mayor of Springfield.

Remarks from the Chairman and/or Acting Chairman, State Historical Commission.

The Anthem, Old First Church Choir, "How Lovely Is Thy Dwelling Place" from Brahms "Requiem".

Dedication Prayer, Rev. Lehmann.

The Singing of the Hymn 264, "O Where Are Kings and Empires Now."

Remarks and Benediction, Dr. Frederick Field Driftmier, Senior Minister South Congregational Church.

The Procession to the Hall of Records, The Commission and Representatives of the Church.

INVITED GUESTS

The Honorable Edward P. Boland, Representative.

The Honorable Frank H. Freeman, Mayor. Commissioners of Hampden County, William F. Stapleton, Chairman, Armando G. Dimauro, Stephen A. Moynahan.

Springfield City Council Members, Paul Sears, President.

Springfield Planning Board, Stephen Pitkin, John R. Wilson.

Miss Juliette Tomlinson, Director, Connecticut Valley Historical Society.

The Council of Churches of Greater Springfield.

Historical District Study Committee, appointed by the Mayor, Stephen E. Hays, Mrs. Raymond Kalita, Mrs. Theodore Morehead, Lester J. Premo, Donald O. Reichert.

Rev. Avery Post, President, Massachusetts Conference, U.C.C.

Rev. James L. Lancaster, Western Area Office, Massachusetts Conference, U.C.C.

Mr. J. Norman Alberti, Moderator Old First Church.

[From the Springfield (Mass.) Federalist & Journal, Aug. 25, 1819]

DEDICATION

On Thursday last, the capacious and stately house recently erected by the first parish in this town, for public worship, was set apart by religious services for the name of the Lord God of Israel. The Rev. Mr. Osgood preached from Zechariah vi, 12 & 13. The sermon was practical, highly-finished and impressive, and might fearlessly abide scrutiny in word, or doctrine.

The Rev. Mr. Storrs, of Longmeadow, pro-

nounced the consecrating prayer with eloquence and devotion.

Col. S. Warriner, of Pittsfield, led in the performances of sacred music, and to those who know him, it is needless to say they were of the first order: They consisted of four set pieces, selected very judiciously in point of length and character. We wish those who decry every attempt at excellence among Americans, could have heard on that day, "Ordination Anthem," composed by T. Hastings, an American, sung by an American choir, with an American master at their head. But "every one to his notion;" we wish ours might be as well suited in some of our grand cities, by some of the trans-atlantic nonpareils.

Every part of the day's services was orderly and gratifying—we rejoice in the liberality that has erected this grand temple—we hope its sacred walls will neither witness a diffusion of the unprofitable speculations of men, nor the extension of unwarrantable indulgence to their consciences—we hope the watchman who is set over this branch of the house of Israel, will never cease to blow the trumpet, and warn the people, whenever and from whatever quarter he sees the coming of the sword, and that he who walks around our holy dwelling may ever be justified in making a good report.

The house was filled to overflowing—it is pretty accurately ascertained that more than three thousand people have assembled on this occasion.

#### A CARD

We think ourselves safe, when in behalf of the parish generally we publicly testify to the orderly and exemplary deportment of the workmen who have just completed our meetinghouse—Capt. Isaac Damon, the Architect, will long be remembered by us with that respect and regard which the upright, useful and liberal citizen will always find.

### DECLINING QUALITY OF URBAN ENVIRONMENT

#### HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES  
Friday, November 19, 1971

Mr. METCALF. Mr. President, one of the most critical domestic problems facing this Nation today is the rapidly declining quality of the urban environment. This is a problem of massive proportions encompassing every area of critical concern to the American people. The difficulty of eliminating pollution and overcrowding, providing adequate transportation and housing facilities and, in general, improving the quality of life for all Americans are amply reflected by the deplorable conditions in many of our Nation's cities.

Last semester, the University of Pennsylvania's Graduate Division of Civil and Urban Engineering and Office of Continuing Engineering Studies conducted a "Colloquium on Urbanism" to provide an in-depth consideration of the urban dilemma and its relationship to the engineering profession. On March 31, 1971, the distinguished junior Senator from Washington (Mr. JACKSON) presented a lecture entitled "Overview on Environmental Problems" to colloquium participants. Mr. President, in view of the significance of the Senator's remarks to the activities of Congress, I ask unanimous consent that major excerpts from the address be printed in the RECORD.

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

#### OVERVIEW ON ENVIRONMENTAL PROBLEMS

(By Senator HENRY M. JACKSON)

##### I. INTRODUCTION

The task of upgrading our metropolitan and urban areas is actually only one aspect of the larger national objective of providing quality life in quality surroundings for all Americans.

Unfortunately, the importance of this aspect is often lost amid the fashionable enthusiasm and expressions of grave concern which spur the vanguard of each new social movement bent on creating new public values. We must be cautious not to minimize the problems confronting our urban areas and direct ourselves in a conscious effort to achieve a balanced perspective from which to analyze and hopefully, to develop realistic and attainable solutions.

The American city in the decade of the 1970s embodies in an intensified form all the environmental problems which the American people presently face. Overcrowding, pollution, noise, severe strain on common and finite resources, lack of recreational opportunity, and inefficient and destructive use of the land are among the problems significantly magnified by the pressures of congestion, by exaggerated notions of the rights of private property, by the inertia of history, and by outmoded laws, policies and institutions.

These problems in turn exacerbate the disparities which exist among the various income groups. The 1970 Census reveals that while 20% of the American population receives 48% of the total national income, another 20% receives only 3%. Of the latter group, over one-half reside in our urban areas. It is toward this segment of the population that a major part of our national efforts to improve the quality of life must be directed, for it is this group to whom the advantages of a quality environment have been most consistently denied by choice, by economic factors and by unequal access to amenities.

We must also keep in mind that, as this nation embarks upon the implementation of an urban policy with renewed commitment and with newly acquired legislative tools, we must, at the same time, apply considerable energy and resources to the development of an effective program which will revitalize our rural communities and halt the substantial out-migration to urban areas.

In 1790, when the first census was taken, 95 per cent of our population lived in rural areas. Today only 10.5 million—less than 5 per cent—remain. At the present time, 70 per cent of our population is crowded onto 1 per cent of the land. And the rural to urban shift is still gaining momentum.

Today over two-thirds of the American people live in some 230 metropolitan areas. If past trends continue the next 100 million Americans will also live—whether they want to or not—in one of these already overburdened cities and compound the problems which congestion generates.

Only three years ago, amidst a climate of intense racial and social unrest aggravated by rapidly deteriorating systems of essential public services, the condition of our nation's cities and metropolitan areas came to the fore as a matter of critical national concern. The ills plaguing our cities were easily identified: overcrowding, inefficient transportation systems, increasing tax burdens, unequal job opportunity, inadequate educational facilities, unavailable or barely habitable housing, racial discrimination, shortages of medical services. All these problems elicited intensive efforts to develop new approaches and new programs to improve the urban social environment.

Over a short period of time, however, wide-

spread public concern and government support have subsided, to be roused only sporadically by the occasional tragic incidents of hot summer days. A look at our cities today reveals that little of substance has been achieved and the priority social problems of three years ago remain and, in many cases, have grown worse.

Simultaneous with the decline in constructive actions to improve the state of our cities has been a growing public awareness of the condition of our environment. The attainment of environmental quality has emerged as a major national objective. It is my hope that this new national goal will not be transitory and will not fade from the minds of the American people and their elected representatives before meaningful progress has been made toward its attainment. Perhaps the most important aspect of this growing concern is the recognition that the concept of "environment" embraces far more than merely the natural environment of air, water and land; but also includes man-made environments, both economic and social. If we are to attain a "quality environment" not only must we clean our rivers and curb the pollution of our atmosphere, but we must also eliminate poverty, improve education, and provide decent housing and jobs before it can be justly said that we have achieved a quality life, in a quality environment for all Americans. It is through recognition of the enormous scope of the problem which confronts us, and of the inter-dependence of both natural and man-made environments that progress has been made. No longer will we delude ourselves into believing that ending water pollution, preserving wilderness, providing jobs or improving education will alone solve our "environmental" problems.

Another point which is important to attaining a perspective on the problems of the urban environment is that programs to remedy these problems require money. Environmental programs, to a large extent, must compete with other programs for scarce funds. Fortunately, a large portion of the required funds will, through new laws and the direction of new institutions, be spent by private enterprise to correct past abuse and to avoid future misuse of the common resources of air, water and land. There is also the question of individual responsibility. Whether we can in fact turn our vast national resources, human, natural, scientific and technological, to the accomplishment of the task at hand is largely dependent upon the ability of the American people to internalize those understandings, values and attitudes which will guide their conduct in a manner which will result in a better environment.

#### II. THE EMERGENCE OF ENVIRONMENTAL MANAGEMENT AS A PUBLIC FUNCTION

##### 1. Changing needs and values

As the United States approaches her 200th Anniversary as a nation we are confronted by a circumstance that is totally new in human history. Man has rapidly completed the occupancy of the easily inhabitable areas of the earth while his numbers have continued to increase at an accelerating and exponential rate. Simultaneously, unprecedented economic power and advances in science and technology have permitted man to make enormously increased demands upon available resources and the environment. In no nation are these coincidental developments—especially man's mastery of science and technology—more dramatically evident than in the United States. And yet, many Americans still find it difficult to understand why environmental management should now suddenly become "everybody's business." Long-accepted values, traditions and ways of thinking and acting in relation to one's surroundings are now being called into question. A better understanding of what has happened can be obtained by a simple exercise in arithmetic.

At the time of the American Revolution the total population of the continental United States barely exceeded 3 million individuals. The resource and environmental demands of the American Indians and European colonists on the Atlantic seaboard were very light when contrasted with current exactions and pressures. By the close of the 20th century if the U.S. population approximates 300 million, which is entirely possible, the daily stress man places on the environment will, on the basis of numbers alone, have increased 100 times over. Technology has alleviated some forms of stress (as on forests for fuel or on wildlife for food) but science, technology, man's mastery of sophisticated machinery, and tremendous consumption of energy resources has greatly increased environmental stress in general. The net result has been enormous and unprecedented demands upon the environment and on a finite resource base.

The rate at which the Nation has changed since 1890 when the frontier officially ceased to exist has been unexceeded by any other social transformation in history. Scarcely one long generation removed from the last days of the frontier, America has become an urbanized and automated society with publicly institutionalized values in social security, labor relations, civil rights, public education, and public health that only a short while ago were considered utopian and radical. In the absence of a system for adequately assessing the consequences of technological change, who could have predicted the many ways in which applied science would transform the conditions of American life? Powerful new tools applying the discoveries in chemistry, physics, biology, and the behavioral sciences were put to work for improving the health, wealth, comfort, convenience and security of Americans. Using the vast natural resources of the American environment, we were able to achieve the world's highest standard of living in a very short period of time. Unfortunately, we are now coming to recognize that our productive technology has been accompanied by side effects which were not always foreseen nor welcomed. Experience has shown us that large social costs as well as benefits can flow from the careless application of technology.

Over the years, in small but steady and growing increments, we in America have been making very important decisions concerning the management of our environment. Unfortunately, these haven't always been very wise decisions. Throughout much of our history, the goal of managing the environment for the benefit of all citizens has often been overshadowed and obscured by the pursuit of narrower and more immediate economic goals.

It is only in the past few years that the dangers of this form of muddling through events and establishing policy by inaction and default have been very widely perceived. Today, with the benefit of hindsight, it is easy to see that in America we have too often reacted only to crisis situations. We always seem to be calculating the short-term consequences or the alternatives open to future action.

This nation long ago would probably have adopted a coherent policy for the management of its environment had people recognized that overstressing or misusing the environment incurred huge social and economic costs. This recognition came belatedly for several reasons: environmental deterioration in the past tended to be gradual and accumulative, so that it was not apparent that any cost or penalty was being exacted; it seemed possible to defer or to evade payment either in money or in obvious loss of environmental assets; and the "right" to pollute or degrade the environment (unless specific legal damages could be proved) was widely accepted. Exaggerated doctrines of private ownership and an uncritical popular

tolerance of the environmental side effects of economic production encouraged the belief that costs projected onto the environment were costs that no one had to pay.

Today, the American people and government at all levels are coming to realize that to enjoy the benefits of technological advance, the environmental costs of all that we do must be made a part of all products and all resource-commitment decisions. From now on "pay-as-you-go" will increasingly be required to insure against the risks inherent in man's manipulation of nature.

## 2. A public environmental policy and philosophy

Fulfillment of this new public responsibility means that government must break the shackles of incremental policy-making in the management of the environment. We must recognize that in order to make intelligent decisions which are not based in the emotion of conservation's *cause celebre* of the moment or in the error of simply perpetuating past practices, a national capacity must be developed for constructive criticism of present policies and the development of new institutions and alternatives in the management of land, air, water and living space. Developing this capacity requires that representatives from all elements of our national life—industry, the university, Federal, State and local government—participate in forming the needed policies. It requires the creative utilization of technology to improve the condition of the environment and to prevent unanticipated future instances of costly abuse. It also requires that government, business and industry pay closer attention to a far greater range of alternatives and potential consequences when they make decisions having environmental impacts than they have in the past.

In the 1960's there were sporadic, uncoordinated efforts to deal with various aspects of the "environmental problem." All of these efforts were responses to specific problems. We did not attempt to formulate, let alone achieve, a coherent statement of policy or public philosophy with respect to man's relationship to his surroundings. This awaited the 1970's.

On January 1, 1970, the "National Environmental Policy Act of 1969" became law. Though few realized it at the time, this measure was to make important institutional reforms and fundamental and far-reaching changes in the Federal decision-making process. Environmental values which had in the past been ignored with impunity were suddenly elevated as a matter of Federal law to the status of national goals. All Federal agencies were directed to consider environmental values in all of their actions. A three-member Council on Environmental Quality was established in the Executive Office of the President to insure that the statutory mandate was followed and that environmental issues of national concern received the personal attention of the President.

Adoption of the Act constituted Congressional recognition of our Nation's need for a comprehensive policy and a new organizing concept by which governmental functions can be weighed and evaluated in the light of better perceived and better understood environmental requirements and goals. As the Act's author, I felt a national policy for the environment was necessary to provide both a conceptual basis and legal sanction for applying to environmental management the sophisticated methods of analysis which have proven to be of value in universities, private enterprise, and in some areas of government.

The National Environmental Policy Act declared that:

"... it is the continuing policy of the Federal government, in cooperation with State and local governments, and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in

a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans."

The Act also sets forth national environmental goals to "the end that the Nation may—

(1) fulfill the responsibilities of each generation as trustee of the environment for succeeding generations;

(2) assure for all Americans safe, healthful, productive, and esthetically and culturally pleasing surroundings;

(3) attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences;

(4) preserve important historic, cultural, and natural aspects of our national heritage, and maintain, wherever possible, an environment which supports diversity and variety of individual choice;

(5) achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities; and

(6) enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources."

These goals are "man" oriented. They are concerned with humanity and man's relationship to his surroundings. Too often, in my view, Federal policies and laws become "object" oriented. Human values and aspirations become submerged in programs and numbers. We see this in declarations about how many new cities, highways, and housing units are needed. The issues tend to become quantitative and objective. Qualitative, humanistic considerations are too often lost.

Passage and implementation of the National Environmental Policy Act was begun in an atmosphere of public attention—almost a competition for primacy in advocating environmental causes. This atmosphere has had beneficial as well as detrimental effects upon achievement of the Act's objectives. Public support undoubtedly has greatly accelerated the adoption of the new mandate by the various Federal agencies. It has also resulted in making the Council on Environmental Quality a focal point of Federal decision-making. The importance assigned to the Council by the White House has greatly strengthened it in its relations with other agencies. The Council has achieved great stature and influence throughout the Executive establishment in an incredibly short period of time.

Along with attention, however, have come pressures which have made the transition to comprehensive environmental management more difficult. The President has looked to the Council for day-by-day guidance on current environmental issues and, consequently, it has become preoccupied with short-term crises.

The Council's preoccupation with environmental "brush fires" has detracted from other major responsibilities assigned to it under the Act. The Council, for example, has made little progress toward developing procedures for the collection and analysis of raw data and for the measurement and evaluation of environmental indicators so necessary as a proper base for long-term decision-making. It has made little contribution to the tremendous job of improving policies and procedures, for making the hard tradeoff decisions between preservation and development that will measure our ultimate success in environmental management.

The contemplative consideration of general directions, the anticipation of emerging problems, and the design of new decision criteria are critically important; though they are not dramatic and, thus, seldom

newsworthy. Fulfilling these functions will not capture public attention the way the latest pronouncement on mercury poisoning, a major oil spill, or the Alaska pipeline can. In the final analysis, however, man's ability to survive on this earth and to enjoy quality social, cultural, and esthetic conditions and experiences will not turn upon the handling of a single contaminant, nor the decision on a particular oil spill or construction proposal. It will depend upon our ability to develop policies and decision-making models which integrate environmental concerns along with the full range of other important human values.

### 3. Recent institutional changes

a. National Oceanic and Atmospheric Administration.—In addition to adoption of the National Environmental Policy Act, other changes have been made in the Federal establishment to improve responsiveness to the new importance of environmental concerns. The President has established two new organizations which are primarily concerned with environmental matters. The first is the establishment of a National Oceanic and Atmospheric Administration within the Department of Commerce. This reorganization involved the transfer of a number of existing agencies to better consolidate the nation's oceanographic effort.

b. Environmental Protection Administration.—The second reorganization, created a new independent agency, the Environmental Protection Agency (EPA). This important Federal reorganization involved the consolidation of existing agencies, but it also removed these agencies from the Executive Departments and created a new independent entity in government. EPA has developed its own constituency and its own institutional viewpoint which are now no longer influenced by the broader divergent interests and responsibilities of their former parent departments. EPA provides a new center of activity and source of influence in environmental affairs. It is a particularly potent one because it commands a large and growing technical staff, a significant budget, and some of the nation's strongest environmental action programs.

In establishing EPA, the President said that one of his objectives was to divorce the environmental protection and enforcement concerns of the Federal government from the conflicting developmental missions of the parent departments in areas such as water resources development, transportation, and urban assistance.

The Federal government has important traditional responsibilities in support of economic and social development. Under the Environmental Policy Act, it also has important environmental protective responsibilities.

That conflict or competition inevitably exists between environmental protection functions and the developmental demands of society is undeniable. The organizational choice which must be made is where the conflict should take place. The establishment of EPA removes a great many of these decisions from the internal workings of the Executive Departments and places EPA in an adversary position on the side of environmental protection versus some other entity with developmental responsibilities. EPA, which must serve a preservation oriented constituency, will find it difficult to accept compromise. The debates and decisions will certainly be made more visible, and some of them will necessarily be elevated to the White House level for final judgment.

### 4. Proposed institutional and policy changes

#### a. Environmental Policy Institute

While some of the responsibilities now being placed upon EPA and the Council on Environmental Quality are probably transitory, it is evident that there is a need for a

highly skilled and competently staffed organization to provide a continuing interdisciplinary, professional service in environmental policy analysis . . . analysis which would reduce and order the massive amounts and difficult complexity of raw data to forms more readily understandable by and useful to environmental decision-makers.

To fill this need I have introduced in the 92nd Congress a bill to establish a National Environmental Policy Institute. The Institute would perform many of the important long-range needs which were recognized in the National Environmental Policy Act, but which have not received adequate attention because of the pressing, more immediate demands being placed upon the Council's resources and personnel.

Some of these long-range needs include: Designing a uniform and comprehensive system of national and worldwide environmental monitoring;

Subjecting available data on urban problems and on domestic natural resources to analysis;

Developing proposed methods for anticipating future and emerging environmental problems before they reach crisis proportions (air and water pollution and the introduction of chemical agents such as lead and mercury into the environment prove classic examples of problems which could have been largely avoided if they had been perceived as "problems" at an early enough point in time); and

Providing in-depth policy analyses, using systems analysis techniques, of alternative solutions for dealing with environmental problems.

#### 5. Making traditional Federal programs relevant to urban America

During the past decade the Nation has made unprecedented progress in providing present and future generations of Americans with recreational opportunity, natural beauty, solitude, and other environmental amenities. Over the past decade alone, Congress has acted to set aside and preserve a large portion of the land, the mountains, the rivers, and the lakes which make up our Nation's natural heritage.

Between 1960 and 1968, four new national parks, six new national monuments, and 29 new national memorials, historic parks and historic sites were established.

In 1961, there was only one national seashore, today there are seven more.

In 1964, there were no national recreation areas. Today there are eight: in the West, on the Gulf, and in the East.

In 1965, there were no national lakeshores. Today there are three and others are under study.

This is an impressive record of national commitment. These areas are important to our national history; our traditions and the future enjoyment of all our people.

Often lost, however, amid the public enthusiasm to set these great scenic and recreation areas aside is a recognition that they are not available, at the present time, to "all" our people. Historically, environmental and recreational programs which have enjoyed almost unopposed support have involved the preservation of areas accessible only to middle and upper income groups. Unfortunately, these programs have little present relevance to life in the crowded inner city.

New emphasis must be placed on acquiring recreational facilities which are accessible to our larger metropolitan areas. Primary consideration in the development of such facilities must be given to making them accessible both financially and logistically, to the low-income, high population density, high social problem areas.

A case in point is the proposal to establish the Gateway National Recreation area on the New York-New Jersey shore in New York's harbor, which I have joined other

members of the Senate in sponsoring. This area would serve nearly 50 million visitors annually with indoor and outdoor recreational, educational and cultural facilities. The outstanding feature of this plan is that it brings "Parks to the People". Principal consideration has been given to development of an innovative mass transit system to provide efficient and economically feasible transportation from the inner city to the recreation area.

This is the kind of program which is necessary if we are to serve that large segment of the population whose employment and housing circumstances have virtually barred access to environmental and recreational amenities.

### III. THE NEED FOR BALANCE

#### 1. "No growth" versus "quality growth"

As the national will to preserve a quality environment grows it is essential that we not lose sight of the actual meaning and intent of a national environmental policy. Environmental policy, broadly construed, is concerned with the maintenance and management of those life-support systems—natural and man made—upon which the health, happiness, economic welfare, and physical survival of human beings depend. Environmental policy should not be confused with efforts to preserve natural or historical aspects of the environment in a perpetually unaltered state. Environmental quality does not mean indiscriminate preservationism, but it does imply a careful examination of alternative means of meeting human needs before sacrificing natural species or environments to other competing demands.

Environmental quality is therefore, concerned with the total environmental needs of man—ethical, esthetic, physical, and intellectual as well as economic.

Such a concept of the environment renders more complex the problems we face. And because of such complexity, many have retreated to simplistic responses.

At one extreme are those who argue that social and environmental change cannot or should not be consciously planned or given direction. They make dire predictions of ruin should the laws of the free market be amended, no matter how slightly, by the laws of society. They argue that public planning and implementation of policies for protection of our environment invade constitutionally protected private rights.

On the other hand, we are all familiar with the litany of those who attribute all of the Nation's environmental ills to "economic growth." Their answer is a policy of "no growth," "slow growth" or growth confined to today's urban boundaries.

One cannot fault these new advocates of the status quo for their concern for the environmental crises. All of us are increasingly outraged as our sensibilities are assaulted, our enjoyment impaired, and, even at times, our well-being threatened by an economy that, in the past, institutionalized environmental degradation.

Yet many of these new "Miniver Cheevys," these advocates of a "no growth" policy, have themselves flourished in America's growing affluence. Thus they seldom appreciate the consequences that adoption of a no growth policy would bring. One need only review the state of the nation today—lost productivity, declining tax revenues and the high social costs of unemployment—to gain an appreciation of the price which this nation has paid over the past two years for conscious policies that stifle economic growth.

A strict policy of no growth ignores the interests of millions of Americans for whom the struggle to attain job security and provide the necessities of life for themselves and their families leaves little time for pursuit of abstract notions of environmental esthetics.

I am deeply concerned that the tactics of some environmental extremists are jeopardizing the whole movement for a livable environment. Excluding all other alternatives, they ask us to choose between preservation and progress, between technological advance and environmental degradation. Their dogmatic approach has put economic growth and environmental quality on a collision course.

I am convinced that this small band of extremists are already alienating support that the environmental quality movement can ill afford to lose. By ignoring the interests of millions of Americans for whom job security and the prospect of the good life are decent aspirations, they are turning the fight for environmental quality into a confrontation between the "haves" and the "have nots". The poor people of this country want good jobs and decent housing. They aspire to the material goods and comforts enjoyed as a matter of course by more affluent Americans. Understandably, they don't want to be volunteered as the first victims of some state-backed program of spartan rigor.

One of the most disturbing aspects of this no growth approach is the tendency to hold science and technology responsible for all of our environmental problems. It takes little effort or imagination to trace almost any environmental problem to some scientific, technological, or engineering development. The indispensable contribution of science, technology and engineering to our well-being is however, easily forgotten, when unreasonable extremists attempt to sacrifice economic growth and public well-being on the altar of ecology. Also, conveniently disregarded is the fact that it is not science and technology but the way in which they are used that has damaged our environment in the past and constitutes a major threat to the future of environmental quality. Barry Commoner has suggested that recent industrial processes do appear to tax more heavily our environment. Yet, it is we who chose those processes. Technology can pollute and it can clean and preserve; it is up to us to give to it the proper direction.

Establishment of a no growth concept accompanied by major cutbacks in areas of scientific and technological advance would soon make this nation a technological Appalachia at a time when we need our best scientific and engineering talent as never before. For the present and in the future we must rely heavily on this talent to solve major environmental problems—to provide clean energy, to devise pollution-free manufacturing processes, and to develop new techniques for recycling and reusing our resources. The solution to these problems is not to halt the development of science and technology but to develop and preserve responsible programs and policies to guide their use.

Let's face it: Economic growth is essential to achievement of all our national goals. Economic growth underwrites our programs for public welfare, for private prosperity, and for protection of the environment. That extra GNP every year, properly used, means not only cleaner air and water, but better housing, better schools, and a higher standard of living for all Americans. That is why people won't rush to board the ecological bandwagon if they are led to believe that economic growth must be sacrificed to save the environment.

Just look at some of the needs we have to meet in the next few years:

We must build 26 million new housing units in the next decade.

By 1975 our parks and recreation areas, many of which are already overcrowded, will receive twice as many visitors as today, perhaps 10 times as many by the year 2000.

Each decade, new urban growth will absorb 5 million acres, an area equivalent to the State of New Jersey.

By the year 2000, we must more than

double the physical plant of all our cities. This means building a new school, hospital, highway and university for every one now in existence. We will have to accomplish in three decades what our forebears did in 200 years. And we must do it without degrading the quality of the environment.

It is obvious that the most urgent domestic problem we face in the last one-third of the 20th century is preparing for and accommodating growth. This will require innovation because our existing urban and metropolitan areas simply cannot continue to absorb more and more people.

It is clear that present trends must be reversed. We can no longer continue to ignore growth patterns which threaten to disrupt and cripple the ability of metropolitan areas to provide good government and a decent place in which to raise a family.

Equally clear is the fact that we cannot hope to keep pace with the demands of our dynamic society unless we enjoy sound and vigorous economic growth. Otherwise, we simply won't have the necessary resources to do the job.

It took us more than 200 years to achieve our first trillion dollar GNP. We will add the second trillion in only ten years. The challenge is to add that second trillion without destroying our environment. Successfully reorganizing our systems of government at all levels will help to insure the kind of investment in both public and private sectors that will help achieve our social and economic goals with clean water, clean air and clean land.

While we cannot ignore the past, the growth that will take place over the next few decades offers us a great opportunity for a fresh start. In effect, we must rebuild America before the year 2000. Whether planned or not, we will find ourselves making this kind of investment in any event. The imminence of this awesome investment confronts us with a challenging choice: We can do it on the haphazard, hit-or-miss basis of the past or we can harness the full power of the public and private sectors in a dynamic attempt to protect and shape our physical environment. Considering the alternatives there is no real choice.

### 2. The national energy crisis

A striking example of the need to balance the preservation of nature with the need to provide the essential requirements of a growing society has arisen in the area of energy supply and utilization.

For the first time in decades there is a real question concerning the adequacy of the supply of energy for the rapidly growing U.S. market. At the same time there is intense public concern about the impact on the environment of producing, transporting, and consuming fuels such as coal, oil, nuclear energy, or electric power. And in the near future, there is likely to be consumer resistance to the increased prices which will surely result from inflation, from the costs of implementing environmental protection measures and from a potential weakening of competitive forces in the energy business.

Our ability to develop a comprehensive and effective energy policy will be a vital factor in the future achievement of our most important national goals. National security, full employment, equal opportunity, and providing for quality life in a healthful and satisfying environment are all fundamentally dependent upon developing adequate solutions to our energy problems. To attain these goals the Congress and the Nation must initiate policies which will lead to the development of new technologies capable of supporting a strong industrial economy, providing the necessities and conveniences of a modern society, and avoiding the placing of intolerable demands upon the resources and environmental systems involved.

The nation is now entering a transition from a time when an ever-increasing annual use of such resources can no longer be taken for granted. Energy supply has become increasingly threatened by the pressures of our rapidly expanding population and continuing economic growth.

Energy demand has been growing at a very fast rate—about 5% per year for the past five years—nearly double the long-term average. This growth rate has exceeded the expectations of industry and government in planning to meet consumer demands. The growth rates have been especially strong for electric power and natural gas, exceeding 7%.

Some of the energy industries have, to a major extent, been living off of their resource inventories for several years. In addition, their surplus productive capacities have now all but disappeared. Exploration and development of oil, natural gas, and coal resources have not kept pace with increased usage, and today there is little domestic reserve capacity to meet expected peaks in demand.

Delays in completion of new nuclear powerplants combined with the start-up and operating difficulties of new large electric power generating plants of all types are causing brownouts and blackouts and forcing utilities to curtail service on days of peak load.

The new emphasis on environmental consideration has played a significant role in limiting our nation's energy supply.

Air pollution standards, when implemented, could, for example, make most of our coal resources and imported residual oil unusable because of their high sulphur content, unless new technology is developed to effectively eliminate harmful emissions. These same air pollution regulations have greatly increased the demand for natural gas and thus contribute to the present gas "shortage". The coal mine safety act along with tanker accidents and oil spill problems in off-shore drilling pose additional constraints on supply. The gamut of problems in siting powerplants and finding acceptable routes for high voltage transmission lines are making it difficult to meet construction time-tables for new power facilities.

In effect, we have a new dimension to energy demands—the nation wants its energy in a clean form and with a minimum of damage to the human and physical environment. These new demands impose severe restraints on energy supply. To deal with new demands a national energy policy must be developed. It must be concerned with the implementation of new environmental and health and safety standards in a decisive and rapid manner while at the same time avoiding energy supply shortages, unemployment and economic dislocations.

By Senate resolution, the Senate Interior and Insular Affairs Committee has been authorized to conduct a two-year study of this nation's energy policies. It is hoped that this study will produce an evaluation of the existing energy supply situation as well as long-range projections of the future of power production. It is further hoped that the study will produce substantive policy recommendations for achieving an adequate balance between the energy demands of a growing society and the nation's demand for a quality environment achieved through efficient use of its natural resources.

### 3. Toward a national land use policy

One cannot help but be impressed by the fact that environmental management is principally concerned with tradeoff decisions between environmental preservation and the demands the development places upon environmental resources.

We have made great strides toward introducing environmental values into all governmental decisions, and we have initiated action programs to deal with the problems which have been identified. We have not, however, developed institutional machinery



and the specific laws and policies which we will need to do a comprehensive, coherent job of management rather than merely reacting to problems which already exist.

We need a framework within which the spectrum of proposals to use environmental resources for economic growth and social betterment can be balanced against one another and measured against the demands they collectively impose upon the environment. We need a focal point upon which we can compare alternative proposals to achieve our goals. The focal point, I submit, is the use of land.

To a very great extent, all environmental management decisions are intimately related to land use decisions. All environmental problems are outgrowths of land use patterns. The collective land use decisions which we make will dictate our success in environmental management. The land use decisions of today will shape the environment of future generations.

If, as I contend, land use underlies environmental quality, then environmental quality objectives can best be achieved through reform of the laws and institutions by which the Nation makes its land use decisions. Presently, land use is dictated by private motives and influenced, for better or worse, by governmental action at all levels. Most of these decisions and actions are unrelated to environmental values. Clearly, many of them will continue to be dictated by private objectives—very often economic objectives.

Some of the decisions which have been made in response to private goals and narrow, single purpose public missions, however, have resulted in the kind of environmental insults which are no longer acceptable to society at large.

In accord with governmental responsibilities for environmental management, we must be certain that every governmental action, whatever its principal aim, recognizes the environmental impacts, avoids unacceptable damages, and minimizes unavoidable losses. We have begun to work toward this goal.

Beyond this, however, we can no longer permit private decisions to go forward in disregard of the general public demand for environmental quality. We must impose upon private proposals criteria which will prevent unthinking, unnecessary environmental impairment and which will prohibit the loss of important public values in the name of short-term private profit.

The basic authority and responsibility for regulating private land use actions rests with the State governments. States, or their political subdivisions have traditionally applied public standards to private lands through zoning, property taxes, and regulation. Some of the States, notably Hawaii and Colorado, have begun to implement statewide land use planning.

Often, funds to collect data and build a technical staff are lacking. In some States, the resistance to "planning" in any form is difficult to surmount. In every State, the tremendous influence of Federal activities such as highways, water resource projects, airports, and military establishments is largely beyond the control of the State government. For these reasons, a National land use policy is needed.

I have introduced legislation in the Senate which is designed to effect some basic changes in the Nation's management of its land resources. The "National Land Use Policy Act" I have proposed has three major provisions. *First*, it establishes a grant-in-aid program to assist State and local governments in improving their land use planning management capability. *Second*, States are

required to exercise "States Rights" and develop and implement a state-wide "environmental, recreational and industrial land use plan." *Third*, the Federal government's responsibility for coordinating Federal land use planning activities, for improving Federal-State relations, and for developing data on land use planning activities, trends and projections is enlarged and centralized.

The continued initiation of Federally financed public works within a state will be contingent upon performance of the state's land-use planning responsibilities. When a state-wide plan has been completed and reviewed by the Federal coordinating body, the Federal agencies will be obliged to act in conformity with it unless compelling reasons of national policy justify exceptions.

#### CONCLUSION

In recent years and months, the level of debate on environmental issues has, in my judgment, not been very distinguished. Many people have chosen to engage in what might be characterized as the "demon" theory of environmental concern. The basic assumption of the "demon" theory is that there are evil men in society who are engaged in a conspiracy to pollute, to plunder, to destroy the quality of American life. Among the "demons" identified is the engineering profession. Engineers are characterized by some as destroyers; dam and highway builders and developers of new technology who wreak havoc on the environment.

To blame technology and engineers for the problem is simplistic and like all simplistic answers it has no validity. Technology has served the purposes which society demands. Until society incorporates into its systems those criteria which recognize ecological and environmental values, technology will continue to serve the predominant values of the recent past—the economic laws of the marketplace.

Fortunately, the developments which I have been discussing signal some significant changes in society's values. Economic indices are no longer viewed as the sole criteria for progress. We are entering an era in which qualitative values and esthetic factors are considered as important, even more important in some respect, than economic wealth. What most critics fail to appreciate, however, is that these new values, if they are to be realized, require the services of technology. To successfully manage the pressures which modern society imposes upon the environment will be the greatest scientific and engineering problem in the history of mankind.

Engineers have always accommodated constraint in their work. They are accustomed to measuring and recognizing economic values. Now they must recognize and incorporate environmental values in their daily work. To see and meet demands for electric power without insult to the esthetic values of the countryside or pollution of the air and water is as valid an engineering problem as to seek to meet the same demands within the capital investment capabilities of the producers. Admittedly, it is probably a more difficult problem, having more constraints and new factors which are more difficult to measure.

Solving these problems successfully will tax the most advanced analytical methodologies. Above all, it will require the most innovative capabilities and the best technical minds. I urge the engineering community to accept the challenge of environmental management. For if you can help this Nation to accommodate the demands of a growing economy without sacrificing the quality of the environment, it will be the greatest contribution your profession has ever made.

#### FEDERAL ELECTION REFORM

#### HON. FLORENCE P. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mrs. DWYER. Mr. Speaker, in view of the complex parliamentary situation which will confront the House when we begin consideration of amendments to H.R. 11060, the Federal election reform bill, following the Thanksgiving recess, I want to bring to the attention of our colleagues a proposal which I may offer as an amendment at the appropriate time.

If I should decide to offer it, Mr. Speaker, the amendment would direct the Secretary of the Treasury and the Comptroller General to make a joint study of the feasibility of substituting special-purpose Federal scrip in place of cash or checks for purposes of campaign contributions and expenditures.

The scrip plan is not designed to take the place of any other campaign finance reform proposal; it is designed to make any such reform adopted by Congress work effectively. By replacing money—which is virtually impossible to trace in political campaigns—with serially numbered scrip by means of which each transaction can be recorded, computerized, and publicly reported, both disclosure and limitations can be made enforceable.

As a part of my remarks Mr. Speaker, I include a newsletter and my statement before the Committee on Standards of Official Conduct which will explain the scrip plan in greater detail. I also include the text of the amendment.

Let me emphasize, Mr. Speaker, that the amendment, in the event it is offered, will simply provide for a 1-year study of the plan, a study which I am confident can be made without requiring additional personnel or appropriations by the Department of the Treasury and the General Accounting Office.

The newsletter, statement, and amendment follows:

#### NOBODY KNOWS—BUT WE CAN FIND OUT

At a recent post-election meeting of professional political consultants in New York City, the campaign manager for the successful candidate for Governor of one our largest states estimated his candidate spent \$2 million to be elected.

His opponent's campaign manager immediately dissented. "You spent at least \$4 million," he declared with considerable conviction.

That two top professionals, so close to the scene, should disagree so markedly about a matter the law requires be publicly recorded and reported is bad enough.

But it's even worse when you come to realize that neither political pro really knows how much was spent—or does anyone else.

Campaign financing, it is clear, has gotten completely out of hand. Estimates of the cost of electioneering in this year's Congressional campaigns alone—an off-year, at that—vary from \$100 million to \$200 million, a huge sum of money that engulfed much of the nation in a torrent of words and images: from billboards, direct mail, radio and television, newspapers, fliers, magazines and a host of campaign gimmicks.

## TOO MUCH MONEY

Obviously—and the pros concede this—much of it was wasted. Too much of even expert use of the media (and a great deal is low quality) tends to turn people off and ceases to be either interesting or informative.

But, and here's one big part of the problem, so long as the money comes in, it will be spent. Few, if any, candidates ever feel they have enough; there's always something more that can be done that just might make a difference.

Too much money is bad enough, but couple it with too little reliable information as to where it comes from, who gets it, and how it's spent, and we produce an increasingly serious result—an electorate which severely distrusts the electoral process.

Money is the critical element in political campaigns. Adequate funds are essential to enable candidates to reach the people effectively, to make themselves known, to present their programs and debate the issues, to explain and to persuade.

But money, by the same token, is the root of political evil. Too much for one candidate and too little for another prevent the people from making a balanced judgment. Personal wealth may give a candidate an unbeatable advantage. Excessive reliance on a few big contributors—or contributions of questionable integrity—may compromise an elected official's independence or objectivity and thus destroy the whole purpose of representative government.

## TOO LITTLE CONTROL

Most of all, however, it's the not knowing that hurts. Federal and State laws set limits on contributions to and expenditures by candidates and political committees and require public reporting of such spending. But, with few exceptions, these laws are so full of loopholes and exemptions, so unrealistic in their limitations, so seldom enforced and so often unenforceable, that they have little meaning or effect. What evidence we do have of election financing practices inevitably feeds the suspicion and distrust and cynicism of voters—a steadily diminishing proportion of whom even bother to cast their ballots.

I do not believe we can go on much longer without making fundamental reforms in our election finance laws. A great many have been proposed—more realistic spending and contributing limitations, elimination of loopholes which often exempt political committees and primary elections from legal requirements, tax deductions or credits to encourage more but smaller contributions, and many more—most of which have considerable merit.

Nevertheless, even these changes, desirable as they may be, would not make a substantial difference until or unless we find a way to trace political money from its source to its final destination—and in a manner that will make it possible for the public to understand and make timely judgments as to its use in specific elections.

## ACCOUNTABILITY IS POSSIBLE

This is the basis, therefore, of the proposal I launched last week—after considerable thought and study—a proposal which would provide a reasonably foolproof way of accounting publicly and systematically for all campaign contributions and expenditures and thus make possible the effective controls we need.

Since money—cash—is virtually impossible to trace, my plan calls for the substitution of specially designed Federal scrip, to be issued and redeemed by the U.S. Treasury and designed to serve as the exclusive medium of exchange for purposes of Federal elections.

Here, briefly, is how it would work. The scrip would be issued in the same denomina-

tions as money. It would be sold—and could be redeemed—at all U.S. Post Offices and all Federally licensed financial institutions such as commercial and savings banks, savings and loan associations and credit unions. Each individual piece of scrip would be identifiable by a serial number. It would also contain a brief form on its back, together with one or two small detachable certificates, for the purpose of indicating the purchaser, the candidate or committee to which it is contributed, the purpose for which it's spent, and the person or company receiving it as payment for goods or services. At each step of the way, from purchase to redemption, the information would go straight into a Treasury Department computer which would produce comprehensive, cumulative weekly public reports.

## REFORM CAN WORK

To make the new system work, the law would have to prohibit entirely the use of anything but scrip for contributions or expenditures aimed at influencing, directly or indirectly, any Federal election. Penalties for violations would be provided and both parties to a violation would be liable—the contributor and the candidate, the purchaser and the provider of campaign goods or services.

Both publicly and privately, the response to my proposals to date has been most encouraging. Students and practitioners and observers, alike, of the political process recognize the pressing need for reform. And this plan—with the help of computers which surely have the capacity to handle this relatively small job—has the virtues of simplicity, convenience, equity to all involved, ease of administration, and technical feasibility. It can work.

Alone, the scrip plan would, for the first time, guarantee the people's right to know the facts of election spending and provide the essential means for legislating effective reforms. Together with such reforms, the plan would help to restore the people's confidence in the integrity of our elections. Each, I think, a rather important objective.

So far, I've run into only one major objection: the plan would be likely to work too well.

In all seriousness, this will probably be the chief hurdle confronting the plan here in Congress. Beneficiaries of the present looseness won't want to tighten it up. But we'll know better when the House Committee on Standards of Official Conduct holds hearings, hopefully this Fall.

Meanwhile, I solicit comments and criticisms. We all have a stake in assuring clean elections.

STATEMENT OF REPRESENTATIVE  
FLORENCE P. DWYER

Mr. Chairman, I am deeply grateful that you and your colleagues have begun your consideration of campaign contributions and expenditures while the issue is fresh in people's minds and while the experience of the last campaign is still immediate and compelling.

With your help, I hope the Congress can assemble the facts, consider the alternatives, and determine a course of corrective action in a field in which disregard for the law has become a national scandal.

No special purpose would be served by reciting the facts of campaign finance today—its inequities, its loopholes, its favoritism, and the dangerously hidden nature of this activity which denies to the people their legal right to know who is influencing Federal elections. The nature of the problem is too well known. What we need to find is a solution. And a solution, if it is to come, will only emerge from the kind of active public concern which we are experiencing today.

One of the most encouraging manifestations of this interest in election spending reform has been the reaction to the President's veto of the Political Broadcasting Bill (S. 3637). Almost without exception, supporters and opponents alike of the bill—Members of Congress, the Administration, the press, radio and television, and private organizations and individuals—have emphasized the need for comprehensive reform, covering all aspects of campaign finance. They seem especially united on two points: that we're spending too much on elections and that the principal difficulty in reform is to identify contributors, the candidates to whom they give, and the amounts of their contributions.

Obviously, the two are inseparably linked. We cannot hope to control spending until we find a way—a reasonably foolproof way—to determine how much is being spent and where it is coming from, in other words to trace campaign funds from their origin to their final destination.

As I see it, there are only three ways of accomplishing this objective:

First, by doubling the size of the F.B.I. and assigning the new agents to full-time enforcement of the election laws.

Second, by subsidizing completely all the costs of Congressional and Presidential campaigns, with the Federal Treasury paying all campaign bills directly, up to the legal maximum, and with all other spending prohibited.

Third—and this is the proposal I wish to submit for your consideration—by substituting for cash or any other medium of exchange a single-purpose Federal scrip, issued by the Treasury in denominations similar to those of our regular currency, available to contributors through post offices and existing Federally chartered financial institutions, with each piece numbered serially for instant identification, and with the whole process from purchase to redemption put on to computers for systematic public accounting. Contributions and expenditures in any other form than scrip would be completely prohibited.

The first alternative, I suggest, is manifestly impractical. The second, while it has considerable merit, is probably well in advance of public opinion.

The third—my own proposal—is, I submit, technically feasible, relatively inexpensive, eminently fair and equitable and, most important effective.

Before I outline my ideas in greater detail, let me emphasize this point: My plan is not intended to be a comprehensive reform proposal. It does not, of itself, change anything in present law except for the form in which contributions and expenditures may be made. It does not establish new limits, nor does it provide any subsidies.

What it would do, however, is two essential things: It would make the present system manageable, in the sense that it would automatically reveal what we now cannot know about contributions and expenditures; and it would make any further reform workable and effective by closing the loopholes which money now keeps open.

I would go even further: Without some such means as I propose, no reform I have yet seen—except for a total Federal subsidy—could work properly, simply because cash is impossible to trace in political campaigns. And what can't be traced cannot be controlled.

Simple as it is, my plan would provide this essential foundation for reform: A systematic, continuous, and public accounting of all election funds, and in a manner that will make it possible for the people to understand and make timely judgments about the source and use of funds in specific elections.

Here, in somewhat greater detail, is how my plan would work. A contributor would stop at his bank or savings and loan associa-

tion or credit union or post office—there is at least one in every community—and exchange his check or cash for scrip in the amount he wishes to contribute. In doing so, he would simply fill in a detachable certificate with his name, address, principal source of income, and the candidate or committee to which he is contributing. That small certificate would immediately be sent to the Treasury Department and the information placed in the computer.

On the reverse side of the scrip, a similar short form would be provided on which the recipient candidate or committee's name would be entered together with the purpose for which the scrip was being spent. Finally, the person or company providing the goods or services would confirm the transaction in the space provided and simply redeem the scrip for cash or deposit it in his account. The scrip would then be returned to the Treasury Department and the information on it entered in the computer.

Given our high level of technical competence in the computer field, it would be a simple matter to publish weekly reports of all contributions and expenditures.

To make the new system work, the law would have to prohibit entirely the use of anything but the scrip for contributions or expenditures designed to influence, directly or indirectly, any Federal election. Penalties for violations would be provided and both parties to a violation would be liable to prosecution—the contributor and the candidate, the purchaser of the goods or services and the provider.

I believe, Mr. Chairman, that this system would be at least 90 to 95 percent effective—a degree of efficiency I think most of us would settle for. Since the great bulk of campaign spending is done with responsible firms and institutions—radio and television stations, newspapers, printers, the Post Office, outdoor advertising companies, and the like—there is little likelihood that such firms would risk clear violations of the law by accepting payment in a form other than scrip. And with this degree of compliance assured, a very strong measure of pressure would be brought to bear on any others who might be inclined to deviate. At worst, the area of potential violations—under-the-table payments to workers or staff, for instance—would be greatly restricted and, hence, much easier to identify if the need arose.

Let me emphasize again, Mr. Chairman, that my proposal is not intended to substitute for, or serve as an alternative to, any other campaign finance reforms. While it can stand alone and thus improve the intelligibility of the present system, it is designed to accompany—and make effective—any more comprehensive reform Congress may enact, whether it is one which imposes new restrictions and limitations on campaign finance, or one which provides a degree of Federal subsidy, or both.

My concern is that if we are serious about clean elections, if we want reform that will really work, then any plan we adopt must include the means of making campaign contributions and expenditures completely visible and accountable.

I believe my plan will accomplish this central objective, and thus help to restore our people's badly damaged confidence in our political process.

#### AMENDMENT OFFERED BY MRS. DWYER

(Page and line references are to H.R. 11280.)

Page 45, immediately after line 14, insert the following:

#### FEASIBILITY STUDY OF USE OF FEDERAL SCRIP IN POLITICAL CAMPAIGNS

SEC. 402 (a) The Secretary of the Treasury and the Comptroller General of the United States are directed to study the feasibility of a plan to strengthen the effectiveness of dis-

closure requirements and the enforceability of limitations on contributions and expenditures by (1) prohibiting the use of cash, checks, credit cards or any other medium of exchange in any campaign for Federal office (as defined in section 301 (c) of this Act) and (2) requiring the use of Federally issued scrip for the purposes of contributions and expenditures in connection with any campaign referred to in clause (1) of this subsection.

(b) In conducting this study, the Secretary of the Treasury and the Comptroller General shall consider, but not be limited to, the following factors in the formulation and implementation of the scrip plan:

(1) The issuance of scrip by the Secretary of the Treasury, in size and denominations similar to United States currency, with each piece serially numbered and accompanied by the necessary number of detachable certificates for purposes of record-keeping, to be available for purchase at all Federally chartered or licensed financial institutions and all U.S. Post offices, and to be fully redeemable by such financial institutions and post offices in cash or other negotiable instruments.

(2) The installation and operation by the Secretary of the Treasury or the Comptroller General of the United States of automatic data processing equipment adequate for the purpose of recording all sales, exchanges, and redemptions of serially numbered scrip and for reporting in a form available to the public all such sales, exchanges, and redemptions of scrip, including in each such instance the name, address and principal source of income of the purchaser of scrip, the name and address of the candidate or political committee to which the scrip was contributed, and the name and address of the person redeeming the scrip together with identification of the goods or services for which the scrip was exchanged.

(3) The prohibition of the use of cash, checks, or other negotiable instruments or medium of exchange, or credit, in amounts exceeding \$50, for the purpose of making contributions to any candidate or political committee in connection with any election for nomination or election to Federal office. In the case of contributions in the amount of \$50 or less, candidates and political committees shall purchase scrip and simultaneously submit to the seller of scrip a complete list of the name and addresses of contributors and the amounts of their contributions.

(4) The prohibition, equally binding on both the purchasers and purveyors of goods and services for Federal election purposes, of all expenditures by candidates and political committees and others in connection with any campaign for nomination for election, or election, to Federal office in any form other than scrip.

(5) The design of the scrip. Such scrip should be designed in such manner as may be necessary to permit the recording of the purchase, exchange, and redemption of scrip by names and addresses of the parties involved and the identifying of the goods or services for which the scrip was expended. Such information should be available in such form as may be necessary to permit its transfer to computers at the time of each purchase, exchange, and redemption of such scrip.

(6) The need, if any, of supervisory arrangements to assure the adequate functioning of the scrip plan, including compliance and enforcement.

(7) Determination of the form and conditions under which continuous information could be made publicly available regarding campaign contributions and expenditures.

(8) The nature and amount of penalties to be assessed for violations, and the manner in which such penalties should be shared by parties to a violation.

(9) The possibility, under the scrip plan, of eliminating requirements for record-keeping and reporting imposed on candidates and political committees under political campaign finance laws.

(10) The cost to the Federal Government of implementing and operating the scrip plan as compared with similar costs under existing or proposed political campaign finance control systems.

(c) The Secretary of the Treasury and the Comptroller General of the United States shall report to the President and to the Congress the results of the study conducted under this section not later than one year after the date of enactment of this section. Such report shall contain such recommendations as the Secretary of the Treasury and the Comptroller General of the United States may deem appropriate. Such recommendations shall be made jointly, except that, in the case of any disagreement, both the Secretary of the Treasury and the Comptroller General of the United States may submit a separate recommendation.

And renumber the following section accordingly.

#### KEMP'S A COMER

### HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. DULSKI. Mr. Speaker, I had the opportunity to watch him on the gridiron when he was quarterback for the Buffalo Bills and for the past 11 months I have had an opportunity to observe him as a legislator. He does well in both roles.

I was very pleased and impressed at the complimentary article in Thursday's Wall Street Journal on our colleague and my neighbor, the Honorable Jack F. KEMP, of Buffalo, N.Y.

The excellent article by Alan L. Otten, Journal political writer, speaks for itself and I include it as a part of my remarks.

The article follows:

[From the Wall Street Journal, Nov. 18, 1971]

#### KEMP'S A COMER

(By Alan L. Otten)

WASHINGTON.—Every two years, anywhere from 35 to 60 new members enter the U.S. House of Representatives. Even before they arrive, two or three are tabbed as "comers"—clever young go-getters who will quickly emerge from the faceless pack to become leaders of the House or move on to the Senate or even beyond.

One of the clear comers in the current freshman crop is a ruggedly handsome, highly articulate conservative Republican from the suburbs of Buffalo, N.Y., Jack F. Kemp. His fellow Republican freshmen chose him as president of their informal group, the 92nd Club. He was one of three newcomers admitted into the Chowder and Marching Society, that elite group of such present and past House GOP greats as Richard Nixon, Melvin Laird and Gerald Ford.

He was picked by the White House to defend the President's Vietnam policy on the Dick Cavett and David Frost shows in debate with dump-Nixon Rep. Paul McCloskey. A recent trip to Vietnam won him an unusual half-hour audience to report to the President. He's in heavy demand as a speaker to raise money for House Republicans around the country, while Vice President Agnew and other administration bigwigs journey to Buffalo to help raise funds for his own campaign.

"There's no question Jack is the big star of

the freshman class," a senior (and non-admiring) colleague ruefully remarks. A closer look at 36-year-old Jack Kemp helps reveal those factors that spotlight one man as a comer while others remain in the shadows.

#### THIRTEEN YEARS OF FOOTBALL

Certainly it helps to start with instant name recognition—in this case, from 13 years as an all-star quarterback, first for the San Diego Chargers and then, until February 1970, the Buffalo Bills. Mr. Kemp led the Bills to two American Football League championships, was AFL Player of the Year in 1965 and for five years headed the AFL Players Association.

The football reputation, his wholesome good looks and his fluent way with words had long made him a much-sought Republican speaker, particularly on college campuses. People, he admits, were intrigued to find a professional athlete who not only was a conservative Republican but who also could use correctly such words as "bizarre" and "self-flagellation," talk knowledgeably about tax depreciation schedules and sulfur dioxide pollutants, and quote Edmund Burke ("A Representative owes his people not only his industry but his judgment").

Buffalo Republicans had long been hoping for just such a paragon to take on Democratic Rep. Richard McCarthy, and Mr. Kemp was more than willing. His well-financed and professionally guided campaign was helped mightily by Mr. McCarthy's later decision to give up the seat and run for the Senate, but Mr. Kemp still came to Washington with the valuable image of something of a giant-killer.

Still another asset was having good friends in high places. Old California buddies included White House aides Herbert Klein and Robert Finch. House GOP Campaign Chairman Rep. Bob Wilson. Mr. Kemp not only campaigned hard for Richard Nixon for President in 1960 and governor of California in 1962, but spent two weeks traveling with him on behalf of Bob Finch for Lieutenant governor in 1966.

#### STILL QUARTERBACKING

These people counsel him, speak in his district, open downtown agency doors for him. A Buffalo newspaper cartoon showed Messrs. Nixon, Klein and Finch in football uniforms blocking for Quarterback Kemp.

(And he repays the favors, as, for example, helping the White House by debating Mr. McCloskey. "My sense of fair play was challenged," he relates. "I don't quarrel with those who say we shouldn't have been in there or should get out faster—I say the latter myself—but to label the military as war criminals and to say the President really doesn't desire peace—that's something else.")

The young Congressman has other hallmarks of the true comer: boundless ambition and a ruthless readiness to put his own needs first; a shrewd instinct for spotting good political openings, and real hustle to follow through and take advantage of them.

When Amtrak cut back rail passenger service west of Buffalo, he quickly organized a House bloc to press for continued service west to Detroit and Chicago, persuaded the area governors to pick up part of any operating deficit, and finally got "provisional" service restored. He has taken the lead in a well-publicized push for a House resolution calling for United Nations debate on the Soviet Union's refusal to permit Jews to leave the country. Mr. Kemp says he seeks to dramatize the Soviets' disregard for human rights; cynics suggest he's cannily building good will among New York's large Jewish vote.

Pressed to explain his current reputation, the Congressman cites "a built-in advantage, as a moderately successful football player," and a popular hunger for stronger political leadership.

#### CONSENSUS, NO; DECISIONS, YES

"I learned long ago," he declares, "that you can't quarterback a football team by taking a poll and following the consensus. You have to weigh risks, make judgments, take chances."

Mr. Kemp campaigned as a "let's tell what's right about America" Republican, and his House record thus far is rated as 100% by the American Conservative Union and 15% by the Americans for Democratic Action. Yet in recognition of Buffalo's high unemployment, he has supported several spending measures far larger than the White House wanted.

Mr. Kemp is at some pains to deny as "absurd" rumors that he'll be the Conservative Party challenger against Republican Sen. Jacob Javits in 1974. "I have a forum here to exert some leadership, and that's exactly where I want to be," he says. Clearly, though, a Senate seat some day is well within his downfield vision.

It's not going to be all clear going, of course. First re-elections are normally considered the toughest, though a coming reapportionment plan will probably make his district more Republican. More seriously, some colleagues rate Mr. Kemp still naive and prone to error. For example, they say, it may flatter his ego to debate Mr. McCloskey on television or to have Mr. Agnew speak for him, but these may not be such good politics in a district where many well-educated suburbanites don't particularly like the war or the Vice President. Other House members complain that he skimps on the nasty nitty-gritty of committee work, and that his fast, purposeful pace often leaves bruised feelings behind.

It usually takes three or four terms to know whether the comers actually live up to their early billing. A good many people will be watching to see whether Quarterback Kemp can still throw the long bomb.

#### NATIONAL BIBLE WEEK

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1971

Mr. RODINO. Mr. Speaker:

You are a child of the universe, no less than the trees and the stars; you have a right to be here. And whether or not it is clear to you, no doubt the universe is unfolding as it should. Therefore, be at peace with God, whatever you conceive Him to be. And whatever your labors and aspirations, in the noisy confusion of life, keep peace in your soul.

These words, originally found unsigned on an empty wall of Old St. Paul's Church, Baltimore, in 1962 and titled "Desiderata", capture simply and precisely the essence of the message and meaning of the Bible. Each man conceives his God in his own manner. Yet all individuals seek similar answers—all men question, all doubt, all at one time express the words of Jeremiah, "Why me?" and the dream of Micah:

And they shall beat their swords into plowshares, and their spears into pruninghooks; nation shall not lift up sword against nation, neither shall they learn war anymore. Ch. 4: 3.

The biblical words we read so enveloped in human emotion are in turn, words which provide our chief source of human consolation:

Comfort ye, comfort ye my people, saith your God. Isaiah 11: 1.

It is often reiterated that the Bible was regarded by the founders of the Nation as their greatest personal treasure. The hope, the promise, the inspiration which gave them the necessary courage to continue despite all difficulties and disappointments were found within its covers.

I recall the story of an old religious teacher who began the first day of his class by throwing the Bible on the floor and shouting:

This book is not holy. How can it be holy if its words hold no meaning for you and if you make no effort to understand its words?

One is encouraged to study and to question, for only in questioning will the answers be found.

The Bible has been described as "a tree of life for them that hold fast to it"—a tree with its branches spreading, intertwining, bending and straightening, yet continually reaching and growing.

A young boy was asked by his grandfather to bring him a copy of the New Testament. The old man, looking up at the boy stated:

My son, you carry that book easily in your youth but when you are as old as I am, it must carry you.

The contents of the Bible touch upon nearly every area of human thought, from philosophy and government to poetry and ethics. Its authors include the shepherd and the king, men of considerable learning and men counseled through the experiences of day to day life. Beneath this diversity of human authorship lies a wonderful unity, pointing to the operation of one directing mind. Thus, while variety is found in writing style and emphasis, a powerful theme of direction persists.

Look again at the words of "Desiderata"—be at peace with God . . . and keep peace in your soul. This is the ever present theme of our Holy Scriptures, be it said by a wise man, a beggar or a prophet. Jeremiah, Hosea, Hezekiah—their distinction lies in the fact that they were human beings who dared to speak out against the unfair practices of their day, men who refused to compromise with injustice. The simple words of the prophet Micah carry with them the full message of peace for every man and for every nation:

And what doth the Lord require of thee, but to do justly and to love mercy and to walk humbly with thy God. Ch. 6: 8.

As we observe the 31st annual American Bible Week, may we reflect once again upon his words.

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

### HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 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?

## PROTECTING AMERICAN JOBS

### HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. SEIBERLING. Mr. Speaker, for many months I have been greatly concerned about the impact of imports on employment in this country, and, in particular, employment in the tire industry. Although the impact is fairly easy to determine, the solutions are not.

Legislation has been introduced, and is now pending before the Ways and Means Committee, which addresses itself to this problem and proposes various solutions. I have written the chairman of the Ways and Means Committee, the Honorable WILBUR MILLS, urging that hearings be scheduled on this subject at the earliest practicable date.

In the meantime, I think it will contribute to a better understanding of the problem and the implications of some of the proposed remedies if material already available can be inserted in the CONGRESSIONAL RECORD for study by the many Members of Congress who are also concerned. For this purpose, I think I can say that the tire industry typifies the problems facing many industries. Accordingly, I intend to insert into the RECORD from time to time materials relating to the problems of international trade as they affect the tire industry.

As the initial insert I am offering the statement of Mr. Peter Bommarito, international president of the United Rubber, Cork, Linoleum & Plastic Workers of America, AFL-CIO. This statement was made in person several months ago to the Members of the House who constitute the Northeast Ohio Congressional Council. While it may be that the President's actions in connection with the dollar "float" and the import surcharge have had some effect on the immediate crisis, the long-range problem remains. Mr. Bommarito's statement follows:

#### PROTECTING AMERICAN JOBS

My name is Peter Bommarito, I am the International President of the United Rubber, Cork, Linoleum and Plastic Workers of America, AFL-CIO. I welcome this opportunity to attend this meeting and to present to you the problems confronting the members of our Union. I appreciate the concern that you display, as evidenced by your presence.

#### JOB SECURITY

The single most important subject facing the rubber worker today is the stability of his employment. During the past two decades the number of jobs available and the employment in the Akron rubber companies has declined drastically. The Firestone Tire and Rubber Company in 1944 employed 12,000 production and maintenance workers. The number is now down to 4,000. The B. F. Goodrich Company dropped from a high of 11,000 to the present 4,000. The Goodyear

Tire and Rubber Company fell from a high of 15,800 in 1943 to 7,000 present active employees. In the three large Akron-based rubber companies alone over 24,000 jobs have ceased to exist since World War II. The U.S. Department of Labor estimates nationwide job losses for the period 1966-1969 at 700,000 because of imports alone.

#### REASONS GIVEN

Many theories have been offered by economists, industrialists and other concerned civic leaders as to why the jobs have left not only in the Akron area but in the nation as a whole. Economists talk about comparable advantages; industrial leaders blame high wages and low productivity; civic leaders are at a loss for an explanation. Regardless of what theories we accept it is time that we take a realistic approach to the overall unemployment problem based on facts and not suppositions, based on the truth and not propaganda.

#### IMPACT ON NATIONWIDE EMPLOYMENT

The American worker today is the major victim of the falloff in exports, of the flood of imports, or both. The current deterioration of the U.S. position in international world trade is having an adverse effect on employment and job security. The workers have come to the unions for help and their unions, acting in concert, seek redress and remedies to this very great threat. Tens of thousands of workers are suffering loss of jobs, unemployment, lowered standards of living and loss of their dignity in their role in our work-oriented society. The workers' grievances are with the government of the U.S. because it is the government's foreign trade and investment policies that are responsible for this situation. It is time to adopt a trade policy that enhances the well-being of the American people in place of one that increases corporate profits and enhances private greed. Organized labor intends to pursue this issue and continue to fight for international trade and investment policies that will restore the workingman's dignity and end these hardships.

#### TRADE UNIONS' POSITION

Since 1934 the trade union movement has supported government policies for the expansion of world trade. This support was based on labor's goal of increased employment and improved living standards, both at home and abroad. As world trade expanded, changes in economic conditions occurred; foreign governments established direct and indirect subsidies for exports and erected barriers to imports. U.S. investments, combined with patent and license agreements, transferred American technology throughout the world—by the late 1960's imports were taking over large and growing portions of U.S. domestic markets of manufactured merchandise and components.

#### TIRE AND OTHER PRODUCT IMPORTS

The total value of automobile tires imported in early 1960 was \$10 million; today this figure exceeds \$300 million. That is approximately 10% of the domestic tire market. In 1969 the deterioration in our balance of trade reflected a deficit of \$173 million for the tire industry. This represents a net job loss to 7500 American workers (based on 457 persons employed for every 1 million tires produced).

In 1957, 6% of the bicycle tires sold in the U.S. were brought in by foreign industries; today 85% of the bicycle tires and tubes purchased in the U.S. are imported from foreign producers. Only two American companies operating domestically are now in existence.

The U.S. has become a net importer of steel, autos, trucks, automotive parts, clothing, footwear, glass, electronic goods, musical instruments, television, wigs, hair pieces, TV sets and transistor radios to mention only a few. These events are the results of

changes in world economic conditions that require change to be made in the U.S. trade policies. The hard facts of life dictate that the government's foreign trade policies be swiftly modified in light of the rapidly increasing domination of foreign products.

#### COMMON FALLACIES

For the past several years the American consumer has been led to believe by leading industrialists, the U.S. Chamber of Commerce and newspaper editorials that increased imports created a distinct economic advantage with resultant low prices. We also read and hear that job exports are the fault of organized labor for constantly asking for higher wages, increased fringe benefits or strict antipollution measures and stringent safety and health regulations; that it is the fault of the workingman because of low productivity, disinterest in his job, disloyalty to the company and a lack of enthusiasm for zero defects that causes the increase in unemployment, but that just isn't the truth.

#### IMPORTS VERSUS PRICES

Imports do not serve to "discipline" prices. Often, the American consumer receives no benefit at all. The imports are generally sold at the prevailing American price, with resultant substantially widened profit margins. We were told that the American industrialists' answer to the small import foreign car was the Pinto—it was produced with engines imported from England and Germany and the standard transmission from other European manufacturers. Sales price—higher than the import.

"Buy American" has become a myth. It should read "Buy American if you can find it." Only recently an Akron rubber worker from Goodyear Tire and Rubber Company purchased an American made car with what he thought was American produced Goodyear tires only to find that the tires actually were made in Austria. Nearly all foreign import tires are sold domestically at American prices regardless of the cost of production. Make no mistake about it, the sales price will be at whatever amount the consumer is willing to pay. There are few import bargains.

There are also multinational corporations who produce component parts in American and foreign subsidiaries—assemble them in Mexican border plants, and return them duty free to the United States under TSUS Item 807. Although the corporation has realized a tremendous labor savings, it is not passed on to the consumer. Shoe prices rose 38% between 1960 and 1971, faster than the 31% increase in the overall Consumer Price Index. During this period the shoe imports skyrocketed, many shoe factories closed their doors, thousands of American shoe workers lost their jobs, yet the consumer benefited not at all.

#### WORKER'S ADJUSTMENT

There are many people who show a complete indifference to these trade-caused worker problems and they recommend that an unemployed worker should adjust, equating a worker with a retooling of a machine. This attitude is not only shocking in terms of social ethics, it reflects an ignorance of the workers' problems.

Labor is not an interchangeable part as some economists believe. A jobless rubber worker in Akron does not automatically become a clerical worker in New York or even in Portland.

While capital and machines can be moved from one part of the country to another, or to other countries, workers do not have full mobility. Workers have great stakes in their jobs and their communities. They have skills that are related to the job or industry. They have seniority and seniority-based benefits such as vested pensions, vacations, and supplemental unemployment benefits. Workers have investments in their homes, a

stake in the neighborhood, schools and churches. This lack of mobility is not a fault. It is a virtue. It is an important factor in giving stability to a community and to society. Moreover a worker's skill is among his most valuable assets. It cannot, however, be transferred to another industry or occupation with ease, if at all.

Further illustration of this indifference is the lack of data and information on the impact that international trade has on U.S. workers. There is a great void of information bearing on the employment impact and other effects on workers. This shortcoming can only be attributed to a lack of interest by foreign trade experts in government and business. We note that there is a great abundance of information and data available from the U.S. government to businessmen who wish to relocate their business abroad.

#### MULTINATIONAL EXPLOITATION OF LABOR

It has long been the history of most corporations to exploit labor. Organized labor, through its efforts, was successful in overcoming the once prevalent 7 day, dawn to dusk, sweat shop conditions that once existed in this country.

In the early 1930s and on into the 40s the working conditions in the shops of this nation were unbearable. Men and women were forced to work under intolerable conditions that threatened their safety, impaired their health and caused early retirement and premature death. Through the concept of collective bargaining, organized labor obtained for the working force a decent wage and vastly improved working conditions. The workingman achieved a high degree of dignity with equity and security.

In order to combat these successful efforts, the corporations began to divide and diversify. Looking for pools of cheap labor, plants moved from the highly industrialized cities in the north to the rural nonindustrial areas of the southern states. For several years they were able to maintain low wages among these workers; however, organized labor once again was able to improve the standard of living and the working conditions in these plants through the bargaining process.

The corporations then turned to a multinational status and exported American jobs to foreign markets at the same time reducing, and in many instances eliminating their flow of exported goods to these countries.

U.S. firms invested approximately 3.8 billion dollars in plants and machinery in foreign subsidiaries in 1960. The U.S. Commerce Department estimates that U.S. based plants will invest more than 8 billion dollars abroad in manufacturing in 1971.

During the past 25 years about 8 thousand subsidiaries of U.S. companies have been established on foreign soil with estimated annual sales of approximately 200 billion dollars, obviously displacing U.S. produced goods in both American markets and world markets. These companies also export American technology; some of it developed through the expenditure of government funds paid for by American tax payers—their biggest export, of course, is U.S. jobs.

The multinational is not simply an American company moving to a new locality where the same laws apply and where it is still within the jurisdiction of Congress and the government of the United States. This is a runaway to a foreign country, with different laws, different institutions and different labor and social standards. In most instances, even the name changes. The tentacles of American industry reach far into foreign lands. It is ironic that these same multinational corporations have sought to influence U.S. trade legislation in the name of "free trade." Unlike their competing corporations in the U.S., these multiglobal operations are beyond the reach of present U.S. law or the laws of any single nation.

#### INTERNATIONAL BANKS

In the 1960's we have seen an important related phenomenon—the expansion of United States-based international banks, which service and help to finance foreign subsidiaries of U.S. companies. At present, there is a vast global network of branches of U.S. banks, which moves funds easily from one country to another, beyond the direct reach of the monetary policies of any government, including our own.

When the government's squeeze on the American money market threw homebuilding into a recession and hit other groups in the American economy in 1969, the U.S. international banks increased their borrowings from their foreign branches by an amazing \$7 billion.

This \$7 billion was for the aid and comfort of the American central offices of those international banks and their prime customers—the big corporations. The rates to the special customers were considerably less than those paid by small businessmen or home-buyers. When the money squeeze eased here, and the interest rates declined, this same "hot money" was transferred back abroad, and was partly responsible for the recent dollar crisis in the European money markets. Financial reporters attributed much of the manipulation in the money market to the treasurers of multinational corporations who were busy selling their dollars for stronger currencies.

In view of these developments by the banks, the multinational firms and the radically changed concepts of international relationships, the question must be asked: How long can the United States government and the American people permit such operations of private companies and banks to continue without regulation?

#### CANADIAN-MICHELIN TIRE COMPANY AGREEMENT

The Michelin Tire Company of France and the Canadian government have entered into an agreement the effect of which will undoubtedly become a most serious threat to the security of employees in the United States tire industry.

The Canadian government has committed to Michelin a 15-year, \$50 million low cost loan from the Provincial government's Industrial Promotion Agency to aid in the building of three plants. The Federal Department of Regional Economic Expansion has also signed an agreement with the French company offering two grants totalling \$10 million.

Canada has granted tariff concessions by proposing the reduction or complete elimination of tariffs on most Michelin imports, to commerce in 1971. Further tariff relief has been offered on imported production machines in conjunction with a rapid write-off of production equipment in two years and on buildings in five years.

The entire value of the company's investment, including government grants, is also eligible for depreciation. Property tax concessions are available limiting annual taxes to 1% of the value of the buildings for ten years with no taxes to be levied during this same period on land, equipment or inventory.

It is my opinion that the foregoing agreement between the Canadian government and Michelin Tire may be construed as a violation of the contractual authority of the GATT Agreements. I am of the further opinion that these subsidies, in the form of special concessions, could be offset as provided for under Section 303 of the Tariff Act by the imposition of countervailing duties.

I offer the following specific steps for the protection of American workers and for the preservation of our industrial society:

1. The U.S. government must stop helping and subsidizing U.S. companies in setting up and operating foreign subsidiaries. Section

806.30 and 807 of the Tariff Schedules should be repealed; these sections of the Tariff Code provide especially low tariffs on imported goods, assembled abroad from U.S.-made parts. Moreover, the U.S. tax deferral on profits from foreign subsidiaries should be eliminated, so that the profits of these subsidiaries will be subjected to the U.S. corporate income tax for the year they are earned.

2. The government should regulate, supervise and curb the substantial outflows of American capital for the investments of U.S. companies in foreign operations.

3. The government should regulate, supervise and curb the export of American technology—by regulating the foreign license and patent arrangements of American companies.

4. The government should press, in appropriate international agencies, for the establishment of international fair labor standards in world trade.

5. In the face of growing unresolved problems, an orderly marketing mechanism is needed immediately to regulate the flow of imports into the U.S. of those goods and product-lines in which sharply rising imports are displacing significant percentages of U.S. production and employment. Such quotas that bar the rapid displacement of U.S. production and employment by flood tides of imports could slow down the disruptive impacts on American society and help to provide an orderly expansion of trade.

6. The U.S. government should take immediate positive action by continued negotiations with the Canadian government as provided under the terms of the GATT Agreements to alleviate the Michelin situation.

#### WHITSON KIRK: 50 YEARS OF SCOUTING

#### HON. DURWARD G. HALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. HALL. Mr. Speaker, it is a pleasure for me to direct the attention of my colleagues to the exemplary record of dedication and service in behalf of the Boy Scouts of America that has been achieved by Mr. Whitson Kirk, of Webb City, Mo.

Mr. Kirk is being honored as the only individual in the Mokane Area Council who has accumulated 50 years of service to Scouting, during the council's annual recognition ceremony.

As a recipient myself of the Silver Beaver and Silver Antelope awards, and one who has also long been interested in Scouting, I can attest to the truly commendable service Mr. Kirk has rendered.

I submit the following newspaper article and Boy Scout service record of Mr. Kirk for enlightenment of all:

[From the Joplin (Mo.) News Herald, Jan. 10, 1967]

WEBB CITY MAN HAS LONG RECORD IN SCOUTING  
(By Irene Holt)

WEBB CITY, Mo.—Whitson Kirk, 902 West Second street, has the longest registered tenure with the Boy Scouts of any adult in the Mo.-Kan. Area Council, with a 43-year record, according to Richard Miller, council scout executive. "It could be said that if we have a Mr. Scouting in the Joplin area it would be Whitson Kirk," Miller said.

Kirk, who is president of the Mo.-Kan. Area Council, was reelected for a second term, beginning this month. He first joined

Webb City troop No. 2 sponsored by the First Presbyterian church in January, 1920. Kenneth Glazier, was scoutmaster of the troop and Dr. Raymond Kuhn, assistant scoutmaster. Rufus Lane of Joplin was scout commissioner of the Webb City district.

"Our scout uniforms were fattened after the World War I soldiers' uniforms," Kirk said. "We had laced up breeches, wrapped up leggings, and a wide-brimmed hat.

"At the time I went into scouting Webb City was operating on its own basis with a complete scout organization within the town. In June, 1924, 12 or 15 of us were the first to make an overnight stay at Camp Nihkagaha. In that group was William Chinn, Gordon Told, and Chester Roney. We camped three days beside the spring there."

Kirk, who is a life scout, has held every office in the local troop, being senior patrol leader, at the time of the first camp-out.

When asked why his interest in scouting had continued through the years, he said: "I have always liked it. It was also partly for civic pride and partly because I was left without a father at the age of 10 and a mother at 13. Other scout leaders had taken me under their guidance so I always tried to pay back some of it."

Whitson Kirk Jr., who lives in Leawood, Kan. also is a life scout.

In 1950, while serving as contingent leader for the Mo-Kan area group, he made the trip to Valley Forge, Pa., to the National Jamboree there, accompanied by 68 scouts from the area. This is a four-year national program in scouting. "Normally a boy will spend four years in the scouts. The aim is to give every boy a chance to attend."

Last August Kirk attended the voluntary training center at Philmont Scout ranch near Cimmaron, N.M. as finance chairman. The same week he was there for training Ed Johnson, public relations chairman, also attended.

Kirk received the Golden Sun award in 1938 and the Silver Beaver award, the highest award a council can give adults, in 1944. He also is a member of the Vigil Honors of the Order of the Arrow for honor campers. He was on the camping committee at the time of the securing of donations for the Frank Childress Scout reservation.

It is generally acknowledged that Kirk was instrumental in formulating all the arrangements after Paul Childress told Kirk of his intention to give, in memory of his mother and father, the two sections of land with all the improvements to the Girl Scouts and Boy Scouts. This was an unusual intention—for the Girl Scouts and Boy Scouts to own something jointly, and after months of work it was through Whitson Kirk's efforts that this was accomplished.

"Whitson is an unusual council president in that his scouting background entails work as a scoutmaster, troop committeeman, past council commissioner, and an individual that has been involved in the camp development program at both the old Camp Nihkagaha and the present Frank Childress Scout Reservation," Richard Miller said.

Whitson Kirk is general manager of General Steel Products Company, 2002 West Seventh street.

BOY SCOUT AND COMMUNITY SERVICE  
RECORD OF WHITSON J. KIRK  
1. BOY SCOUTS OF AMERICA

A. Local level

Tenderfoot Scout, January 1, 1920; Kenneth W. Glaser, Scoutmaster, Troop 2, Presbyterian Church, Webb City, Missouri, Rufus Lane, Scout Commissioner.

Member Troop 1, September, 1921.

Member Troop 25, September, 1922; Senior Patrol Leader 1923 to 1926; Assistant Scoutmaster, September, 1926-1938; Scoutmaster, October 31, 1939-1940; Troop Committee, 1940-1962.

B. MoKan Area Council

Neighborhood Commissioner, December 31, 1941-1942.

Chairman of Camping and Activities, December, 1942-1943.

Scout Commissioner, March 31, 1945-1949.

Council Executive Board Member or Member at Large, 1949-1971.

Chairman of Organization and Extension, March 31, 1950.

President of MoKan Area Council, 1966 and 1967.

Attended Regional Meeting, Colorado Springs.

Attended Regional Meeting, Kansas City.

Attended National Meeting, Dallas, Texas.

C. National council

National Jamboree, Valley Forge, Pennsylvania.

Philmont Scout Ranch—Leaders Training 1966.

II. OTHER ACTIVITIES

A. General Manager of General Steel Products Company, employed there 42 years.

B. Member of Webb City Rotary Club since 1945.

C. Member of Presbyterian Church—Webb City; Elder since May 5, 1946; Board of Trustees—elected in 1952—completing 6th term.

D. Member American Institute of Mining and Metallurgical Engineers since 1953.

E. Member Webb City Housing Authority Board.

III. SPECIAL OUTSTANDING ACCOMPLISHMENTS

A. In 1961, through the coordinating efforts of Mr. Kirk, Mr. Paul Childress made a gift of 200 acres including buildings and fencing to be used jointly by the Boy Scouts of America and the Girl Scouts of America for a camping area. This facility is presently being used by both Boy Scouts and Girl Scouts and is known as Childress Scout Reservation.

B. While President in 1967 of the MoKan Area Council the present Scout Service Center was acquired and opened as a Scout Service Center. Dignitaries at the open house included the Governor of the State of Missouri, Warren E. Hearnes.

IV. AWARDS

A. In 1939 he was awarded the Order of the Golden Sun, a special award presented by the MoKan Area Council Boy Scouts of America annually to outstanding Scouters.

B. December 6, 1944 he was awarded the Silver Beaver by the National Court of Honor.

C. On August 29, 1959 he received the Vigil Honor, Order of the Arrow.

PROSPERITY—DOES IT TRICKLE  
DOWN OR PERCOLATE UP?

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. O'HARA. Mr. Speaker, the conventional thing to say these days is that the President's most effective political ploy is his ability to surprise everyone by doing what is least expected. We are told that his China trip was unexpected, and his sudden conversion to wage and price "controls" was a total surprise.

There is no doubt, of course, that the trimmings on Presidential policies are usually arranged in as surprising and attention-getting a manner as possible. But when you penetrate the rhetoric and examine the substance, the policies of Pres-

ident Nixon in most cases, notably including the area of wage and price "controls," is really not all that new and different.

Most Republican Presidents after Lincoln have believed, with a deep and fervent faith, in the proposition that business men are the only creators of national wealth, and that everyone else prospers or fails depending on how much of the businessman's profits trickle down to them. Neither the working man nor the farmer, in this orthodox Republican view of the world, actually contribute anything to the Nation's well-being. It is only as they share in the profits of business that they can expect to be well-off. This fervid belief in the law of economic gravity has survived Republican depression after Republican depression. It survives crises after crisis and is one area, at least, in which truly good Republicans can be counted upon to put principle ahead of politics. President Nixon is following loyally in the footsteps of many of his GOP predecessors, and in the trail blazed by the previous Republican administration of which he was a part. Those administrations did not let massive unemployment and the prospect of losing an election shift them away from their devotion to the trickle-down theory, and neither is the present administration.

Naturally, the President seeks to put the best face on it.

This summer, when the President announced his freeze on working people's wages, and expressed his pious wish that profits might also be kept within moderation, he sought to justify it by expressing the belief that somehow this would fight unemployment and fight inflation. Since the unemployment was largely caused by the President's earlier efforts to fight inflation, the unemployed could be pardoned a certain skepticism about the new Nixon formula for creating jobs. But if you believe in trickle-down economics it all makes sense. Under the ancient trickle-down theory, if you just direct every organ of public policy and private power to insure that those who have the most get more, then it follows that those who have the least may, somehow, through the generosity of those who have everything, get something.

The other side of the administration's anti-inflation coin—the administration's idea of what to do for business when you freeze workers' pay—is to propose big tax breaks for industry, in the hope that they will somehow create jobs for the unemployed.

As I suggested at the beginning of these remarks, the more you examine the Nixon surprise economic package the less surprise and the more Republican orthodoxy there appears in it.

Fortunately, the President is not the only ex-Vice President around to give us economic advice. There is another, presently an active Member of a nearby legislative body, and his advice continues to be basically a good deal sounder than that of his fellow ex-Veeep.

The able junior Senator from Minnesota has persuaded the Senate to amend the pending tax legislation to increase the minimum standard income tax de-

duction from \$1,000 to \$1,300. This will not do much for big businessmen directly or individually, but it will provide a massive shot in the arm for the economy by making more money available to those who have it the least and need it the most.

Senator HUMPHREY's proposal is not based on trickle-down theories. It assumes that it is the people who create wealth and that big business and the banks and the other beneficiaries of "Nixonomics" profit only as the people are prosperous. Senator HUMPHREY believes that wealth moves upward, while President Nixon believes that wealth trickles down. Both men are deeply sincere. And their respective ideas have been tried out. The prosperity of the 1960's stemmed from an application of the Humphrey theory. The Nixon theory has given us the highest unemployment rates in years. I know which theory I accept.

The distinguished Washington Post columnist, William Raspberry, in today's issue of that newspaper, analyzes the comparative theories of the Humphrey and Nixon school of economics. I ask unanimous consent that that column be printed at this point in the RECORD.

#### TAX BREAK FOR THE POOR

(By William Raspberry)

Not everyone is convinced that the President's proposal of investment credit tax breaks for big firms will work out the way Mr. Nixon hoped when he dubbed it a "job development" scheme.

The theory is that manufacturers will be moved by the prospect of an investment credit to lay in new machinery, increase their productivity and, ultimately, provide more jobs. That prospect would seem more logical if most plants were operating at full production now. They aren't.

One of the best hopes that the proposal really will lead to major economic stimulation is contained in an amendment introduced this week by the junior senator from Minnesota.

What Hubert Humphrey has proposed (his bill cleared the Senate Tuesday by a vote of 46 to 34) is an increase in the minimum standard income tax deduction from \$1,050 to \$1,300, a device for giving tax relief to poor and low-income families.

While the main proposal, which Humphrey supports, is based on the hope that manufacturers will use their new tax advantage to create new jobs, and thereby stimulate the general economy, the Humphrey amendment would virtually guarantee economic stimulation.

Big firms can exercise options about what to do with their tax savings. But poor people really have no option; they will spend all they get, whether through wages or tax refunds. And they will spend it on the things that manufacturers produce—food, clothes, TV sets—thus increasing sales which stimulates production, which creates jobs.

As Humphrey put it, it's the difference between trickle-down and percolate up.

Not only is percolating up a more certain prospect; it also directly helps those who most need help—the poor. Humphrey estimates that some 70 per cent of the benefits under his proposal would go to families with incomes under \$4,500 a year.

"If there is any group of American families that deserve some consideration by Congress," the former Vice President said, "it is that group of families with incomes under \$4,500 and that group that we call lower-

middle-income families of \$10,000. These people are the great purchasers of consumer goods because they represent such a multitude of our people. They can help stimulate the economy if they have a little additional purchasing power."

He would provide that new purchasing power right away. His amendment would apply the new deduction to 1971 income. That might make a problem for the Internal Revenue Service, which has its tax forms already printed, but it would be an unmitigated boon to an awful lot of poor people.

Aside from what the Humphrey proposal would do to stimulate the sluggish American economy, it would go a long way toward eliminating one of the incongruities of our tax laws.

As things are now, millions of people whose incomes fall below the level officially defined as poverty still are subject to income taxes.

Humphrey's amendment would come very close to making tax-free-income levels and poverty levels the same. But it would also provide some relief for low- and moderate-income families.

For example, a family of four whose income is \$7,500 a year would save about \$60 in taxes. That isn't much but it involves so many people that it would be bound to produce some economic stimulus. As Humphrey observes, "Low-income families do not save—they spend."

He said his proposal would cost \$992 million in revenues, but he thinks it is worth it.

"The Treasury loses this revenue," he said. "There's no getting around it. But it loses it from those who can least afford to pay—and, I may say, those whom society can least afford to tax."

#### THE TAX REFORM ACT OF 1972—RE-INTRODUCED WITH COSPONSORS

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. CORMAN. Mr. Speaker, on October 5, I introduced a bill, H.R. 11058, the Tax Reform Act of 1972. Twenty-five Members have since expressed their wish to cosponsor this legislation with me, and yesterday I was pleased to introduce two bills under this title: H.R. 11862 on behalf of myself and Mr. ASPIN, Mr. BOLING, Mr. DANIELSON, Mr. WILLIAM FORD, Mr. HALPERN, Mr. HAWKINS, Mr. HELSTOSKI, Mr. JACOBS, Mr. JOHNSON of California, Mr. McFALL, Mr. MEEDS, Mr. MOORHEAD, Mr. MOSS, and Mr. OBEY; and H.R. 11863 on behalf of myself, Mr. PEPPER, Mr. PIKE, Mr. REES, Mr. REUSS, Mr. RYAN, Mr. SCHWENGLER, Mr. SISK, Mr. STOKES, Mr. VAN DEERLIN, Mr. WALDIE, and Mr. CHARLES H. WILSON of California.

The enacting clause of the Tax Reform Act of 1972 reads:

To gear the income tax more closely to an individual's ability to pay, to broaden the income tax base of individuals and corporations, and to otherwise reform the income and estate tax provisions.

In short, this is a bill with one major objective: To provide meaningful reform of our tax laws in order to make them

more equitable and more productive of revenue.

None of the provisions of the Tax Reform Act is new or novel. Proposals to make our tax laws more equitable and productive have long been proposed and discussed, in and out of the Congress. In theory, our tax rates are progressive and should have the effect of placing the tax burden according to an individual's ability to pay. But, a variety of special exemptions, incentives and privileged interpretations of complex tax laws have made a mockery of the theory. Inequities abound, not only in the area of individual income taxation, but likewise in regard to corporation, estate and gift taxes.

Some reform was accomplished in the Tax Reform Act of 1969, but it did not go far enough. Events since the 1969 Act have made it imperative that the Congress give its attention to further reform, both in the interest of tax equity as well as gaining revenue.

This is especially true in view of the prospective enactment of the Revenue Act of 1971, which reflects the tax aspects of the President's new economic policy. In attempting to solve the dual problems of inflation and unemployment, which have reached crisis proportions because of the administration's stand-pat policies of the past 2½ years, the Ways and Means Committee acted quickly on this legislation, though making significant changes in the President's recommendations. While this legislation is necessary, it is also true that under the House-passed bill some \$15 billion will be lost to the Treasury for the calendar years of 1971, 1972, and 1973. This is a substantial loss, especially since the deficit for fiscal year 1972, based on the administrative budget, is estimated to be over \$35 billion.

The Tax Reform Act of 1972 is not meant to be an alternative to the Revenue Act of 1971. Rather, it is meant to complement that Act. It would assure greater revenue in the long run, would reduce our budget deficits, and in times of high economic activity could even help to eliminate a budget deficit entirely. It would strengthen the economy by channeling greater purchasing power to individuals at the lower income levels, who are more likely to spend their earnings than persons with larger incomes. It would remove a number of lower income people from the income tax rolls, even though they would still be responsible for substantial social security taxes. Finally, it would enable us to tackle more vigorously the great volume of unmet needs which continue to cry for attention and which Government must meet.

The additional revenue produced by the Tax Reform Act of 1972 could help us begin to rehabilitate our cities, improve our educational system, redevelop the rural areas of the country, meet the Nation's growing health care crisis, provide adequate housing, minimize the condition of poverty in the American scene, and effectively control pollution. We also need to find ways to assist local government to meet their traditional responsibilities and somehow help to lessen



the awesome burden of property taxes on homeowners. At the same time, we must not lose sight of the need for adequate financing of essential on-going Federal programs.

Very simply, this all takes money, most of which must come from Federal revenue. We must find a way, and the way can be found only by "producing" revenue for the Treasury, not by "reducing" it. By a conservative estimate, the Tax Reform Act would bring \$11 billion new revenue into the Treasury for calendar year 1973, and when fully effective by 1980, Treasury would receive in excess of \$19 billion a year. When we consider the revenue loss resulting from the Revenue Act of 1971, even the conservative figures I have just quoted make enactment of the Tax Reform Act essential. As the economy improves and the expanded tax base produces more than adequate revenue, the Congress then can consider rate reduction—the most desirable end product of tax reform.

At the conclusion of these remarks, I am inserting a summary of the provisions of the tax reform proposal; also, several tables showing the tax burden in 1973 under present law and under the proposal to substitute a tax credit for the personal exemption allowance at selected levels of adjusted gross income. This is summarized in title I, section 101 of the bill. I call special attention to these tables for they clearly point up an important purpose of the Tax Reform Act—to gear the income tax more closely to an individual's ability to pay.

Mr. Speaker, I urge my colleagues to examine the provisions of the Tax Reform Act carefully. Its enactment will help us to find our way back to fiscal responsibility and equitable tax treatment for the average American taxpayer—both necessary ingredients for a stable, prosperous, and healthy economy.

The summary of contents of the Tax Reform Act and four tables follows:

#### SUMMARY OF CONTENTS OF TAX REFORM BILL

##### Section 1—Short title

This section provides that the Act may be cited as the Tax Reform Act of 1972.

##### Section 2—Technical and conforming changes

This section provides that the Secretary of the Treasury shall, within 90 days after the date of the enactment of the Act, submit to the Committee on Ways and Means a draft of any technical and conforming changes in the Internal Revenue Code which should be made to reflect the substantive amendments made by the bill. The bill, for example, does not attempt to make all conforming amendments to the cross references provisions within the Code or to the various tables of contents in the Code.

#### TITLE I—AMENDMENTS PRIMARILY AFFECTING INDIVIDUALS

##### Section 101—Credit against tax for personal exemptions

This section provides a credit against tax for personal exemptions in lieu of the existing deduction from gross income for personal exemptions. The credit provided is \$150 for each exemption. Thus, a single person over age 65, and with no dependents, would have a credit against tax of \$300 (two exemptions).

Under present law, a deduction of \$750 against gross income for a personal exemption is worth \$525 to the taxpayer in the

highest bracket, but only \$107 to a taxpayer in the lowest bracket. While the \$150 credit will be of more benefit to taxpayers in the low brackets than the existing \$750 deduction from gross income, it will, of course, be of less benefit than the \$750 deduction to taxpayers in the higher brackets. Approximately 30 million taxpayers with adjusted gross incomes below \$10,000 will receive a tax reduction under this amendment. But over all, this section of the bill would increase tax revenues by approximately \$1.9 billion a year.

This section also provides that if the taxpayer is claiming a child as a dependent (and thereby receiving a credit of \$150 against tax) the parent shall include in his gross income any income received by the child during the taxable year from a trust created by the parent, and also any dividends, interest, or royalties received by the child from any property given to him by the parent. Income which is so taxed to the parent would not be taxable to the child. This provision will not apply if the parent does not choose to claim the child as a dependent.

##### Section 102—Repeal of \$100 dividend exclusion

This section repeals the provision in present law that allows a taxpayer to exclude from gross income \$100 of dividends received on corporate stocks. Present law gives no similar exclusion in the case of interest received on savings accounts, a much more common form of investment by individuals in the lower brackets.

##### Section 103—Floor on charitable contributions

This section provides that charitable contributions by an individual are deductible only to the extent they exceed 3 percent of adjusted gross income. This is the same floor as applies in the case of the deduction of medical expenses. Under the amendment, routine contributions to the church and other charities, like routine medical and dental expenses, would not be deductible, but extraordinary amounts would be deductible when they exceed the 3-percent floor.

##### Section 104—Elimination of vacation resort house as tax shelter

This section eliminates as tax shelters such items as beach cottages, condominiums at ski resorts, mountain cabins, and the like, which the taxpayer uses for pleasure and rents when he can in order to obtain tax deductions greater than the rentals. The amendment would also apply to the rental of a house which is used by the taxpayer as his principal place of residence.

Under the amendment deductions for depreciation, repairs, insurance, agent fees in handling rentals, etc., would be allowed as deductions only up to the amount of rentals received during the year reduced by interest and taxes paid (and deducted) on the rental property. The rentals would not be taxed (except in the unusual case where they exceed all expenses) because they would be offset by allowable deductions; but the excess costs for repairs, depreciation, insurance, etc., could not be used to shelter income from other sources.

##### Section 105—Disallowance of expenses attending conventions outside the United States

This section disallows expenses of travel (including meals and lodging) of an individual in connection with attending a convention held outside the United States. As a general rule, such expenses are incurred primarily for pleasure rather than business. Thus, expenses of lawyers attending the American Bar Convention in London in 1971 would have been disallowed if the amendment had been in effect. The amendment applies to expenses incurred after the date of the enactment of the bill.

##### Section 106—Computation of earnings and profit on a consolidated basis

Some conglomerate companies have been paying dividends which are not fully taxable because the parent company does not have sufficient earnings and profits to cover the distribution although the consolidated group had earnings and profits during the year greater than the amount distributed. This section of the bill provides that the earnings and profits of a parent corporation for a year shall not be less for dividend purposes than the earnings and profits of the consolidated group for the year.

##### Section 107—Dividend on certain sales of stock

The Tax Court held that if a transaction is described in section 304 of the Code (which can produce dividend income if stock of one controlled corporation is sold to another controlled corporation) and is also described in section 351 (dealing with tax-free exchanges), then section 351 applies and not section 304. This section of the bill changes the rule of the Tax Court case and provides that the tax-free provisions of section 351 do not apply to the extent the application of section 304 produces an amount taxable as a dividend.

##### Section 108—Termination of stock option provisions

Under present law, an officer of a corporation is not taxed at the time he exercises a qualified stock option granted him for performance of services. If he sells the stock after 3 years, the compensation is taxed only as a capital gain. If he holds the stock until he dies, the compensation is never taxed. This section of the bill provides, in the case of options granted after 1971, that the compensation realized on exercise of a stock option will be taxed at the time of exercise as ordinary income.

The enactment of this amendment will be welcomed by many corporate shareholders. The liberal granting in the past of stock options has diluted, in some cases seriously, the equity ownership of shareholders of the companies who grant stock options. With the demise of tax free stock options, management will no longer have to explain or contend to shareholders that authority to grant stock options is necessary to attract or keep "key employees".

##### Section 109—Limitation on deduction for percentage depletion on royalties

The percentage depletion allowance is intended to provide an incentive for the discovery and development of oil and gas and other minerals. In the case of royalty income this incentive is generally meaningless. As one commentator asked with respect to the passive owner of an oil royalty: "What perils has he overcome in the quest for oil? To what extent has he been gambling with fate like a tenacious wildcatter?"

This section of the bill provides that the owner of a royalty cannot deduct percentage depletion after he has received depletion deductions in an amount equal to 4 times the amount he expended for exploration and development of the deposit from which he is drawing his royalty. In the usual case of a landowner who receives royalties from a lessee who did the exploration and development work, this would mean that no percentage depletion would be allowed. But the owner of an overriding royalty may have sub-leased the property after having first made expenditures for exploration and development and he would be allowed percentage depletion on his royalty income until he has recovered 4 times his expenditures for exploration and development. This multiple of 4 times would apply even though the drilling or development expenditures were deducted when incurred.

**Section 110.—Disallowance of certain double deductions**

Present law provides that the expenses of administering an estate can be deducted by the executor on either the income tax return or the estate tax return, but not on both. The courts have held that expenses of the executor in selling property can be deducted on the estate tax return and can also be used on the income tax return as an offset against the selling price of the property. This section of the bill provides that such selling expenses cannot be used in the income tax return as an offset to the selling price if they are deducted as an expense of administration on the estate tax return.

**Section 111.—Treatment of trust income payable to children of grantor**

Under present law, a father can, in effect, deduct on his income tax return gifts to his children if he makes a gift out of income from stocks and agrees to do so for at least 10 years. To get that result, the parent need merely transfer stock to himself as trustee and agree to pay out to his children the income from that stock for 10 years, at which time the stock will be returned to him free of the trust. Use of short-term trusts in this manner is commonplace with affluent taxpayers who can afford to give some of their dividend income to their children.

This section of the bill provides that the income of such a trust will be taxed to the grantor (if he has a reversionary interest) so long as the income is payable to a child who is under the age of 21 years or who is attending college and is a dependent of the taxpayer for purposes of the credit for personal exemptions.

**Section 112.—Repeal of exemption for earned income from foreign source**

Under present law, citizens of the United States can exclude from gross income certain amounts of income they earn in foreign countries if they are present in the foreign country for 17 out of 18 months or if they become a bona fide resident of the foreign country. The exclusion is \$20,000 a year if the taxpayer meets the 17 out of 18 month test and is \$25,000 a year if he is a bona fide resident of the foreign country. This section of the bill denies such exclusion from gross income in the case of taxable years beginning after the date of enactment. The foreign tax credit will prevent double taxation of the income if the foreign country also taxes the earned income.

**Section 113.—Nontaxed capital gains: Carryover basis at death**

Under present law, on the death of an individual his property receives a new basis for tax purposes—the fair market value used for purposes of the estate tax. Unrealized capital gains are, therefore, not taxed when the executor or the heirs sell any appreciated property held by the decedent. This section of the bill provides for a carryover of the decedent's basis if the decedent's gross estate exceeded \$60,000. The decedent's basis in appreciated property is increased by its proportionate share of Federal and State estate taxes attributable to the amount of the appreciation. This section would apply to decedents dying after June 30, 1972.

**Section 114.—Repeal of alternative capital gains tax for individuals**

This section repeals the alternative capital gains tax for individuals. The tax was partially repealed by the Tax Reform Act of 1969. With this amendment, one-half of all long-term capital gains (not offset by capital losses) would be taxed to the individual as ordinary income.

**Section 115.—Capital loss carryback for individuals**

This provision grants relief to an individual who has an unused capital loss of at

least \$10,000 by allowing him to carry it back (as can a corporation) to the 3 preceding taxable years. Cases have arisen where a large capital gain in one taxable year is followed by a large capital loss in the following year which may never be utilized even with the unlimited carry forward.

The carryback is elective with the taxpayer. This will make the provision less of an administrative burden on the Internal Revenue Service, for in many cases the taxpayer would rather not file a claim for refund (and audit) of taxes paid in a prior year if the loss can be used on a carry-forward. Moreover, if the taxpayer elects to treat a net capital loss as a carryback, the entire capital loss is treated under the amendment as a long-term capital loss even though it is made up completely or in part from short term losses.

The carryback cannot be used to offset ordinary income, although a carryforward can offset ordinary income up to \$1,000 a year, and the carryback cannot produce or increase a net operating loss for a preceding taxable year. In the case of the death of the taxpayer a net capital loss for the year of his death can be carried back even though the loss is less than \$10,000.

**Section 116.—Repeal of capital gain treatment for patents**

Under existing law, capital gain treatment is granted on the sale by an individual of a patent even though he is a professional inventor. This section of the bill repeals this provision, so that sale of a patent by the person whose personal efforts created the property will produce ordinary income, just as the sale of a copyright does under existing law.

**Section 117.—Income tax treatment of certain gifts to members of family**

It has become fairly common for an individual who has produced a copyright or a literary or musical composition which is producing royalty income to give it to his children or to a trust so that the income will be less heavily taxed. This section of the bill provides that where there is a gift of such property by the taxpayer to a member of his family, to a trust for the benefit of any member of his family, or to a corporation more than 50 percent owned by the taxpayer or his family, the taxpayer will be treated as having received ordinary income at the time of the gift in an amount equal to the fair market value of the property at that time.

**Section 118.—Farm losses**

The excess deductions account with respect to farm losses, adopted by the Tax Reform Act of 1969, applies only if the taxpayer has nonfarm income in excess of \$50,000, and even then a farm loss is taken into account only to the extent it exceeds \$25,000. This section of the bill reduces the \$50,000 figure to \$30,000, and reduces the \$25,000 figure to \$10,000.

**Section 119.—Transfers taking effect at death**

Before the enactment of the 1954 Code, if a taxpayer transferred property to a trust which provided that the income should be accumulated during the grantor's life and upon his death the trustee should pay the corpus and accumulated income to his children, such a transfer was included in the decedent's gross estate as a transfer taking effect at death. The 1954 Code provided that such a transfer will be included in the gross estate only if the decedent retained a reversionary interest equal to 5 percent of the value of the property. This section of the bill strikes out the 5-percent reversionary interest test since it is completely a non sequitur in a statute which imposes an estate tax on a lifetime transfer of an interest which can be possessed or enjoyed only by surviving the

transferor. This amendment would apply to transfers made after December 31, 1971.

**Section 120.—Life insurance included in gross estate**

Prior to the 1954 Code, life insurance on a decedent's life was includible in his gross estate to the extent he paid the premiums on the policy. In such a case it was immaterial whether he had given the policy to members of his family before his death. This section of the bill restores the premium payment test in the case of life insurance, so that the insurance will be included in the insured's gross estate in the ratio that the premiums paid by the decedent on the insurance policy bears to all premiums paid on that policy. In applying this rule the premiums paid by the decedent before July 1, 1971, shall not be included in the numerator of the fraction but would be included in the denominator.

**Section 121.—Charitable deductions in the case of estate tax**

The first amendment made by this section of the bill provides that a charitable bequest will be deductible for estate tax purposes only if it is to be used predominantly within the United States or its possessions. Under present law, a citizen of the United States can give his entire estate to a church located in Germany or to an orphanage in Israel and no Federal estate tax will be imposed on his estate.

The second amendment places a limitation on the charitable deduction for estate tax purposes, similar to what we have for the income tax. Under present law, a decedent can give his entire estate to a private foundation created by his will, and no Federal estate tax will be imposed. This amendment states that the aggregate charitable deduction shall not exceed 50 percent of the gross estate reduced by the debts of the decedent and the expenses of administration.

The third amendment deals with the interplay of the charitable deduction and the marital deduction for estate tax purposes. The marital deduction cannot exceed 50 percent of the adjusted gross estate (gross estate less debts, losses, and expenses of administration). Cases have arisen where executors have claimed, in order to raise the amount of the adjusted gross estate for purposes of the marital deduction, that transfers made to charities during the decedent's lifetime were includible in the gross estate. Increasing the gross estate for such lifetime transfers produced no estate tax for the charitable deduction was increased by the same amount, but a larger maximum deduction was allowed for bequests to the surviving spouse. This amendment provides that in computing the adjusted gross estate there shall be excluded any transfer made by the decedent during his lifetime if an estate tax charitable deduction is allowed for that transfer.

**Section 122.—Underpayments of estimated tax**

This section provides that an individual cannot base his estimated tax payments on the prior year's tax (or at the current year's rates applied to the prior year's facts) if in any one of the 3 preceding taxable years the tax shown on his return was in excess of \$100,000.

**Section 123.—Joint ventures for drilling oil wells or development of other minerals**

Under present law, drilling funds are being peddled as tax shelters for affluent taxpayers. The general technique is for the taxpayer to make an investment as a limited partner under an agreement which provides that the entire amount which he invests will be deductible by him in the same year as intangible drilling costs. The amendment made by this section of the bill would put a stop to this tax shelter by providing that any unincorporated organization which has more than

5 members and which is formed or created after January 1972, for the primary purpose of exploring for or developing oil or gas wells or other mineral properties, shall be treated for the purposes of the Internal Revenue Code as a corporation. It is also provided that subchapter S (election to treat a corporation like a partnership) will not apply to a corporation if it has more than 5 shareholders and the deductions for intangible drilling or mine development costs exceed its net income from mineral properties, computed without regard to the depletion deduction and the deductions for drilling and development.

**Section 124—Income accumulated in foreign corporations for United States citizens**

Under present law, a citizen of the United States, by use of a foreign corporation, can accumulate a fortune while living in the United States without the payment of any income tax (by himself or the corporation) to the United States on the accumulated fortune. If the foreign corporation is engaged in shipping, no income tax will be paid by the corporation on the shipping profits to any country. The United States citizen will not be taxed on undistributed profits of the foreign corporation because it will have enough business income to avoid being treated as a foreign personal holding company. This section of the bill provides that after a United States citizen's share of the accumulated earnings of a controlled foreign corporation (or a group of controlled corporations) exceeds \$1 million, from then on the individual will be taxed on his share of 70 percent of the current earnings of the foreign corporation even though the earnings are not distributed. This rule will apply only if the individual has an interest of 10 percent or more in the controlled foreign corporation.

**TITLE II. AMENDMENTS PRIMARILY AFFECTING CORPORATIONS**

**Section 201—Depreciation deductions not to exceed book depreciation**

This section provides that a corporation cannot take depreciation deductions for a taxable year in an aggregate amount in excess of the depreciation taken into account in reporting profit or loss for the year to shareholders. This amendment would greatly reduce the revenue loss over the next decade of approximately \$40 billion which will result from the Treasury's recent ADR regulations (Asset Depreciation Range), since it is not likely that many publicly held corporations would be willing to report to shareholders the reduced earnings which would be created by computing book depreciation in accordance with ADR. In the case of an affiliated group of corporations, regulations will prescribe whether the report by the common parent corporation to its shareholders, rather than the report of subsidiaries to the parent, will be taken into account for purposes of this amendment.

**Section 202—Limitations on dividends received deduction**

Subsection (a) of this section of the bill provides that the dividends received deduction cannot exceed 85 percent of taxable income (computed without regard to the net operating loss deduction or to any capital loss carryback). The chief effect of this is to change present law which allows a full deduction for 85 percent of dividends received if this deduction will produce or increase a net operating loss for the taxable year. The amendment also provides that any amount disallowed for the taxable year because of the net income limitation shall be allowed as a deduction for the following taxable year if there is sufficient taxable income in that year. This gives the taxpayer a carryover which he does not have under present law.

Subsection (b) provides that dividends received from an unaffiliated corporation shall be reduced (for purposes of the dividends

received deduction) by the amount of any interest on indebtedness incurred or continued to purchase or carry the stock of the unaffiliated corporation. An unaffiliated corporation is any corporation except one that is a component member of a controlled group of corporations which includes the taxpayer.

This section of the bill also provides that if the aggregate amount of dividends received during the year from unaffiliated corporations (after first being reduced by any interest paid as provided in the preceding paragraph) exceeds the amount of dividends paid by the corporation during the taxable year, no dividends received deduction shall be allowed with respect to the excess. Thus, if no dividends are paid by the taxpayer, no dividends received deduction can be claimed for dividends received from unaffiliated corporations. However, the amount which is so disallowed shall be treated as a dividend received in the following year for purposes of the dividends received deduction. Moreover, if dividends paid during a taxable year exceed the dividends received during the year from unaffiliated corporations, the amount of the excess will be treated as a dividend paid in the following year for purposes of the dividends received deduction.

**Section 203—Dividends in property to foreign corporations**

This section provides that a dividend in property paid to a foreign corporation shall be the fair market value of the property, instead of the adjusted basis in the hands of the distributing company. The Internal Revenue Service says that this result is reached under present law, but the Courts disagree. The amendment is prospective only, but it is provided that no inferences shall be drawn, in the case of past distributions, from the fact that the amendment is not retroactive.

**Section 204—Use of appreciated property to redeem stock**

Under present law, if a corporation redeems stock with appreciated property, gain is recognized except in certain cases. One of the exceptions is where stock or securities are distributed pursuant to a court proceeding under the antitrust laws. This section provides that the stock or securities must have been acquired before January 1, 1970, in order for the exception to apply. It is not believed corporations which have violated the antitrust laws should have a tax benefit not available to other corporations who distribute appreciated securities.

**Section 205—Denial of tax-free exchanges in case of investment companies**

In 1966 tax-free exchanges of appreciated stock for shares of mutual funds (so-called swap funds) was brought to an end by an amendment which provided that section 351 of the Code would not apply to transfers to an investment company. This amendment did not complete the job. For years the Massachusetts Investment Trust, and other mutual funds, have been issuing their shares to acquire all of the stock or assets of family held personal holding companies, and these exchanges are treated under section 368 as tax-free reorganizations. This is nothing but swap funding to obtain diversification plus a readily marketable security. The amendment would make such exchanges taxable and it would also make mergers of two investment companies taxable.

**Section 206—Certain transactions disqualified as reorganizations**

This section of the bill provides that there cannot be a tax-free reorganization if the shareholders of the smaller company involved in the transaction end up with less than 20 percent of the voting stock of the surviving corporation in a merger or of the acquiring corporation in the case of a so-called B reorganization (stock-for-stock) or a so-called C reorganization (stock-for-assets). If a conglomerate company whose stock is listed on the New York Stock Exchange is-

sues less than 20 percent of its voting stock to acquire the stock or assets of a company whose stock is not listed, it is more realistic to treat the shareholders of the unlisted company as having sold out for a marketable security rather than having taken part in a reorganization of their company. A similar provision was contained in the House version of the Internal Revenue Code of 1954.

**Section 207—Repeal of special treatment of bad debt reserves of financial institutions**

This section of the bill provides that banks and other financial institutions who now are allowed to take special deductions for reserves for bad debts will, in the case of taxable years beginning after 1971, compute any addition to a reserve for bad debts on the basis of the actual experience of the taxpayer, the rule which is applied to all other corporations.

**Section 208—Repeal of deduction for western hemisphere trade corporations**

This section of the bill repeals the special deduction now allowed domestic corporations who obtain most of their income from foreign countries in the Western Hemisphere.

**Section 209—Involuntary conversions**

This section provides that if gain on an involuntary conversion of property is not recognized because the taxpayer purchases stock of a corporation owning property of the kind which was converted, the basis of that property in the hands of the corporation shall be reduced by the amount of gain not recognized on account of the purchase of the stock.

**Section 210—Computation of underpayments of estimated tax**

This section of the bill provides that a corporation cannot compute its estimated income tax payments on the basis of the prior year's tax (or on the basis of the prior year's facts and the current year's rates) if in any one of the 3 preceding taxable years the tax shown on its return was in excess of \$300,000.

**TITLE III—AMENDMENTS AFFECTING INDIVIDUALS AND CORPORATIONS**

**Section 301—Repeal of exemption for interest on new issues of State and local bonds**

This section of the bill provides that interest on State and local bonds issued after December 31, 1972, will not be exempt from Federal income taxation. In the case of interest on State and local obligations issued before January 1, 1973, such interest will continue to be exempt from taxation, but section 401 of the bill provides that such interest will be treated as an item of tax preference for purposes of the minimum tax.

**Section 302—Deduction for depreciation based on equity on rental real estate**

This section provides that in the case of a building which the taxpayer rents to others, the deduction for depreciation cannot exceed the taxpayer's equity in the building and the land. That is, no additional deductions for depreciation will be allowed (including existing buildings) to the extent it would reduce the adjusted basis of the building below the unpaid balance of the mortgage on the land and building (minus the tax cost of the land). However, until the depreciation deductions equal the equity, the depreciation would be computed on the entire cost of the building and not on the amount of the equity. This amendment would not apply to a building if the primary use is by the taxpayer and not by tenants. This amendment would practically eliminate real estate ventures as tax shelters for investors.

**Section 303—Charitable gifts of appreciated property**

Under an amendment made by the Tax Reform Act of 1969, if capital assets which have appreciated in value are given to a pri-

vate foundation, the charitable deduction is reduced by one-half of the capital gain the individual would have had if he had sold the property at fair market value. This section of the bill extends this rule to gifts of appreciated property to any charity.

*Section 304—Computation of net operating loss deduction*

This section of the bill overrules a decision of the Tax Court which held that a net operating loss which is carried back or forward does not have to be reduced by long-term capital gains in an intervening year if the alternative tax was paid on the capital gains. This amendment provides that capital gains are taken into account, for this purpose, in the same manner as other gains. Prior to the Court decision, capital gains have never received preferential treatment for net operating loss purposes. The amendment applies only in computing deductions for taxable years ending after the date of the enactment of the bill, but it is provided that in the case of earlier taxable years no inferences shall be drawn from the fact that the amendment does not apply retroactively.

*Section 305—Capital expenditures in planting and developing fruit and nut groves*

Present law requires the capitalization of expenditures incurred in planting citrus or almond groves. This section of the bill would extend the rule of capitalization to any fruit or nut grove planted after June 30, 1971.

*Section 306—Limitation on aggregate deductions for percentage depletion*

This section of the bill provides that the aggregate deductions of a taxpayer for percentage depletion on oil and gas and other minerals cannot exceed one-half of the taxpayer's taxable income from all mineral properties, computed without regard to percentage depletion and as if all the properties (whether or not in production) were a single property. By comparison, Canada grants a percentage depletion deduction of 1/3 of the aggregate net income from all mineral properties, without a limitation based on separate properties. This amendment does not disturb the existing limitation that percentage depletion in the case of a mineral property cannot exceed 50 percent of the taxable income from that property. The amendment is a limitation on the aggregate of the percentage depletion deductions, first computed separately for each property.

*Section 307—Repeal of capital gain treatment for timber and for coal and iron ore royalties*

This section of the bill repeals the provision of existing law which grants capital gain treatment on the cutting of timber and for coal and iron ore royalties.

*Section 308—Repeal of tax exemption for ships under foreign flag*

This section of the bill repeals the provision of existing law which states that a non resident alien of a foreign corporation (even though 100 percent owned by a U. S. corporation or an American citizen) is not taxable on income derived within the United States from the operation of ships documented under the laws of a foreign country which grants an equivalent exemption to United States citizens or corporations.

*Section 309—Limitations on foreign tax credit*

The first amendment made by this section of the bill provides that a foreign tax credit shall not be allowed for any foreign tax on income which is excluded from the taxpayer's gross income so far as the Federal income tax is concerned. In addition, any foreign income tax paid on a gain realized by an individual or domestic corporation which is not recognized under the Internal Revenue Code would likewise be a non-creditable tax. The basic rationale for this amendment is that the foreign tax credit is supposed to eliminate double taxation on income. If the

United States does not tax the income, there is no reason to give a credit for the foreign tax paid on that income by the taxpayer.

The second amendment made by this section provides that the foreign tax credit shall be subject to both the per country limitation and the overall limitation. This was the applicable rule from 1932 to 1954.

The third amendment made by this section provides three new rules with respect to the treatment of capital gains for foreign tax credit purposes. The first rule is that in computing taxable income for purposes of the per country and overall limitations, there shall be excluded any capital gain which is treated as income from sources outside the United States unless the gain is taxed by a foreign country. Most capital gains are not taxed by foreign countries and treating such capital gains as foreign income for purposes of the limitations can result in a reduction of the tax which the Federal Government receives on income of the taxpayer from United States sources.

The second new rule is that there shall be excluded, in computing taxable income for purposes of the limitations, any long-term capital gain which is from sources within the United States. This change operates only in favor of the taxpayer. Under present law, if a corporation pays a foreign tax of 48 percent on the income earned abroad, the per country limitation will not allow a full credit for that tax if there are long-term capital gains in the United States, since such gains are taxed at less than the 48-percent rate.

The third rule added by the amendment is that for purposes of the limitations the United States tax (against which credit can be taken) shall be reduced by the United States tax on any capital gain excluded from taxable income under the two rules described above.

*Section 310—Holding period of capital assets*

This section provides that a capital asset must be held for more than 12 months, rather than 6 months, to qualify as a long-term gain. This provision was in the Tax Reform Act of 1969 as it passed the House.

*Section 311—Gain from the sale of certain property between related persons*

This section expands the scope of section 1239 of the Code which now treats as ordinary income any gain on the sale of depreciable property between a husband and wife or between one individual and a corporation which is more than 80-percent owned by that individual (or by his spouse and minor children and grandchildren). Section 1239 was designed to prevent a step-up in basis of property subject to depreciation by paying only a capital gains tax on the amount of the step-up.

This amendment expands section 1239 so that it applies to sales between a trust and the grantor or beneficiary of the trust, and to sales between corporations which are component members of the same controlled group of corporations. It also covers a sale where several individuals as co-owners sell property to a corporation which they control.

The amendment also extends the scope of section 1239 to sales of land, if the land is held by the purchaser for sale to customers in the ordinary course of a trade or business. At the present time a taxpayer can sell land which he holds for investment to a wholly owned corporation for subdivision and sale to customers, and the corporation receives a step-up in basis (for purpose of computing ordinary income on sales) at a cost to the seller of only a capital gains tax. This amendment would treat the seller's gain as ordinary income.

*Section 312—Recapture on sale of purchase price previously deducted*

Section 1245 now provides for recapture of depreciation previously deducted (after 1961) on personal property if the property is sold at a gain. That is, the gain to the

extent of the prior depreciation deductions since 1961 is treated as ordinary income rather than capital gain.

This amendment provides the same rule of recapture if the taxpayer deducted the purchase price of the property as an expense when he acquired it. Thus, if a lawyer deducts the purchase price of periodicals and other books as he acquires them, any gain on the subsequent sale (to the extent of the amount previously deducted) would be ordinary income. Likewise, if the lawyer gave the books to a charity, the charitable deduction would be reduced by the amount of ordinary income he would have had if he had sold the books. This reduction would occur under the existing provisions of section 170(e) of the Code, taking into account the amendment of section 1245 by this section.

*Section 313—Recapture of depreciation on sale of real property*

This section of the bill provides that if depreciable real property is sold at a gain, the gain shall be treated as ordinary income to the extent of depreciation taken on the real estate for periods after June 30, 1963. This provides for real estate the same rules that are applied under existing law for recapture of depreciation on personal property which is sold at a gain, except that all depreciation deducted after 1961, instead of June 30, 1963, is taken into account in the case of personal property.

*Section 314—Gain from disposition of certain mineral properties*

Under present law, a taxpayer can deduct the intangible drilling costs on a lease, and if the drilling is successful he can sell the lease and receive capital gain treatment on the entire gain. This provision would recapture as ordinary income the deduction taken for intangible drilling and development costs if they were incurred 10 years before the sale of the lease. The amendment also would apply to development expenditures deducted in the case of a mine.

The recapture provisions are similar to those now provided under section 1245. However, the amount to be recaptured for intangible drilling or for development costs would be reduced by the amount (if any) of any additional depletion deductions the taxpayer would have received if the costs had been charged to capital account.

TITLE IV—AMENDMENTS OF MINIMUM TAX ON TAX PREFERENCES

*Section 401—Minimum tax*

Although the Tax Reform Act of 1969 adopted a minimum tax on tax preferences, it remains possible for individuals with very high economic incomes to pay, literally, no Federal income tax. This is possible primarily because State and municipal bond interest and intangible drilling costs are not treated as tax preferences under existing law for purposes of the minimum tax. The amendments made by this section of the bill, together with section 301 of the bill which repeals the exemption for State and municipal bond interest, will insure that no one with a high income can continue to avoid payment of Federal income taxes.

This section makes a number of amendments to the existing provisions of the minimum tax. First, it repeals the provision of existing law that allows regular income taxes to be deducted from the items of tax preferences.

Second, the \$30,000 exemption for tax preferences is reduced by the bill to \$2,000.

Third, the following items are added to the list of items which constitute tax preferences:

- (1) Deduction of intangible drilling and development costs for oil and gas wells.
- (2) Deduction of development costs in the case of mines.
- (3) Tax-exempt interest on State and local bonds (issued before January 1, 1973).
- (4) Credit allowed for foreign income taxes.

(5) Credit allowed for the investment credit on depreciable property.

(6) Deduction of charitable contributions to the extent attributable to appreciated property.

(7) The amount of farm losses.

(8) The amount of amortization for coal mine safety equipment.

Another provision is added to avoid a tax

on an item of preference if the taxpayer obtained no tax benefit from the item. This provision will permit a taxpayer to elect to waive the deduction of an item of tax preference, or to treat a capital gain as ordinary income, in which case the item would not be taken into account for the minimum tax. However, such waiver can be made only at such time, and subject to such terms and

conditions, as may be set forth in regulations promulgated by the Secretary or his delegate.

Finally, this section of the bill strikes from existing law the provisions which treat tax preferences attributable to foreign sources more favorably than preferences attributable to sources within the United States.

TABLE 1.—FEDERAL INDIVIDUAL INCOME TAX BURDEN IN 1973 UNDER PRESENT LAW AND UNDER A PROPOSAL TO SUBSTITUTE A \$150 TAX CREDIT FOR THE \$750 PERSONAL EXEMPTION<sup>1</sup>

Adjusted gross income <sup>2</sup>	SINGLE PERSON		Adjusted gross income <sup>2</sup>	SINGLE PERSON	
	Income tax			Income tax	
	Under present law	Under the proposal		Under present law	Under the proposal
\$1,750 <sup>3</sup>	0	0	\$1,750 <sup>3</sup>	0	0
\$2,031.25 <sup>4</sup>	\$39	0	\$2,031.25 <sup>4</sup>	\$39	0
\$3,000	185	\$160	\$3,000	185	\$160
\$3,500	268	255	\$3,500	268	255
\$4,000	358	350	\$4,000	358	350
\$5,000	548	540	\$5,000	548	540
\$5,375 <sup>5</sup>	619	619	\$5,375 <sup>5</sup>	619	619
\$7,500	1,031	1,050	\$7,500	984	996
\$10,000	1,530	1,565	\$10,000	1,458	1,490
\$12,500	2,059	2,109	\$12,500	1,968	2,008
\$15,000	2,703	2,770	\$15,000	2,509	2,567
\$17,500	3,443	3,525	\$17,500	3,094	3,169
\$20,000	4,255	4,360	\$20,000	3,722	3,816
\$25,000	5,895	6,040	\$25,000	5,140	5,270
\$30,000	7,703	7,890	\$30,000	6,730	6,890
\$40,000	11,915	12,140	\$40,000	10,315	10,540
\$50,000	16,740	17,040	\$50,000	14,528	14,790

<sup>1</sup> These burdens have been computed without use of the optional tax table.

<sup>2</sup> Wages and salaries.

<sup>3</sup> Highest level at which there is no tax under present law.

<sup>4</sup> Highest level at which there is no tax under the proposal.

<sup>5</sup> Level at which tax is the same under present law and under the proposal.

Note: Staff of the Joint Committee on Internal Revenue Taxation, Sept. 2, 1971.

TABLE 2.—FEDERAL INDIVIDUAL INCOME TAX BURDEN IN 1973 UNDER PRESENT LAW AND UNDER A PROPOSAL TO SUBSTITUTE A \$150 TAX CREDIT FOR THE \$750 PERSONAL EXEMPTION<sup>1</sup>

Adjusted gross income <sup>2</sup>	MARRIED COUPLE WITH NO DEPENDENTS			Adjusted gross income <sup>2</sup>	MARRIED COUPLE WITH NO DEPENDENTS		
	Income tax				Income tax		
	Under present law	Under the proposal	Under the proposal		Under present law	Under the proposal	Under the proposal
\$2,500 <sup>3</sup>	0	0	0	\$2,500 <sup>3</sup>	0	0	
\$3,000	\$70	0	0	\$3,000	\$70	0	
\$3,062.50 <sup>4</sup>	78	0	0	\$3,062.50 <sup>4</sup>	78	0	
\$3,500	140	\$70	\$70	\$3,500	140	\$70	
\$4,000	215	150	150	\$4,000	215	150	
\$5,000	370	320	320	\$5,000	370	320	
\$5,375 <sup>5</sup>	448	400	400	\$5,375 <sup>5</sup>	448	400	
\$7,500	771	771	771	\$7,500	744	744	
\$10,000	1,190	1,190	1,190	\$10,000	1,133	1,124	
\$12,500	1,628	1,658	1,658	\$12,500	1,585	1,590	
\$15,000	2,150	2,210	2,210	\$15,000	2,145	2,150	
\$17,500	2,760	2,835	2,835	\$17,500	2,745	2,750	
\$20,000	3,400	3,520	3,520	\$20,000	3,400	3,475	
\$25,000	4,700	4,880	4,880	\$25,000	4,700	4,775	
\$30,000	6,200	6,550	6,550	\$30,000	6,200	6,275	
\$40,000	9,710	10,040	10,040	\$40,000	9,710	9,775	
\$50,000	13,820	14,260	14,260	\$50,000	13,820	13,875	

<sup>1</sup> These burdens have been computed without use of the optional tax table.

<sup>2</sup> Wages and salaries.

<sup>3</sup> Highest level at which there is no tax under present law.

<sup>4</sup> Highest level at which there is no tax under the proposal.

<sup>5</sup> Level at which tax is the same under present law and under the proposal.

Note: Staff of the Joint Committee on Internal Revenue Taxation, Sept. 2, 1971.

TABLE 3.—FEDERAL INDIVIDUAL INCOME TAX BURDEN IN 1973 UNDER PRESENT LAW AND UNDER A PROPOSAL TO SUBSTITUTE A \$150 TAX CREDIT FOR THE \$750 PERSONAL EXEMPTION<sup>1</sup>

Adjusted gross income <sup>2</sup>	MARRIED COUPLE WITH 2 DEPENDENTS		Adjusted gross income <sup>2</sup>	MARRIED COUPLE WITH 2 DEPENDENTS	
	Income tax			Income tax	
	Under present law	Under the proposal		Under present law	Under the proposal
\$4,000 <sup>3</sup>	0	0	\$4,000 <sup>3</sup>	0	0
\$4,882.35 <sup>4</sup>	\$124	0	\$4,882.35 <sup>4</sup>	\$124	0
\$5,000	140	\$20	\$5,000	140	\$20
\$7,500	471	471	\$7,500	476	429
\$10,000	905	890	\$10,000	848	824
\$10,588.24 <sup>5</sup>	1,000	1,000	\$10,588.24 <sup>5</sup>	1,000	1,000
\$12,500	1,309	1,358	\$12,500	1,238	1,275
\$15,000	1,820	1,910	\$15,000	1,666	1,735
\$17,500	2,385	2,535	\$17,500	2,117	2,248
\$20,000	3,010	3,220	\$20,000	2,610	2,772
\$25,000	4,240	4,580	\$25,000	3,680	3,940
\$30,000	5,660	6,140	\$30,000	4,892	5,276
\$40,000	9,080	9,740	\$40,000	7,802	8,396
\$50,000	13,100	13,960	\$50,000	11,240	12,020

<sup>1</sup> These burdens have been computed without use of the optional tax table.

<sup>2</sup> Wages and salaries.

<sup>3</sup> Highest level at which there is no tax under present law.

<sup>4</sup> Highest level at which there is no tax under the proposal.

<sup>5</sup> Level at which tax is the same under present law and under the proposal.

Note: Staff of the Joint Committee on Internal Revenue Taxation, Sept. 2, 1971.

TABLE 4.—FEDERAL INDIVIDUAL INCOME TAX BURDEN IN 1973 UNDER PRESENT LAW AND UNDER A PROPOSAL TO SUBSTITUTE A \$150 TAX CREDIT FOR THE \$750 PERSONAL EXEMPTION<sup>1</sup>

Adjusted gross income <sup>2</sup>	MARRIED COUPLE WITH 4 DEPENDENTS			Adjusted gross income <sup>2</sup>	MARRIED COUPLE WITH 4 DEPENDENTS		
	Income tax				Income tax		
	Under present law	Under the proposal	Under the proposal		Under present law	Under the proposal	Under the proposal
\$5,500 <sup>3</sup>	0	0	0	\$5,500 <sup>3</sup>	0	0	
\$6,473.68 <sup>4</sup>	\$136	0	0	\$6,473.68 <sup>4</sup>	\$136	0	
\$7,500	271	\$171	\$171	\$7,500	288	\$129	
\$10,000	620	590	590	\$10,000	569	524	
\$11,176.47 <sup>5</sup>	810	810	810	\$11,176.47 <sup>5</sup>	810	810	
\$12,500	1,024	1,058	1,058	\$12,500	953	975	
\$15,000	1,490	1,610	1,610	\$15,000	1,342	1,435	
\$17,500	2,040	2,235	2,235	\$17,500	1,787	1,948	
\$20,000	2,635	2,920	2,920	\$20,000	2,238	2,472	
\$25,000	3,820	4,280	4,280	\$25,000	3,260	3,640	
\$30,000	5,180	5,840	5,840	\$30,000	4,412	4,976	
\$40,000	8,465	9,440	9,440	\$40,000	7,217	8,096	
\$50,000	12,380	13,660	13,660	\$50,000	10,565	11,720	

<sup>1</sup> These burdens have been computed without use of the optional tax table.

<sup>2</sup> Wages and salaries.

<sup>3</sup> Highest level at which there is no tax under present law.

<sup>4</sup> Highest level at which there is no tax under the proposal.

<sup>5</sup> Level at which tax is the same under present law and under the proposal.

Note: Staff of the Joint Committee on Internal Revenue Taxation, Sept. 2, 1971.

## INSIDIOUS SYSTEM OF APARTHEID IN SOUTH AFRICA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. BINGHAM. Mr. Speaker, the insidious system of apartheid in South Africa is implemented primarily through a law which requires all South Africans to

carry a government pass showing their racial group and other information. Under a new law to further enforce apartheid, central government records are being established on every man, woman, and child, and 50-page identification documents are being issued to all adults which they must carry at all times.

This elaborate system of apartheid implementation, of course, is extremely cumbersome. To make it efficient, the Government of South Africa has recently decided to computerize the entire opera-

tion, and has announced that the computers will be provided by International Business Machines, Inc.—IBM.

The American Committee on Africa has recently issued a most revealing fact sheet on IBM's role in the apartheid enforcement system in South Africa. I trust that this information will be of interest to the many Members of the Congress and readers of the RECORD who deplore, as I do, the policy of apartheid in South Africa. I, therefore, submit it for publication at this point in the RECORD:

IBM IN SOUTH AFRICA  
BIG BROTHER 360-50

An IBM computer is the key U.S. contribution to the South African police state system of classification of people by race in order to control and exploit them. Africans have long been required to carry and produce on demand a reference (pass) book which now records jobs, tax payments, permission to be in a particular area, and other details; between two and three thousand people are arrested every day for technical violations of such apartheid regulations. As of August 1, 1966, every individual 16 or older in South Africa was required to possess an identification card stating his racial group.

Extending its degree of control over all the people of South Africa, the state, in 1970, produced a "Population Registration Act" under which a central register is being compiled which will contain detailed information about every woman, man and child in South Africa. This will include every person's identity number, name, sex, date and place of birth, race classification, citizenship, marital status and a photograph. It will also store information about every individual's residential and postal address, health information, particulars concerning passports and permits to leave the country and dates of departure and return; particulars concerning driver's licenses, gun licenses, etc.; educational qualifications and occupation; the official language each individual chooses to use; and finally, particulars of death or final departure from the Republic.

So far as Africans are concerned, the register will contain all the above information and, as well:

District in which he ordinarily resides;

Ethnic group or nation and tribe to which he belongs;

If his date and place of birth are unknown, estimated year of birth, and district in which he was born;

If he is not a South African citizen, his fingerprints.

When introducing the legislation in Parliament, the Minister announced that the whole records system would be computerized (over a five year period) thus making it far more efficient. In March, 1971 the South African Government announced that an IBM 360/50 computer was to be rented at a monthly cost of \$43,978.73 to operate the system. Thus all the information used to register, regulate and control African labor under the myriad tax and so-called pass laws will be processed into easily accessible form through the IBM computer.

In addition to being listed at the central register from February 1, 1972, every white, Coloured and Asian person will have to carry a 50-page blue identification document full of personal information similar to that listed above. All those under 16 will have 12-page light green books instead of the longer documents; the green book will be issued to and infant instead of a birth certificate. Africans will continue to carry their 96-page reference books for the present.

To keep the population register and all identity documents up to date, fresh copies of two photographs must be submitted whenever the current ones are no longer recognizable. The Secretary of the Interior must be notified of any change in permanent or residential address within 14 days (or such time as he may set); the proprietor of any premise is responsible for all its residents and must notify the Secretary within 45 days of arrivals and departures if the people concerned have not done so themselves. Thus the whole of the population comes under complete state control, and people are turned into informers against one another.

The ruling National Party Congress in Windhoek (Namibia) has demanded that the "Book of Life" identification system be extended at once to include Africans in that territory. One delegate reveals white expecta-

tions for the new computerized control by protesting that thousands of Ovambos (Namibia's most numerous African group) "defect" from their jobs and take other jobs, and remain in "South West Africa," i.e. outside their assigned homeland, illegally. Whites, Coloureds, Namas in Namibia are already scheduled for registration, thus solidifying South African control and integration of the territory in defiance of both the United Nations and the International Court of Justice.

THE PASS SYSTEM

South Africa's system of apartheid rests firmly on rigorous and detailed police controls, and the computer which can streamline and speed up enforcement of the controls will be a boon to the white regime. Apartheid's core is the preservation of the cheap labor supply that makes South Africa so profitable for foreign investors. Africans, the majority of the workers, have no political or economic rights; their unions are not recognized and strikes are illegal. They are allowed into 87 per cent of the country (called the white areas) only as workers, while the aged, the children, the unemployed, the disabled, all termed "superfluous appendages," are subject to deportation to the 13 per cent of the land reserved for Africans. Once workers are in these reserves they can get out only by taking jobs through the local labor bureau. The passes show their permission to be in the white areas. These areas are likewise divided into places and even buildings where Whites or Coloureds or Asians or Africans (those temporarily permitted) may live or work or eat or see a movie or play tennis. Everything depends on race. Race depends on classification. And identification will depend on IBM. As a corollary, political opposition to the system must be ruthlessly suppressed, for the ruling whites are outnumbered more than four to one. This is easier when the whole population is chained by an internal passport system, and Big Brother 360/50 knows all about them, with a 50-page compulsory document for a start.

BRAINS FOR APARTHEID

Number One Policeman is not IBM's only job in South Africa. Two years ago the National Research Institute for Mathematical Sciences of the Government Council for Scientific and Industrial Research in Pretoria installed an IBM system valued at \$2.8 million and further additions are planned to cope with the ever increasing needs of the Institute. IBM is thus aiding the industrial and scientific (and as a corollary, military) expansion of the apartheid state in a very fundamental way.<sup>1</sup> The Council works with NASA (the U.S. Space Agency) and it sold to the U.S. Army a military electronic device "telirometer" which is developed in cooperation with Plessey (armaments company). Viet Nam has revolutionized war in many ways, the most far-reaching of which (though not yet fully efficient) is the electronic battlefield, and South Africa is so far advanced in the technique that it has been able to aid the U.S. Army. Gen. William

<sup>1</sup> "Defense" is a misnomer for South Africa's military activities. It controls Namibia illegally by force and one of its greatest violations of the League of Nations (now UN) mandate was the fortification of the Caprivi strip, where air bases are aimed against the north; the airport it is building for Malawi is reported to have similar significance. South African troops have been in Rhodesia (Zimbabwe) supporting the illegal Smith regime since the first guerrilla attacks after UDI. There are South African helicopter bases, and reportedly troops, in Angola aiding Portuguese forces against the liberation movements, and in the Tete province of Mozambique for the same reason.

Westmoreland, in the Congressional Record for October 16, 1969 revealed:

On the battlefield of the future, enemy forces will be located, tracked, and targeted almost instantaneously through use of data links, computer assisted intelligence evaluation, and automated fire control. With first round kill probabilities approaching certainty, and with surveillance devices that can continually track the enemy, the need for large forces to fix the opposition physically will be less important.

IBM thinks for South African Airways, too. As part of the government's \$50-70 million expansion of facilities at Jan Smuts international airport, SAA has spent \$8.4 million to put in a "new fully automated, integrated passenger reservations and message-switching system." Its nerve center is IBM duplex system 360. The computer system, known as SAAFARI for South African Airways Fully Automated Reservations Installation, links all major cities in South Africa with the central computer in Johannesburg to give instant information. It became operational in 1971. South African Airways is a government agency whose operations are controlled by apartheid law, and plays a key role in its outreach tactics. The airline's expansion to major world centers (i.e. New York and Rio in 1969) is part of the drive for tourists which is bolstering foreign exchange and also sending home foreign sympathizers who have seen only the privileged white society and shared its pleasures.

Another duplexed IBM system 360 is in use by Volkskas, a large banking system with branches throughout the country whose data will be linked through the IBM network. IBM has a special team devoted to businesses dealing with stocks and shares. The Volkskas innovation set off speculation about other fields, especially in higher education, where centralized data banks would improve efficiency and information. Volkskas-IBM is using the wire services of the Post Office telecommunications system, as, presumably, similar computer ventures would. Thus the South African government and IBM cooperate to improve financial facilities and strengthen the apartheid economy. South Africa's largest retail chain, O.K. Bazaars, is among the businesses that have installed IBM systems.

IBM AND THE LABOR "SHORTAGE"

IBM deals in small business as well as large. In June, 1971, the first IBM copier commercially installed in South Africa was acquired by the Manufacturers Life Insurance Company in Johannesburg; that means an almost infinite field for expansion has opened. One of the most dangerous aspects of IBM's operations in South Africa is the extent to which apartheid supporters may find automated solutions (consistent with white control) to the artificial scarcity of skilled labor created by job discrimination laws. If IBM continues its growth in South Africa it will become an indispensable pillar of apartheid.

The government's determination to keep nonwhite workers from skilled jobs serves as a brake on the growth rate of the expanding economy and industrialists are protesting, trying to import skilled white workers instead of employing South Africa's nonwhites (IBM is said to import many of its ranking employees), searching for alternative ways to meet the artificial shortage. A paper presented at a National Development and Management Foundation conference dealing with the labor shortage argued that the computer could "significantly reduce the demand for labor." A *Sunday Times* (Johannesburg) section on computers (August 1, 1971) under the heading "Labour Scarcity Propels Us Into Computer Age" opened: "South Africa's continuous shortage of skilled labour is making it an ideal market for computer and data-processing equipment."

U.S.-owned computer firms in South Africa may insist that they oppose apartheid and are helping their workers in spite of it. But the fact that their computers can do more than any other technique to enable apartheid to survive; computer methods allow the economy to run with a minimum number of skilled workers, methodically reducing the economic pressure that was beginning to force training and upgrading on the job for black workers.

#### 100 PERCENT AMERICAN

IBM does business in South Africa through a wholly owned subsidiary, International Business Machines (S.A. Pty.). Because of its favorable growth rate, IBM has this year invested an additional \$3.42 million by buying shares in the local company, nearly doubling its capitalization, now \$8.4 million. The new U.S. funds were to enable the company to obtain more computers from the United States to lease in South Africa. The market, which five other companies share with IBM, is now worth around \$50.4 million annually, but IBM's South African managing director believes the potential is \$252 million and will more than double that in a decade. In 1970 more than half the parent IBM's net income came from overseas and it controls more than half the market in every country except Britain.

#### THE IBM OPERATION

IBM has been in South Africa since 1952, primarily as a marketing operation. As of December, 1970 it employed about a thousand people, some 75 of whom were nonwhites, including 50 Africans. 125 employees received training overseas last year but no racial breakdown of this, or how many and who went to the United States, is available. Almost certainly all this training was for whites. IBM claims every other employee is a university graduate.

IBM reports that black employees hold positions in accounting, planning, and service areas, warehousing, and maintenance, and that their numbers will be increased as the "growth and nature" of the business permit. The word "nature" assumes that some type of job reservation is in effect. Since blacks comprise the great majority of all South African workers, the percentage employed by IBM is small (5 per cent). As all U.S. companies in South Africa, IBM discriminates openly.

Advertisements placed by IBM in the South African (white) press to attract employees do not mention color but they could not meet U.S. Civil Rights Acts standards on either sex or age criteria: "A matriculated young lady under 30", "go-ahead young man under 35" and the like.

IBM also reports identical pay scales for black and white, but this gives no clue as to how many identical jobs and how many identical pay checks there are (one of the ways South Africa meets its labor "shortage" is by retitling, and sometimes breaking down, white jobs to be done by nonwhites at lower job rates). Blacks employed by IBM are reported to earn twice as much as blacks similarly employed by other companies, but even these wages may still come out below the poverty datum line. IBM is proud of many benefits provided for all employees (insurance, pensions, medical and educational aid) and estimated the cost at \$700 per employee per year; but there is no indication of employee participation in the determination or direction of these.

#### IBM PRINCIPLES AND APARTHEID

In the general statement which prefaces its seven principles of business practice, IBM gives away the basis of its support for apartheid.

<sup>2</sup> IBM has small marketing and service operations in Angola, Mozambique, and South West Africa (Namibia). Shipments to Rhodesia were stopped in 1968.

It is the policy of IBM to hire people strictly on their qualifications to perform a given job, regardless of race, colour, creed, national origin, age or sex, insofar as laws and local practices within the country permit (emphasis added).

Against this background, IBM's anti-apartheid statements are irrelevant. Not only law constrains IBM, but local practice takes precedence over qualifications to perform the job.

By South African standards, IBM may be a better than average employer as it claims; but by U.S. standards it is in violation of labor and civil rights legislation. As far as apartheid is concerned, IBM—like all other U.S. employers in South Africa—cannot protect its workers from the worst ravages of the system: breakup of families, subjection to segregated facilities, the indignity of having every aspect of political and economic life determined by others. There is no indication that IBM has registered any protest against such "local practices." And it directly strengthens the police state tyranny of the apartheid government far more than most U.S. concerns which primarily aid the economy.

Among its principles, ironically, IBM lists: To play our part in furthering the progress of the communities in which our facilities are located; and to recognize our responsibilities as a corporate citizen of the nation and the world.

In the South African community, it aids the police apparatus to suppress dissent and so prevent change and progress. In the world it defies the efforts of the United Nations to isolate and remove support from apartheid. (For instance, General Assembly Resolution 2506 (XXIV), November 21, 1969, asks member states "to desist from collaborating with the Government of South Africa by taking steps to prohibit financial and economic interests under their national jurisdiction from cooperating with the South African Government and companies registered in South Africa.")

#### WHO IS IBM?

IBM is a corporate entity, but many identifiable people share responsibility for its partnership in apartheid.

First are its officers and directors who profit themselves, and who represent those who profit most. Those whose other interests are particularly relevant are listed. Protests should be directed to them. IBM's general offices are at Armonk, New York, 10504.

Thomas J. Watson, chairman of the Executive Committee. Mr. Watson is also an official or trustee of Bankers Trust Company, Rockefeller Foundation, Brown University and the California Institute of Technology.

T. Vincent Learson, newly appointed chairman and chief executive. He came up from the ranks in IBM and is a member of the Board of Overseers of Harvard University.

Bruce Bromley whose legal firm, Cravath, Swaine, and Moore, handles IBM's business.

Paul L. Davies of Lehman Brothers, a firm that has arranged loans and investments for southern Africa status quo interests.

John M. Fox, President of United Fruit Company.

G. K. Fulston of Olin Corporation, whose subsidiary Olin-Mathieson Chemical Corporation does business in South Africa.

Amory Houghton Jr. is chairman of the Board of Corning Glass Works, is a director of U.S. Steel, New York Life Insurance, serves on the boards of Harvard University and Episcopal Theological Seminary, and is a Trustee of the Rockefeller Foundation.

Grayson Kirk, president emeritus of Columbia University, serves on the boards of Socony-Mobil, Con Edison, the Council on Foreign Relations, the Asia Foundation, the Greenwich Savings Bank, Nationwide Securities, and is a trustee of the Institute of International Education.

Louis H. LaMotte, of New College and Bennett College.

Patricia Harris of Fried, Frank, Harris, Shriver, and Kampelman, named in April, 1971 as a woman and black token representative following an annual meeting in which opposition to IBM management and policies was voiced.

Second are the stockholders, few of whom have questioned IBM policies. Among them are:

American Baptist Convention; Christian Church, Disciples of Christ; Lutheran Church in America; United Presbyterian Church, U.S.A.; United Church of Christ; Protestant Episcopal Church; United Methodist Church.

It is likely that many universities are also represented among the stockholders. People who are concerned should find out whether they are related to stockholders in any way: church, university, union, pension investment, other agencies and groups.

Third are the customers, who buy or rent typewriters, copiers, and computers, or who support agencies, organizations, and businesses that do. Check your own home and office.

Fourth are the workers of IBM, among them the IBM Black Workers Alliance which calls upon IBM to end its business in South Africa, as well as demanding an end to racial discrimination in IBM employment policies in the United States. (Other similar organizations of IBM workers include the Black United Front and the Concerned Workers Alliance.) BWA reports the firing of three employees and forced resignation of a fourth, all in the Washington, D.C. area because of their campaign against business with South Africa. Complaints about discrimination have been filed with the Human Relations Commission in Washington.

#### ACTION AGAINST APARTHEID

Directors can demand that IBM withdraw from southern Africa. That means leased computers will stop implementing apartheid.

Stockholders can vote for directors who will withdraw; can demand withdrawal themselves; can sell their stock if IBM won't.

Customers can stop buying and leasing. Everybody can boycott.

Workers can organize and educate to build the Alliance and join with other forces against apartheid.

Everybody can raise the issue in some way. Write to IBM, especially if you have contact with an officer or director. Write to the press the next time a story on wonderful IBM (they are frequent) appears. Bring it up in meetings, organize delegations to see those responsible if you are part of any agency involved with IBM. Learn more about southern Africa so you can effectively tell others why IBM—and all U.S. enterprise—should stop support for apartheid rule and get out of South Africa now.

References: Source of information used in preparing this Fact Sheet include the Argus; Financial Mail, Forbes (September 1, 1971), Hansard Q&A; IBM material: correspondence, notices and reports of annual meetings, official releases such as Personnel Policies and IBM Principles; Natal Mercury; New York Times; Office of Church Resource Studies material; Rand Daily Mail; South African Digest; South Africa Property Gazette; The Star; The Sunday Times; Survey of Race Relations 1971; The Technological Warlords (Computer People for Peace); Wall Street Journal.

For further information: The American Committee on Africa, 164 Madison Avenue, New York, New York 10016.

REPUBLIC OF SOUTH AFRICA, HOUSE OF ASSEMBLY DEBATES (HANSARD), SECOND SESSION—FOURTH PARLIAMENT, MARCH 2, 1971, QUESTIONS AND REPLIES

New system of the population registration.  
4. Mr. E. G. Malan asked the Minister of the Interior:

(1) Whether it is still intended (a) to commence with the new system of the population registration on 1st June, 1971, and (b) that the entire conversion is to take approximately five years; if not, (i) what is the new date or period and (ii) what are the reasons for the change:

The Minister of the Interior:

- (1) (a) No.  
(b) Yes.

(1) 1st February, 1972.

(ii) The completion of the accommodation to house the register and the computer was delayed on account of the shortage during 1970 of cement and certain steel products.

(2) how many persons employed by (a) his Department and (b) other departments will, it is estimated, mainly be working on it during the 1971-72 financial year:

- (2) (a) 438 as from 1st February, 1972.  
(b) None.

(3) what will be the official designation of the person directly in charge of the system:

- (3) Deputy Secretary.

(4) whether the cost of the new system has been estimated for the 1971-72 financial year; if so, what is the estimated amount:

- (4) Yes, R500,000.

(5) whether computers will be used for the system during 1971-72: if so, (a) how many, (b) what is the name of each model and (c) what is the purchase price or rental of each model.

- (5) Yes.

(a) One; which will also be used for other departmental work and bureau services for other Government Departments.

- (b) I.B.M.360/50.

- (c) Monthly rental of R31 413.38.

## JAPAN AND THE EMERGING PACIFIC ECONOMY

### HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. CHARLES H. WILSON. Mr. Speaker, there is no dispute that the United States must dramatically improve its trade and payments position in the world. Although the President's economic program attempts to correct the Nation's present international economic position, at the same time we must not completely isolate ourselves as many trade protectionists have advocated. I have long maintained that free trade is necessary both to the United States as well as to the rest of the world. To revive trade protectionism would create serious long-range consequences.

I would like to place in the RECORD an excellent speech by the Honorable H. E. Nobuhiko Ushiba, Ambassador of Japan to the United States at a recent civic luncheon in Los Angeles sponsored by the Bank of Tokyo of California. The Ambassador urged a more prosperous Pacific economy which is only possible with the close cooperation of the United States, Japan, Taiwan, Korea, and Australia.

The speech follows:

#### JAPAN AND THE EMERGING PACIFIC ECONOMY

I am honored to have a part in this prestigious gathering of international business leaders. Together you represent, not only the present and future of the great and growing Southern California economy, but also a potent force for trade and development throughout the vast Pacific region. You have

demonstrated this through your long tradition of close and mutually rewarding ties with your neighbors across the Pacific.

You will gladly join me, I am sure, in congratulating the Bank of Tokyo of California for making this event possible. As you perhaps know, the Bank of Tokyo has the longest experience of any Japanese financial institution in the field of international trade, especially trans-Pacific trade.

I feel fortunate to be in such excellent company!

The timing of our get-together is appropriate for two reasons:

First, although the Pacific is the world's "youngest" region—in the sense that it is only recently discovering its interdependence as a region—it has what may be the greatest growth potential of any area of the world. It is by far the vastest and most populous region. Its wealth in diversified resources has scarcely been tapped, let alone measured. And it is now taking its first steps toward interdependent economic development.

Second, whether healthy patterns of trade and investment do emerge in the Pacific, and the many different peoples of the region begin to share in a common prosperity, depends very much on the two nations represented in this room. The future of the Pacific depends in great measure on the vision and policies of the United States and Japan, the two most powerful economies in the Pacific—in fact, in the free world.

Let me deal with these points in turn.

It is difficult, I realize, to think of the huge Pacific as a single region. It is really a hemisphere, whose population is concentrated around its edges. Yet the Asian edge of the Pacific alone contains well over a third of the human race. In addition to Japan and the United States, the Pacific contains three other highly developed economies—Canada, Australia and New Zealand. It also contains three of the fastest-growing economies in the world—Japan, Taiwan and the Republic of Korea. And the trade and investment patterns now emerging in the Pacific suggest the future shape of a dynamic and potentially prosperous Pacific economy.

By far the largest volume of Pacific trade is, of course, between Japan and the United States. It is estimated this trade will surpass \$12 billion, both ways, this year. In all the world, only Canada and the United States enjoy a larger two-way commerce.

There are other traditional trading patterns in the Pacific region. Just as the United States has a special "vertical" economic relationship with developing Latin America, Japan has a comparable vertical relationship with the nations of Southeast Asia, and of course with neighboring Taiwan and the Republic of Korea. Last year the developing countries of Asia consumed one quarter of Japan's exports, and provided 16 percent of our imports. Japan's imports from these countries are now growing very rapidly, and an increasing proportion of these imports are manufactured goods—especially textiles, including apparel, and sophisticated consumer goods such as watches and electrical appliances. Japan's textile imports from East and Southeast Asia, for example, doubled in the last two years to \$314 million. Japan is, in fact, rapidly becoming a net importer of textiles as developing Asia enters the industrial age.

Pacific trading patterns have also been affected by the growth of the European Common Market, and by the approaching entry of the United Kingdom into the European Community. Japan is already a much larger market for Australia than Britain—in fact, two and a half times as large. Australia ships 85 percent of its iron ore and a third of its wool crop to Japan—a quarter of its total exports to the world.

The United States has become Australia's second largest market, and part of a triangular relationship that is vital to Australia's economy. In the fiscal year which ended last June, for example, Australia's

trade deficit of \$600 million with the United States was offset by its trade surplus of \$700 million with Japan. This interaction should be kept in mind by those who are concerned over Japan's current trade surplus with the United States. The triangular relationship provides a more realistic perspective to bilateral trade accounts.

Britain's entry into the European Community is not only encouraging Australia to diversify its markets, it is also a stimulus to more rapid industrialization, including ore processing and steel making. This is being accomplished in part with Japanese and American as well as European capital and technology. Under these same pressures, New Zealand is turning from Britain and the European Community to the Western Pacific as a market for its meat and dairy exports, and Canada for its grain exports.

A long-range but promising prospect is for Latin America to export its minerals, timber and other raw materials to the Western Pacific, and especially to resource-hungry Japan.

In short, the complex patterns of a multilateral trading relationship throughout the Pacific have begun to emerge. There are also some difficult obstacles to overcome before these patterns can mature. The greatest uncertainties are those facing the developing countries of the region, especially developing Asia. Their chief problems are to achieve sustained economic growth and profitable participation in regional and world trade. They must do both if they are to enter the mainstream of the Pacific and world economies.

A handful of developing Asian countries succeeded in doubling their GNP during the last decade. These were the Republic of Korea, Taiwan, Thailand, Singapore and Malaysia. Among the 18 less-developed countries who are members of the Asian Development Bank, average economic growth rates compared favorably during the 1960's with the rest of the developing world. Unfortunately, however, much of the benefit of this progress was canceled out by rapid population growth.

Developing Asia has also made some encouraging progress in trade expansion. During the later half of the sixties, this trade grew 7.5 percent a year on a compounded basis. The content of this trade also improved. Import emphasis has been shifting from consumer goods to capital goods, and an increasing proportion of the exports is manufactured goods.

Some of the signs have been less encouraging. Trade between developing Asian countries has grown hardly at all, and their overall trade has grown more slowly than world trade. Thus their share of world trade is actually declining. In addition, the terms of trade for nearly all developing countries have worsened. Prices have been rising for the capital goods they must import in order to industrialize, and prices have been falling for the primary commodities which still furnish the bulk of the exports of the developing countries. The net effect on payments of these price trends is about \$4 billion a year.

The trade outlook for developing Asia has also been depressed by two other recent developments which have had a sluggish effect on world trade—the winding down of the Vietnam war, which has dampened import demand within the area, and the general business slowdown which has affected all the advanced industrialized democracies—Japan, North America and Western Europe. The outlook in mid-1971, in other words, was not very promising for the developing economies of the Pacific region. With few exceptions, domestic economic growth was barely keeping ahead of population growth. And international economic developments were unfavorable to trade expansion.

Since this summer, the outlook has become even bleaker.

Economic policies adopted by the United



States since August 15 are having the following effects:

All exports to the United States, other than certain exempted items, must now hurdle the 10 percent import surcharge. This is a considerable hardship for all your trading partners, but it is especially hard on the developing economies that are only beginning to earn their own way in international trade.

Almost all types of textiles entering the United States, especially those coming from Far Eastern countries, are now regulated by rigid quotas. Again, the effect is damaging to Japan, but it is relatively more damaging to countries such as the Republic of Korea and Taiwan, who have entered the textile trade as an important step in their own industrialization.

More recently, scheduled cuts in the American aid program—and the shocking threat to abandon the program entirely—have raised real fears in the developing countries that their economic modernization plans are in jeopardy.

Suddenly the vision of interdependent economic development throughout the Pacific has receded. The enormous power and importance of the American economy has never been demonstrated more starkly.

Let me say very quickly that the reasons for these unilateral American actions are understood by your Pacific neighbors, as elsewhere in the world. There is no question that the United States must significantly improve its trade and payments position in the world. The United States cannot continue to operate in deficit, either for its own economic health, or for the health of the international economy, in which it plays the dominant role.

It is also widely recognized that your principal trading partners—Canada, Japan and Western Europe—have the responsibility to cooperate in achieving this objective. Cooperative measures are already in process, including the multilateral realignment of currencies. Even before President Nixon's August 15 announcement, Japan had already initiated a number of steps designed in large part to ease America's international economic burdens. These included advancing by nine months the effective date of its Kennedy Round tariff cuts, reducing import barriers to Western European levels, reducing export pressures, expanding our foreign aid program, applying preferential tariffs to exports from the developing countries, and liberalizing both inward and outward capital flows.

Japan, in other words, has been trying to deal responsibly with the delicate international economic situation, and the difficult American position in the international economy. The aim of these various Japanese measures taken during 1971 has been to reflate the Japanese economy, shifting resources from the private to the public sector, dampening our export drive, and stimulating imports. Admittedly, these measures have not yet obtained their desired effect to a satisfactory extent, since recession still persists in Japan and recovery from general business slowdown has been further delayed owing to uncertainties created by the new economic policies of the United States. Yet, we have been and are still attempting seriously to accomplish this turnaround without any adverse effects on our trading partners, and especially on the developing countries of Asia.

Unfortunately, however, Japanese and American economic policies are now seriously out of phase with each other. It is as if we were working at cross purposes. This is not a situation that can be allowed to continue. The long-range consequences

would be too serious—in a revival of trade protectionism around the world, in depressing the growth of world trade, in undercutting economic growth in the developing areas.

We have all glimpsed a better vision, and we need to readjust our policies in concert to achieve it.

As I suggested at the outset, the potentially prosperous Pacific economy is an important part of that vision. I do not conceive of the emerging Pacific as a new and exclusive trading bloc, but rather as a dynamic economic community fully integrated with an expanding world economy. I view it, not as a rival to an inward-looking European Community, but rather as an open system that will encourage an open Common Market.

Obviously there are certain essential steps in achieving this aim. The flow of foreign aid and investment to developing Asia must be increased, not reduced. The rich markets of the advanced industrialized world must be opened wider, not restricted, to the exports of the developing countries.

This is the course Japan has chosen. Japan's foreign aid last year reached \$1.8 billion, close to 1 percent of our GNP, and second only to the United States in value. Sixty percent of Japan's aid is now channeled to developing Asia. Japan's total foreign private investment is now \$2.7 billion. Of this, \$233 million has been invested in Southeast Asian manufacturing, and another quarter billion in Latin American manufacturing.

We Japanese are committed, in other words, to the vision of an expansive, integrated and prosperous Pacific Community in full partnership with a growing world economy. This dream is possibly only with the full and vigorous participation of the most powerful and creative economy in the world—the United States.

#### JOSEPH SMITH—A MAN OF VISION AND VISIONS

### HON. WM. J. RANDALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. RANDALL. Mr. Speaker, it was my privilege on Sunday afternoon last to be present at the National Portrait Gallery for the presentation by President W. Wallace Smith of a copy of the only known life portrait of his grandfather, that great religious leader, Joseph Smith, Jr., 1805-44.

In my judgment, some of the finer things that have been said or could be said describing the subject of this presentation comes from the Office of Public Affairs of the Smithsonian Institution in its announcement that this portrait copy will be on public display in the gallery's second floor sculpture court on and after Monday, November 15, 1971.

Marvin Sadik, Director of the National Portrait Gallery, in his news release described Joseph Smith as "a man of vision and visions, who as a founder of a new church in America, will always occupy an important place in the religious history of this country."

Mr. Sadik went on to say:

The addition of this portrait to the permanent collection of the National Portrait Gal-

lery will add a significant chapter to the story of our past.

The Director of the National Portrait Gallery in this same release tells of the life of Joseph Smith, Jr., when during the 1820's a series of visions revealed to this religious leader a "divine appointment" to restore Christ's church, which Smith and five other men organized together with some 30 converts on April 6, 1830. The same year Smith published "The Book of Mormon," an account of the ancient Hebrew people transplanted to America. Some said he "translated" this record under divine guidance from golden plates unearthed 3 years earlier by angelic direction.

Director Sadik, in his announcement of the presentation of the portrait continues his description of the happenings in the life of Joseph Smith by saying:

Nearly two decades after his series of visions, Smith wrote of his earlier experiences: "So great were the confusion and strife among the different denominations that it was impossible for a person young as I was and so unaccustomed to man and things, to come to any certain conclusions as to who was right and who was wrong."

Joseph Smith, Jr., therefore, did what a number of Americans with similar feelings have done. He started a new church. Later, Smith led a series of pilgrimages westward from New York to establish the city of Zion. These journeys took the Latter Day Saints to Ohio, Missouri, and finally to Illinois where they built the city of Nauvoo. There Smith had both ecclesiastical and political authority as prophet, mayor, and military commander. It was there the Latter Day Saints found some of their neighbors angry and hostile. It was in Illinois that Smith and his brother were arrested and assassinated on June 27, 1844.

Two years later many of Smith's followers began their famed trek to Great Salt Lake Valley in Utah. Others remained in Illinois and Missouri. Among those who remained in Missouri was Smith's wife and young son, Joseph Smith III. Smith's son became the president of the reorganized Church of Jesus Christ of Latter Day Saints in 1860. The presidency has remained in the Smith family since that time and the church is now headed by President W. Wallace Smith.

Mr. Speaker, as one high school student in my home city of Independence, Mo., who would often follow our football team in its games away from home I recall hearing so frequently my fellow students proudly say, "I'm from Zion City."

Today the world membership of the Reorganized Church of Jesus Christ of Latter Day Saints returns every 2 years for a conference at the auditorium, in their Zion City of Independence, Mo. There in Heritage Hall they stand in reverence before the original portrait of their founder and prophet, Joseph Smith. Now, Mr. Speaker, all the Members can take pride in knowing a copy of that original will hang in the national portrait gallery in our Nation's Capitol.

LATVIAN INDEPENDENCE,  
NOVEMBER 18, 1918

**HON. ROMAN C. PUCINSKI**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 1971

Mr. PUCINSKI. Mr. Speaker, today, November 18, marks the 53d anniversary of Latvian independence. Also today this proud Baltic Republic is enslaved by the cruelest colonial empire of all times, the Soviet Union.

This fact, however, does not deter the Latvian people to be free. Latvians in exile the world over have not ceased the struggle to free their country and their countrymen from Soviet oppression.

Peace cannot accommodate itself unto the peoples of the world so long as a sizable segment of world population suffers a tyranny in quest of world empire.

The will to be free is derivative of aspiration. The will to remain free withers when tranquilized by complacency.

We ourselves must not be complacent to remain free and to help those who aspire to be free. So long as free men elect to live in the shadow of tyranny, basking in their own complacency, wishing not to be disturbed, peace will continue to elude mankind.

As Latvia celebrates her anniversary of independence, let us join her and her sister captive nations in their quest to be free nations again.

I should like to place in the RECORD

today a press release issued by the Chicago Latvian Community Center.

The release follows:

LATVIAN INDEPENDENCE, NOVEMBER 18, 1918

THE LATVIAN NATIONAL ANTHEM

God, bless free Latvian Land,  
Guard well my Fatherland,  
Thus pray my heart and mind:  
God, save Latvia!

Let there sound free my voice,  
Daughters and sons rejoice!  
Let there be a happy choice!  
God, bless Latvia!

We are still too close to the events to get a true perspective, but it may be confidently asserted that when the full story comes to be told, the epic of the Latvian struggle for independence will rank high among the world's record of such performance. Without an *épée*, said Goethe, can never become of much worth, but in their quest of freedom the Latvian peoples have contributed much to the "Mosaic of America", and proved their worth. Therefore: it is the duty of those of us who are living in freedom to remind the world what we are, what we are going to be, why we have existed and why we are going to continue to exist.

The economic development in independent Latvia will show to those who have doubted and still doubt that, in spite of a comparatively small political unit for economic opportunity, Latvia could exist without the help, as the political exploitation was called, of her powerful neighbors. At the end of World War Two, approximately 100,000 persons emigrated from Latvia and later were dispersed throughout the free world. Today, statistics show that, through three generations, many hundreds of this number are true scholars of higher learn-

ing in the humanities, as well as technical sciences and other departments. The numerical majority are of the younger generation, those who attained their success in emigration and this shows the strength of vital creativity in the people even during difficult times.

Therefore, to reiterate the contributions of the Latvian peoples and their great endeavors to fit into the pattern of the "Mosaic of America", and bringing their hopes of freedom to this great country, their ethnic heritage and cultures, arts, science, history and knowledge which has contributed much to this great country of America.

The legal existence of Latvia still continues despite the military occupation, of the U.S.S.R. The Soviet administration occupying Latvia lacks any legal basis, and in accordance with recognized principles of international law, should be regarded only as a temporary military occupation.

The major powers, including the United States, have refused to recognize the incorporation of the Latvian State into the U.S.S.R. as claimed by the latter. In accordance with the principles of international law, a military occupation cannot terminate the legal existence of a state.

Unable to plead their own cause, we urge the President of the United States to bring the forces of world opinion at the U.N. and other international forums to bear on behalf of the restoration of the independence of Latvia.

All men are by nature free and independent, and have certain inherent and inalienable rights—among these are life, liberty and the pursuit of happiness. Lest We Forget: we are thankful for primacy, sanctity and prayer. As an American, we must be thankful for many more blessings—the list is long.

**SENATE—Saturday, November 20, 1971**

The Senate met at 9 a.m. and was called to order by the President pro tempore (Mr. ELLENDER).

PRAYER

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

Almighty God who has watched over this Nation in the past and raised up prophets and patriots, soldiers and statesmen for every period of need, guide, we pray Thee, these Thy servants, called by the people to serve the present age. Grant them patience, charity, and wisdom for their tasks. May the prayers of the people ascend on their behalf. Answer these prayers, we beseech Thee, as may be most expedient for the welfare of the Nation. May goodness and mercy attend them here, follow them hereafter, that they may abide with Thee eternally.

We pray in the dear Redeemer's name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, November 19, 1971, be dispensed with.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider two nominations on the Executive Calendar, under New Reports.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nominations on the Executive Calendar, under New Reports, will be stated.

ACTION

The second assistant legislative clerk read the nomination of Joseph H. Blatchford, of California, to be Director of Action.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH-SPEAKING PEOPLE

The second assistant legislative clerk read the nomination of Henry M. Ramirez, of California, to be Chairman of the Cabinet Committee on Opportunities for Spanish-Speaking People.

The PRESIDENT pro tempore. Without objection, the nomination is consid-

ered and confirmed; and without objection, the President will be immediately notified of the confirmation of these nominations.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

RIGHTS-OF-WAY AT FORT DEUSSY, HAWAII

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 430, S. 1466.

The PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows: S. 1466, to authorize the Secretary of the Army to grant certain rights-of-way for road improvement and location of public utility lines over a portion of Fort DeRussy, Hawaii.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was