

EXTENSIONS OF REMARKS

GLOBAL UNIONISM: FORERUNNER OF INTERNATIONAL MINIMUM WAGE?

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1971

Mr. PUCINSKI. Mr. Speaker, in 1961 I addressed this House on the subject of an international minimum wage—its feasibility and desirability for the future.

Since that time I have noted with great interest the increasingly international growth of companies. This expansion has, in most cases, brought significant economic benefits to the workers who are recruited to labor in these large corporations.

The workers themselves are now beginning to organize on a multinational basis. Perhaps it will not be too long before the protection of an international minimum wage law is a reality for men and women the world over.

The Christian Science Monitor discussed this intriguing possibility in a news story on Saturday, March 27. I trust my colleagues will find it as thought provoking a comment on our possible future as I.

Mr. Speaker, the article follows:

HEATH HEARS WORKERS' VIEWS: GLOBAL UNIONISM FLEXES MUSCLES

(By John Allan May)

LONDON.—Trade unions now are taking their first steps toward confronting multinational companies with the need to negotiate multinational agreements with multinational unions.

In Britain the first steps took leaders of the International Metalworkers Federation to No. 10 Downing Street.

Leonard Woodcock, president of the United Auto Workers of America, Hugh Scanlon, leader of Britain's engineering unions, and Jack Jones of Britain's transport workers all talked for an hour with Prime Minister Edward Heath and his Employment Minister Robert Carr.

Mr. Jones had organized the meeting. His aim was mainly to put what he called "the workingman's view" to Mr. Heath about the "threats" made by Henry Ford recently to divert new investment away from Britain.

FORD "BLUFF" SEEN

This view, he declared, is that Mr. Ford's words were largely bluff; that productivity in the Ford plants in Britain is as high as on the Continent in Europe, but the pay lower; and that in general the way to encourage investment is not through action on wages at all but through a government policy to foster rapid economic growth.

The discussion on this, Downing Street sources say, was relaxed and pleasant.

Mr. Heath's view, of course, is taken from a different angle. Economic growth cannot be taken out of a briefcase in the Cabinet room and "given" to the country by any government, he insists. It is more the product of high productivity. This is a result of high investment, which in turn requires reasonably uninterrupted production flows and adequate profitability.

Messrs. Scanlon and Jones both also took

the opportunity to urge upon Mr. Heath their unwavering view that the causes of industrial disputes cannot be removed by legislation but only by the voluntary improvement of voluntary agreements.

PROTEST STRIKES FOSTERED

Their unions are the most active of all in promoting protest strikes against the Industrial Relations bill.

It can be taken for granted that Messrs. Heath and Carr in their turn did not waver in their determination to build a legal infrastructure to underpin such voluntary agreements.

Everyone listened with interest to Mr. Woodcock's account of American legislation and of the developing in the United States of long-term agreements between his union and the giant auto corporations.

But the truly significant thing about the meeting with Mr. Woodcock's assertion to Mr. Heath that national governments like Britain's must themselves take greater control over the operation of international companies like Ford.

This echoed the theme of the International Metalworkers conference here, where Trades Union Congress general secretary Vic Feather declared that if governments do not control the giant multinational companies the companies will soon control the governments.

Britain, he charged, is traveling down that road very rapidly.

CORPORATE THREAT DEPICTED

But, he added, government control of global corporations is necessary everywhere to avoid a world dominated by "corporate oligopolies which exploit everybody and everything that gets in their way—workers, consumers, national governments, economically developed countries, and less-developed countries."

Mr. Scanlon filled out the picture. His union is concerned in the eight-weeks strike at Ford plants here for "parity" with car workers in the English Midlands. The claim is extremely difficult to negotiate—if only for the reason that the methods of payments in the various companies concerned are totally different.

The next stage, however, Mr. Scanlon warned, will be a parity claim on an international scale at Ford plants in Europe.

CONCERTED STRATEGY URGED

He called, amid applause, for a concerted strategy transcending national frontiers to enable unions to stand up to multinational giants, making it impossible for them to switch production from one country to another, and to get similar pay, vacation, pension, and other benefits.

The Left wing's picture of industry as a sort of prehistoric jungle with terrible corporate tyrannosaurs with tiny brains rampaging around crushing everything they do not devour, including their employees, may seem dreadfully old-fashioned and unrealistic.

Differences in union structures and marked disparities between national rates of productivity and investment may also seriously impede unions in their efforts to internationalise themselves.

Nevertheless the feeling here is that in 10 years multinational negotiations on multinational agreements may well be an everyday experience for the giant multinational corporations.

However difficult it may be, the process of effectively internationalizing the trade union movement has begun.

KOREA, TAIWAN DESERVE INDIVIDUAL TREATMENT ON TEXTILE TRADE DILEMMA

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1971

Mr. HANNA. Mr. Speaker, while we can take some encouragement from the Japanese announcement disclosing voluntary curbs on textile importation into the United States, there is considerable concern that such action may be contingent upon similar curbs by Korea and Taiwan. If such is the case, it would prove a most unfortunate turn in the direction of this policy.

In the consideration of a coherent policy on textile trade, it is necessary to consider individually each of the countries involved. It is unreasonable to expect Korea and Taiwan to conform to standards that Japan can unilaterally absorb. Japan is at the same time the largest exporter, as well as the wealthiest, of the three nations.

For example, during 1970 Japan exported to the United States more than 1,152,000,000 equivalent square yards of textile materials. This was almost five times as much as Korea exported to the United States. It also represents more than 2½ times the Taiwanese exports.

Looking at the gross national product of each of these three nations, one cannot help but be alarmed at the possibility that Korea and the Republic of China might be forced to curtail their trade upon the same set of ground rules Japan is willing to abide by. Japan's GNP in 1969 was almost 4,000 percent larger than Korea's or Taiwan's.

1969 GNP

Japan	\$160,400,000,000
Korea	6,620,000,000
Taiwan	4,620,000,000

The economic strength of Korea and Taiwan vis-a-vis Japan clearly points to the reality that the former must have separate treatment in any agreement on textile trade policy. For both of these nations, the textile industry makes up a considerable portion of its hard income. In 1969, for example, textiles represented 29 percent of Taiwan's total exports and 37.9 percent of Korea's.

Since textiles make up a vital part of these two nations' hard currency exchange, it certainly is to the advantage of the United States to insure a relatively liberal access to the American market. Without such access, Korea and Taiwan would be considerably disadvantaged in earning hard exchange, thereby lessening their ability to repay loans to the United States, as well as to development banks, which loans the United States has helped underwrite.

I am hopeful that the administration will take a more enlightened position in regard to the voluntary curbs on textile exports that Japan is now pursuing. But

I would caution the administration, the Congress, and Japan not to insist that Korea and China be subject to the same standards. Rather, I would urge that our policy toward these two countries be based upon their particular individual circumstances.

I call the attention of my colleagues to an article that appeared in the March 21 edition of the Free China Weekly.

I include the article as follows:

DISAGREEMENT WITH JAPAN'S FORMULA: ROC WON'T CUT TEXTILE EXPORTS TO U.S.

The Republic of China will not impose voluntary restrictions on the export of textiles to the United States, according to economic officials and textile manufacturers.

On March 8, the Japanese Textile Federation proposed voluntary restrictions on its woolen and synthetic textile exports to the United States on condition that textile manufacturers in the Republic of China, Korea and Hongkong take similar action.

Textile officials in free China voiced opposition to the proposal. They stressed that self-limitation on textile exports would seriously damage Taiwan's textile industry.

They pointed out that textiles have been and will continue to be a principal industry in this country, unlike the situation in Japan. Self-restrictions on textiles will greatly hamper the development of the industry and adversely affect the socio-economic structure of this country, they asserted.

Textile exports have been occupying an important position in this country's overall export trade, the officials said.

In 1970, they pointed out, Taiwan's textile exports amounted to US\$470 million, representing 30 per cent of the nation's total exports in that year. In 1969, Taiwan exported US\$294 million in textiles, or 29 per cent of the total exports.

The figure showed a sharp increase in textile exports compared with 1959 when Taiwan exported only US\$12 million of textiles.

The United States, which bought US\$150 million worth of textiles from Taiwan in 1970, is the largest market for Taiwan's textile products. Textile exports to the United States are expected to reach US\$200 million this year.

Statistics show that the total industrial population of Taiwan in 1970 was 836,580, among whom were 168,118 persons employed by the textile industry.

Textile officials said the Chinese government and textile makers are deeply concerned over the outcome of the U.S. government's decision on the Japanese proposal.

It is believed that the United States will start a series of talks with the Republic of China, Korea and Hongkong as soon as the question of Japan's textile exports to the United States is settled.

Government officials and textile manufacturers are gathering information on the textile industry and its relationship with the nation's economic development as a basis for future negotiations with the United States.

AUTOMOBILE SAFETY

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. HUNGATE. Mr. Speaker, in view of the questioning in some circles as to the desirability of the legislation Congress passed regarding automobile safety, I think the following article published in connection with the most recent recall of 220,000 Pintos will be of interest:

PREVIOUS AUTO RECALLS

DETROIT.—The largest single automobile recall was announced Feb. 26, 1969, when General Motors called back almost 5 million 1965-through-1969-model cars and trucks because of possible throttle and exhaust problems.

Other large recalls include some 1.8 million Chevrolets ordered back in 1966 for installation of a "splash shield" to protect the throttle linkage from road slush which could cause the accelerator to stick.

In 1967, Chevrolet recalled 1.1 million standard-size Chevrolets to replace steering idler arm assemblies.

In 1969, GM ordered back 1.1 million cars and trucks to correct possible brake defects.

In November, 1967, Ford announced the recall of 745,000 Mustang, Falcon, Fairlanes and Thunderbird cars for inspection and correction of possible defects involving steering system and other components.

About 293,000 of the 1968-model Volkswagens have been recalled for possible defects.

Since the Auto Safety Act went into effect Sept. 9, 1966, a total of 15,626,501 vehicles have been recalled, according to the National Highway Traffic Safety Administration. Of these, 13,823,593 were domestic and 1,802,908 imported models.

LIEUTENANT CALLEY TRIAL IS NATIONAL TRAGEDY

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. FUQUA. Mr. Speaker. The stresses and strains of the war in Vietnam where our servicemen never know the identity of the enemy has caused problems far beyond any ever known by our Nation's Armed Forces.

Children have been used to hurl explosives. Women in peasant dress have been used to set up explosive bobby traps that have taken the lives of American men.

The trial of Lt. William Calley has profoundly shocked this Nation. Here was a young man—from Florida—who was an average high school student and individual. I know some of the people who knew him then.

He is no hardened killer nor criminal, only the product of our time. While I have not had access to all of the data which has been presented at his court martial—I am very much concerned about what this trial will do to other men in our military service.

Lieutenant Calley now has access to the courts and it behooves all of us to see that his every legal right is protected. This is a much deeper problem than Lieutenant Calley or any of the others who have been so accused.

It is a matter which reaches right at the heart of the American people, for a young man has been convicted for an alleged massacre in an area where American men have been killed daily by an enemy. It is a tragedy of our time and should not be taken lightly.

The overwhelming majority of the people who I have talked with disagree with the decision which has been rendered. I believe that Congress owes it to the American people to look closely at the

circumstances which allow such incidents to occur. We will be dealing with this for a long time to come.

But one thing is for certain—under no circumstances should the death penalty be imposed. This would really be a mockery of our time.

The American people have forgotten Private Slovak who was executed in World War II. That trial was a serious mistake, but should Lieutenant Calley be so sentenced, the burden of guilt will be upon our system of justice and the conscience of the American people.

SIX EXECUTIONS IN THE SOVIET UNION

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1971

Mr. RARICK, Mr. Speaker, earlier this month, the news media carried a brief announcement that the Soviets had executed six of their citizens.

Missing from the announcement were the bold headlines from the front page, editorials of condemnation and interpretative analysis, or other appeals to harness world public opinion to intervene. Commutation or moderation efforts were impossible because the first announcement was after the sentences had been carried out.

Not even the anticapital punishment people have protested; neither has the United Nations, the World Council of Churches nor the Pope issued a statement. Possibly these international keepers of conscience feel that the people of the world are not interested in Soviet executions if they merely involve Ukrainians and Christians.

The Communists have used their experiment well to prove to the enslaved minorities in Russia that they cannot bid for freedom as the Russian Jews are doing—for all that was necessary was to announce that the executed were "Fascist collaborators." Even Tass would encounter difficulty in selling their oppressed Jews as Nazi sympathizers.

The execution announcement by Tass is an insult to civilized intelligence. Tass would have us believe that there was a trial in Russia which lasted 1½ months and involved 300 witnesses; yet, there was never any news concerning the charges, the trial nor the verdict and sentencing until after the execution had been carried out. Little wonder that the Soviets do not want Americans as observers of justice in Russia.

The Soviet experiment hinged on whether they could stifle sympathy and compassion by branding these Ukrainians as Fascist sympathizers who had collaborated with the Nazis in World War II 30 years ago, but who up to now had been able to live in Russia unmolested. Or can the executions be a new socialist euthanasia pogrom to work slave labor until they are aged and no longer valuable to the state; then to accuse them of being Fascist and collaborators; and to give them peace, Soviet style, by execution? This is mellowing—as the free press would lead Americans to believe?

I suggest that this is but another move by the Communist Party bosses to strike fear into the discontented Ukrainians in a move to discredit them and disorganize their efforts for a Ukrainian war of national liberation in the Soviet Union.

My Ukrainian resolution, House Concurrent Resolution 64, urging that the deprivation of human rights in the Ukraine be placed on the U.N. agenda, is more urgent now than ever before if we are to prevent wholesale Ukrainian executions, approaching genocide, behind the propaganda veneer of exterminating fascists.

I include several newsclippings and my bill, as follows:

[From America, Mar. 18, 1971]

FORMER POLICEMEN SHOT IN UKRAINE

KIEV.—In the city of Vilniansk, Zaporoshe province, a trial was conducted for one and a half months with approximately 300 witnesses called to testify against six older persons arrested and accused of "Fascist collaboration." Five of the accused were of Ukrainian descent and one was of German ancestry.

The accused: M. Donets, I. Bak, M. Shyl, W. Lychobaba and D. Neldorf, were sentenced to death by shooting. They were treated as "traitors who during the war willingly joined the services of the punitive organs of Hitler." After 30 years of living in the Soviet Union, they were accused of "participating in the shooting of prisoners, murdering women and the aged, and assisting the fascists in transporting people to Germany."

The world press carried the UPI news agency release, including the Washington "Sunday Star" in its March 7th edition, of the execution of "6 Ukrainians in Ukraine," from information provided by the Tass news agency in the USSR. However, the free press fails to inquire why, with 300 witnesses, were the accused brought to trial almost 30 years later. It is presumed that the USSR is planning to strike fear into indocile Ukrainians.

[From the Washington Evening Star, Mar. 7, 1971]

UKRAINIANS DOOMED FOR WW II CRIMES

MOSCOW (UPI).—The Soviet news agency Tass said yesterday six Ukrainians have been sentenced to a firing squad for collaborating with the Nazis in World War II.

All are former policemen who "participated in the shooting of prisoners of war, killed women and old men and helped the Fascists drive Soviet people to Germany (for slave labor)," Tass said.

H. CON. RES. 64

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President, acting through the United States Ambassador to the United Nations Organization, take such steps as may be necessary to place the question of human rights violations in the Soviet-occupied Ukraine on the agenda of the United Nations Organization.

WEAKNESSES IN OUR PRESENT WELFARE SYSTEM AND IN THE PLANNED REFORMS OF H.R. 1

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1971

Mr. WALDIE. Mr. Speaker, the Diablo Valley League of Women Voters has been

among those leagues who have been studying welfare reform. Mrs. Frederick Kovar, president of the Diablo Valley League has recently written me the position of the group on this issue. She points out fundamental weaknesses in both the present welfare system and the planned reforms of House Resolution 1. Her comments are astute and worthy of the consideration of my colleagues in the House.

Her comments follow:

LEAGUE OF WOMEN VOTERS,
OF DIABLO VALLEY,
Walnut Creek, Calif., March 20, 1971.

HON. JEROME R. WALDIE,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN WALDIE: The League of Women Voters of the United States Statement of Position on Welfare Reform, January 29, 1971 represents a consensus of studies made by more than 900 Leagues and views which prevail in all sections of the country.

The League position differs from the welfare reform provisions of H.R. 1, now in the House Ways and Means Committee, in several ways.

First, we agree that the working poor should be included. Second, the League feels that coverage should be extended to all low income people based on need.

In Contra Costa County there are many, many people applying for aid who are truly needy, but ineligible for help. If they are not over 65 years of age, disabled, or do not have children, they "fall through the cracks" of categorical aid, and can only be helped by very limited county assistance. As one worker in the Social Welfare Department puts it, "It seems we turn away more than we are able to help."

Benefit levels need to be sufficient to provide decent, adequate standards for food, clothing and shelter. The proposed \$1600 income floor is considerably below the federal government's own official poverty level, which barely meets standards of decency in emergency periods, and falls short of them for long periods. Even with food stamp and medical allowances, the income of non-working families relying solely on the \$1600, would not meet the poverty level.

We could not support provisions which would continue the present inequities in assistance levels between states. We support a system in which the federal government bears a major responsibility for providing income assistance to meet basic needs, with standards adjusted for regional differences. Some state supplementation will be necessary until such a federal assistance level is reached.

With regard to work registration requirements, the League recognizes the value of registration as a necessary means to obtain training and employment, but opposes any registration requirement which can be used punitively to keep needy people from receiving assistance during training, or until they are employed, or to demean individual dignity.

The League feels strongly that if registration for work is a "must" price to be paid for bill passage, we want legal protections and monitoring systems, including separating administration of assistance payments and registration requirements.

Finally, as regards job training and employment requirements, the League prefers that the link between job programs and assistance should be positive: we approve of counseling, realistic training for actual jobs, financial incentives—such as the right to keep a larger portion of earned income without penalty. Tough job requirements with-

out increased job opportunities (including public service jobs), and improved training programs lead to "forced labor" in dead-end jobs, lacking incentive or opportunity for advancement out of poverty.

Mr. Waldie, we cannot stress enough the League feeling that the work requirement, if necessary to passage of a welfare reform bill, must be tied in with increased opportunity for jobs. Without such opportunity, the requirement is an empty one, consuming many agency man-hours, tax-payer dollars, as well as time and inconvenience to job-seekers, who know at the outset that there really is no job at the end of the line. Disillusionment and anger are on the upswing as a result of the continued lack of opportunity for those whose unemployment rate is alarmingly high even in periods of relatively high employment.

We would welcome a response from you with comments on the League position, and on what you foresee as the greatest obstacles in Congress for achieving genuine reform.

We look forward to an opportunity to discuss welfare reform with you when you are in the district.

Sincerely yours,
Mrs. FREDERICK R. KOVAR,
President.

THE SHORT END OF THE STICK

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. KOCH. Mr. Speaker, last month the Congress voted down all appropriations for the SST.

The March 28 Sunday New York Times had a story on this historic turnaround headlined: "The Public Cast the Deciding Vote." The people became involved in the issue and learned enough of the facts to care about its outcome and to speak forcefully on it.

The SST has been stopped, but the key issue is still alive. What kind of transportation systems will the Government support? Will it continue to put most of its money in highways and projects like the SST—or will it at long last get down to the simple but necessary task of meeting the great backlog of our mass transit needs. This question, like the SST, can be answered by the public if the commuter and straphanger care enough and demand that safe, comfortable, and inexpensive mass transit must come first, not last, in this Nation's transportation priorities.

Last year the Congress enacted a 5-year \$3.1 billion mass transit bill to help the cities move ahead in developing comprehensive transportation systems. The Congress approved \$600 million for mass transit this year. And as little as this is, particularly when compared to the \$4.5 billion spent on highways annually, the President has refused to spend more than \$400 million—a cutback of \$200 million in the first year of this vitally needed new program.

On March 25, I was joined by 70 Congressmen in writing to the President urging that the \$200 million cutback be restored. This cutback in funds is critical to New York City because the MTA has

an \$800 million request for new subway lines pending in the Department of Transportation. The lines waiting for construction and their costs are:

Queens-63d Street line, \$154 million.
Queens super-express bypass, \$89 million.
Northeast Queens line, \$158 million.
Southeast Queens line, \$122 million.
Second Avenue subway, \$396 million.
Utica Avenue line, \$131 million.
Nostrand extension, \$90 million.
Lower East Side Loop, \$40 million.
Jamaica Avenue subway, \$15 million.
New York City cannot hope to be granted its total \$800 million this year even if the \$200 million cutback is restored. But, we can expect even less if the President keeps giving mass transit the short end of the stick.

Mr. Speaker, I will be conducting a mass transit survey in my district during the congressional recess. I would like to bring to my colleagues' attention the questions I will be asking people who ride on New York City's subways. At a later date I will report on the responses I receive. The questions I am asking and that are relevant in many cities are:

- Where do you live?
 Bronx Queens
 Brooklyn Staten Island
 Manhattan Outside the city
- Are you using subways and buses more often since the cab fare increase?
 Yes No
- Before the cab fare increase how often did you use cabs per week?
 Never Twice
 Once Daily
- For what reasons did you use cabs?
 Commuting to and from work
 When working late
 When carrying packages
 In bad weather
 When going out for an evening
 Other
- In the evening, do you take a cab instead of a subway because you fear for your safety?
 Yes No
- What bothers you most about the subways you ride?
 High fares
 Dirty cars and stations
 Overcrowding
 Breakdowns and delays
 Noise
 Unsafe conditions
 Inadequate passenger information
 Other

NATIONALISM AND THE U.S.S.R.

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1971

Mr. DERWINSKI. Mr. Speaker, it is common knowledge that most of our people, in officialdom as well as in our private society, have little or no appreciation of the steadily growing forces of nationalism in the Soviet Union. Indeed,

many are not even aware of the numerous nations that are held captive in this imperial compound. It is thus encouraging and comforting that the younger generation is grasping the fundamental truths concerning this imperial complex. The article by Royal M. Wharton, a graduate student in Russian area studies at Georgetown University, on the subject of "Nationalism and the U.S.S.R." amply shows this. The article appeared in America, published in Philadelphia, in its February 11 issue. As submitted here, I urge every Member to read it for its pertinent aspects of current U.S.-U.S.S.R. relations.

I include the article as follows:

NATIONALISM AND THE U.S.S.R.

(By Royal M. Wharton)

It was interesting to note in a recent issue of "International Affairs" (Nov. 1970, Moscow) an article on "U.S. Anti-Communism" written by A. Borisov. Mr. Borisov, writing in the unintentionally humorous style which characterizes most Soviet political literature, lashed out against Dr. Lev E. Dobriansky, Professor of Economics at Georgetown University and Chairman of the Captive Nations Committee. In his words, the "emigrant reactionaries," led by Dr. Dobriansky, "having lost touch with reality," still cling to the hope "that capitalism would be restored in the socialist states."

The article was revealing however, in that after a full twelve years since the unanimous passing by Congress of the Captive Nations Resolution which Dr. Dobriansky has authored, the Soviets still feel compelled to continue their attack on the idea which he had set forth. One can only wonder if the Kremlin sees in the captive nations idea a challenge which might ultimately destroy its total power over the peoples who have been incorporated into the area designated as the USSR.

Dr. Dobriansky convincingly argues in his book, *The Vulnerable Russians*, that the Soviet Union is not a nation state, but rather a primary empire which has forcibly annexed to itself fourteen separate nations, each having a distinctive history, culture and language. The profound weakness of this empire, according to Dr. Dobriansky, is "the immense latent power of genuine patriotic nationalism, both within and outside the Soviet Union."

According to Mr. Borisov, "the author of this vindictive scrawl (i.e., *The Vulnerable Russians*) literally falls over himself, attempting to prove that the Soviet Union is 'vulnerable in the national respect.'" Quoting Brezhnev, he writes, "the unity of the Soviet peoples, who have learned the power of friendship, brotherhood and all-around cooperation through their own historical experience, is unshakable."

This, the latest of a series of attacks on the captive nations idea, reflects a continuing insecurity felt by the Kremlin leaders. New Force has been given to Dr. Dobriansky's views following the recent publishing of Andrei Amalrik's essay, "Will the Soviet Union Survive Until 1984?" Amalrik, like Dr. Dobriansky, believes that the forces of nationalism within the USSR itself will be the ultimate cause of the Soviet Union's disintegration.

Amalrik similarly sees the USSR as an imperialistic state with expansionist drives and further agrees that any consideration of Marxist ideology is irrelevant to an understanding of the nature of the Russian empire. As Amalrik observes, "Just as the adoption of Christianity postponed the fall of the Roman Empire but did not prevent its inevitable

end, so Marxist doctrine has delayed the breakup of the Russian Empire—the Third Rome—but it does not possess the power to prevent it."

While Amalrik's view is passive—that the nationalist aspirations will disrupt the Soviet Union following a protracted war with Red China—Dr. Dobriansky takes a more active stance. To him, the Russian empire can collapse in a state of cold war, and the cause of freedom demands that the U.S. through psycho-political means, nurture these aspirations and show that it identifies with their desires for independence. It is because of this active element that Dr. Dobriansky and the Captive Nations Committee present a threat to the Soviet Union, much greater than the passive hopes of Amalrik.

For anyone who sees the growing Soviet military strength around the world as a threat to our very existence, who feels that the Soviet Union from its inception has been attempting actively to subvert our society, and who believes that those forced to live under the total system called communism are robbed of their very humanity, would do best to examine Dr. Dobriansky's ideas on captive nations, ideas which seem to so frighten the Moscow rulers.

Mr. Borisov sees those who feel this way as the "miserable rock bottom of anti-communism in the United States." And he counsels that only through a policy of peaceful co-existence, and "not the organization of provocations and anti-Soviet slander &—meets the interests of world peace." Mr. Borisov's virulence vividly betrays the fear with which the Soviet Union views the forces of nationalism within itself. Perhaps his intense scorn will also act as a catalyst to our awareness of this strategic weapon.

NATIONAL SECURITY, ECONOMICS, AND THE ALASKAN PIPELINE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1971

Mr. ASPIN. Mr. Speaker, today I am placing in the Record a statement which I believe, incisively, objectively, and thoroughly analyzes many of the economic aspects of the proposed Trans-Alaskan pipeline. This statement, prepared by Drs. Charles J. Cicchetti and John V. Krutilla of Resources for the Future, is not a political tract but a dispassionate economic analysis of many of the economic bases and assumptions behind the argument for the pipeline. The statement, filed with the Interior Department on March 5, is one of the most interesting and revealing I have yet seen on the proposed pipeline. I urge that those of my colleagues who are interested in the pipeline issue to carefully read this statement.

One note: The authors of the statement wish me to make it clear that their statement is not a product of Resources for the Future, which does not as an organization issue reports or statements. Rather, it is a statement of Drs. Cicchetti and Krutilla, who happen to work for Resources for the Future.

Their statement follows:

PREPARED STATEMENT BY CHARLES J. CICHETTI AND JOHN V. KRUTILLA ON THE TRANS-ALASKA PIPELINE ENVIRONMENTAL IMPACT REPORT FILED WITH THE DEPARTMENT OF THE INTERIOR ON MARCH 5, 1971

1. INTRODUCTION

In June of 1968, a major oil field discovery on the North Slope of Alaska was announced.¹ One proposal for transporting this oil to world markets is to build a pipeline from Prudhoe Bay to the port city of Valdez on Prince William Sound. The proposed pipeline would be 789 miles long and in order to construct the proposed pipeline, a 373 mile parallel road must be built along the northern-most portion of the proposed pipeline. Since 641 miles of the proposed pipeline (81%) and 365 miles of the construction road (98%) would transverse lands owned and managed by the Federal government, present law² requires the filing of an Environmental Impact Statement 102(2)(C) with the Council on Environmental Quality to evaluate the expected benefits and costs (including expected and probable environmental costs) that would result from the granting of a permit to transverse public lands.

The purpose of this paper is twofold. First, some of the limitations inherent in the present guidelines³ for preparing environmental impact statements will be discussed. Second, this will be illustrated by discussing the environmental impact statement prepared for the proposed Trans-Alaska pipeline⁴ and considering the economics of the proposed pipeline in meeting the proposed objectives.

2. QUALITATIVE VERSUS QUANTITATIVE EVALUATION

In the current "Guidelines" several factors are stipulated for inclusion in an environmental impact statement:

(i) The probable impact of the proposed action on the environment including impact on ecological systems such as wildlife, fish and marine life. Both primary and secondary significant consequences. . . .

(ii) Any probable adverse environmental effect which cannot be avoided. . . .

(iii) Alternatives to the proposed action (section 102(2)(d) of the Act requires the responsible agency to "study, develop and describe appropriate alternatives to recommend courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources"). A rigorous exploration and objective evaluation of alternative actions that might avoid some or all of the adverse environmental effects is essential. Sufficient analysis of such alternatives and their costs and impact on the environment should accompany the proposed action through the agency review process in order not to foreclose prematurely options which might have less detrimental effects.

(iv) The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity . . . each generation is trustee of the environment for succeeding generations.

(v) Any irreversible and irretrievable commitments of resources. . . .

(vi) Where appropriate, a discussion of problems and objections raised by other Federal agencies and state and local entities in the review process and the disposition of the issues involved. . . .⁵

One problem inherent in the above set of stipulations is that no guidance is provided as to how the various factors should be quantified. Accordingly, a qualitative discus-

sion of the environmental impact of a proposed Federal action, rather than quantification of environmental benefits and costs is likely.

If an informed decision is to be made between several alternatives it is useful to qualify the benefits and costs of each alternative in some common unit, for example, real dollars appropriately discounted to reflect various time dimensions of the alternative courses of action or non-action. As a first approximation, an attempt to measure environmental effects in physical units, such as: acres of land affected, the amount of streams polluted, the number of fish and wildlife endangered, an estimate of the probability of uncertain environmental events, etc., should be made. In addition, efforts should be made to develop damage or benefit functions (or values) measured in common units to facilitate the decision-making process.

Often when the decision is reduced to a choice between development or preservation the quantification of the choices into some common unit is very difficult. A large part of the problem results from the lack of any market information on the value of an environmental resource. Since natural resources such as the whooping crane, the Grand Canyon, The Everglades, etc., are owned by all in common, rights to enjoy their very existence now and into the future or to receive benefits by visiting these resources, are not sold. Accordingly, since a market does not generally form for these common property resources prices or market values can not be measured in the usual manner.

It can not be emphasized enough that low prices or the complete lack of them tells us little about the value a consumer places on the commodity. For example, a thirsty man may be willing to pay a great deal for a glass of water, but the price of this water in many locations will be very close to zero. Value is not measured by price in this case and in most cases when environmental common property resources are included.

In order to use the logic of economics and the analytical tool of benefit cost analysis a strategy has been suggested in other writings by the present authors.⁶ The technique is very straightforward. The net benefits of development properly discounted over the useful life of the development are estimated. Second, those benefits and costs of preservation, which can be quantified are estimated and a net benefit estimate for this quantifiable portion is determined. A comparison of the present value of the net benefits of development and the present value of the net benefits of preservation is then made. If development is a better alternative when compared to the quantified portion of the preservation benefits, the difference is determined. If this difference compared to the unqualified environmental benefits of preservation (or to say the same thing, the environmental costs of development) is considered small by society, preservation is preferred. If the two are about equal the choices are socially indifferent, in that society gets equal benefit from either preservation or development. If development benefits are still considered large compared to the physical units, e.g., number of wildlife affected, then development should be approved. These techniques will be used in the benefit-cost calculations undertaken in this paper below.

3. THE TRANSALASKA PIPELINE

For illustrative purposes the above generalizations might be crystallized by considering the environmental impact statement prepared in conjunction with the proposed permit to build a pipeline across public lands in the state of Alaska. In this statement some

environmental costs such as: the acres of pipeline, acres of construction roads, acres of storage facilities, acres of gravel pits excavated, acres of pump stations, etc., were quantified in physical units. At the same time other environmental effects were discussed in a qualitative manner. For example, possible effects of heating permafrost, oil leaks, air and water pollution, the effect of the pipeline on wildlife, fish and vegetation, possible disruption of the pipeline through earthquakes and the possible severe environmental effects of such pipeline breaks were discussed without any indication of their quantitative significance.

The last item above gives some insight into the manner in which the environmental impact statement for the proposed Alaska pipeline takes environmental effects into account. In the draft report it is pointed out that the lower $\frac{2}{3}$ of the proposed pipeline is expected to be subject to be probable earthquakes of 7.0 or greater on the Richter scale. It is also pointed out that the storage facilities for the terminal port will be located on 802 acres in the Chugach National Forest near the former site of the port city of Valdez, where the most severe recorded earthquake in North America (8.5 on the Richter Scale) occurred in 1964. The report does not discuss the possible environmental consequences of such probabilistic occurrences, which might cause pipeline breaks and a concomitant spilling of heated oil on to the Alaskan landscape.

A generally recognized measurement of value or net benefits of a particular Federal project is any saving in real resources as compared with the most economic alternative that would yield comparable results. For example, the net benefits of a Federal hydro-electric power project are measured by savings (if any) in real costs between the most economic alternative and the hydro power project.

In the Trans-Alaska pipeline environmental impact statement alternatives to the proposed pipeline are considered as required by section 7(iii) in the "Guidelines." Several observations can be made about the discussion of alternatives in the Trans-Alaska pipeline environmental impact statement. First, only alternatives to transporting the oil from the North Slope are generally considered. These alternatives are presented in Table 1.

TABLE 1

"Alternatives to the Trans-Alaska Pipeline Considered by the Department of Interior in its Environmental Impact Statement"

- (1) A discussion of alternative pipeline routes
 - (a) Mackenzie Valley in Canada
 - (i) through the Arctic National Wildlife Range
 - (ii) to the south of the range
 - (iii) to the north of the range
 - (b) via National Petroleum Reserve No. 4 to the Chuckchi Sea or the Bering Sea
 - (c) modify proposed pipeline (shifts to tens to hundreds of miles)
 - (d) change the terminus from Valdez to either Whittier, Seward or Anchorage.
- (2) Cold-oil versus a heated-oil pipeline.
- (3) Alternative transport modes:
 - (a) ice-breaking tankers
 - (b) submarine tankers
 - (c) railroad
 - (d) highway, tramway, monorail
 - (e) airborne vehicles.
- (4) Other liquid fuel sources (shale and coal are raised briefly but rejected because they will not be available until after 1980 in sufficient quantity).
- (5) Imports from the Middle East (these are rejected because the Arab world is politically unstable and benefits are derived from

Footnotes at end of article.

the pipeline because it reduces the U.S. dependence upon Middle Eastern oil thus providing national security and balance of payments benefits).

Second, these alternatives are not discussed in either financial or real resource cost terms. Instead inherent difficulties or delays, for example the time required to reach an international agreement between Canada and the United States for either a Northwest Passage Tanker or a Trans-Canadian Pipeline alternative, are discussed and then such difficulties are used to eliminate each alternative. Other alternatives are rejected verbally because it is argued that they would be either more costly, would have similar or perhaps greater environmental costs, or greater technical delays. Since alternatives to the proposed action are not quantified, it is not possible to measure resource savings which the proposed pipeline would produce and thus measure the net benefits of this proposal. This point will be considered in more detail in the following section of the paper.

The general conclusion in the Trans-Alaska pipeline environmental impact statement is that there are no alternative actions that do not also have similar or greater difficulties associated with them. Accordingly, the Department of the Interior Environmental Impact Statement implicitly concludes that the pipeline does not have an economically feasible alternative.

By eliminating further consideration of alternatives to the proposed action the problem is reduced by the authors of the environmental impact draft statement to a comparison of the environmental damages and anticipated positive net benefits of development.

These benefits include: (1) National Security, measured as the percentage reduction of United States dependence on Eastern Hemisphere sources of crude oil with and without the proposed pipeline; (2) Balance of Payment savings, if crude oil is produced domestically rather than imported; and, (3) Economic Development of the State of Alaska, measured by increased taxes, employment, etc. The most striking difference between this section of the report and the previous sections is that these benefits are expressed in quantitative terms. Furthermore, on the basis of these quantitative benefit estimates, the report concludes that notwithstanding recognized environmental damages of unestimated magnitude, the national security balance of payment and Alaskan development benefits are greater and thus

Footnotes at end of article.

justify the granting of a permit to build a pipeline across public lands in the state of Alaska. In the following section, a critique of the estimates used to measure these three benefits, followed by a broader consideration of alternatives will be undertaken.

4. AN EVALUATION OF THE TRANS-ALASKA PIPELINE BENEFIT ESTIMATION PROCEDURES

A. "Gross national security benefits"

The national security benefit as calculated in the Trans-Alaska Pipeline environmental impact statement is based on the fact that the production of 2 million barrels of crude oil per day transported through the proposed pipe line would reduce United States dependence on Eastern Hemisphere sources of supply by this amount in 1980.⁷ In Table 2, estimates of 1980 domestic demand (22 million barrels per day) and non-North Slope (lower 48) domestic supply (11.9 million barrels per day) are shown. Since the proposed pipeline would reduce dependence on Eastern Hemispheric sources from approximately 23% (5,000/22,000) in 1980 without the pipeline to approximately 14% (3,000/22,000) with the pipeline, this becomes a measure of national security benefits which is given very considerable weight by the authors of the environmental impact statement. It is pointed out in the report that a "key" assumption in the calculation is that domestic crude oil demand will grow at 4% per year.

Analysis of the validity and significance of this assumed rate of growth of demand for crude oil along with the assumption that "lower 48" gross additions to domestic crude oil producing capacity should be based on 1967-1969 data, will be undertaken below.

TABLE 2¹.—FORECASTS OF FUTURE DEMAND AND SUPPLY FROM THE TRANS-ALASKA PIPELINE ENVIRONMENTAL IMPACT STATEMENT

	Thousands of barrels daily	
	1970	1980 ¹
Domestic demand.....	14,860	22,000
Exports.....	240	300
Total demand.....	15,100	22,300
Less process gain.....	-370	-550
Stock reduction.....	-20	
Required petroleum supplies.....	14,710	21,750
U.S. oil production (less North Slope):		
Crude oil.....	9,600	9,900
Natural gas liquids.....	1,680	2,000
Total.....	11,280	11,900
Required from other sources.....	3,430	9,850

TABLE 4.—U.S. ENERGY AND PETROLEUM REQUIREMENTS FOR 1980¹

[Reprinted from: The Economy, Energy and the Environment, Joint Economic Committee, Sept. 1, 1970, p. 27]

Source	Date	Oil			Gas		Source	Date	Oil			Gas	
		Total energy quadrillion B.t.u.	Million barrels per day	Percent total	Trillion cubic feet	Percent of total			Total energy quadrillion B.t.u.	Million barrels per day	Percent total	Trillion cubic feet	Percent of total
National Fuels and Energy Study Group ²	1962	82.0	16.7	41	21.2	28	The Petroleum Industry Research Foundation	1968	92.0	18.0	39	28.0	31
Department of Interior	1965	85.9	17.5	40	25.6	31	Texas Eastern Transmission Corp.	1968	97.8	18.9	41	30.8	33
Pan American Petroleum Corp. ³	1966	87.0	18.6	43	28.0	33	Humble Oil & Refining Co.	1968	97.3	18.2	37	29.8	32
American Gas Association ³	1966				27.2		Department of Interior (current survey)	1968	88.1	18.2	41	24.6	29
Stanford Research Institute ³	1967	92.0	18.2	39	27.9	31							
The Gas Industry Committee	1967				28.6								
First National City Bank of New York ³	1967	87.2	17.2	38	23.6	28							

¹ Explanation provided by the Department of the Interior included: "Energy projection claims the attention of many in government and industry alike. Shown below are extracts from 10 recent studies by various sources giving estimates of the 1980 requirements of the United States for oil, gas, and total energy. Totals arrived at in this survey are shown as the last item for purposes of comparison. Although not directly comparable because of differing assumptions used, the estimates do provide a useful guide to current opinion on the energy outlook."

² Oil and gas consumption obtained by converting B.t.u. to barrels and cubic feet at the rate of 5,400,000 B.t.u. per barrel and 1,035 B.t.u. per cubic foot.

³ Source: "United States Petroleum Through 1980," U.S. Department of the Interior, 1969, p. 5.

SUPPLEMENTARY SUPPLY BY SOURCE

[Thousands of barrels daily]

	1970	1980	
		Without N.S.	With N.S.
Alaska North Slope.....			2,000
North American.....	700	1,600	1,600
South American.....	2,200	3,250	3,250
Eastern hemisphere.....	530	5,000	3,000
Total.....	3,430	9,850	9,850

¹ Assumed rate of growth is 4 percent per year.

Several recent estimates of rates of change in domestic crude oil demand have been made. In August of 1970 the Bureau of Mines⁹ revised earlier estimate made in July of 1968 and forecasted a rate of change from 1969 to 1980 of 28,419 trillion BTU's to 37,266 trillion BTU's or an annual rate of growth of 2.5%. In recent hearings before the House Interior and Insular Affairs Committee¹⁰ several government and industry witnesses made forecasts of future domestic crude oil demand. These estimates and their source appear in Table 3.

TABLE 3.—RATES OF GROWTH IN DOMESTIC CRUDE OIL DEMAND AS ESTIMATED BY WITNESSES IN OIL IMPORT CONTROL HEARINGS, MARCH-APRIL 1970

Source	Base period consumption	1980 consumption	Implied annual rate (percent)
Hollis M. Dole, Assistant Secretary of Mineral Resources, U.S. Department of Interior	¹ 14.9	² 19.3	2.6
H.B. Harkins, national vice president, American Association of Oil Drilling Contractors	³ 217	⁴ 280	2.34
Brice O'Brien, general counsel, National Coal Association	⁵ 28.3	⁶ 38.5	3.12
John E. Swearingin, chairman of the board, Standard Oil Co. (Indiana)	¹ 14.9	² 20.2	3.05

¹ Million barrels per day (1970).

² Million barrels per day.

³ Billion gallons (1969).

⁴ Billion gallons.

⁵ Quadrillion B.t.u.'s (1970).

⁶ Quadrillion B.t.u.'s.

Earlier forecasts placed most estimates of 1980 Domestic crude oil demand at current U.S. prices between 16 and 18 million barrels per day with later estimates closer to 18 million barrels per day, as shown in Table 4.¹¹

On the supply side of the ledger, the authors of the environmental impact statement assume that proven annual additions to gross productive capacity will continue based upon observed 1967-1969 rates. Several authors¹² have suggested that these data should not be used as a measure of future supply or production levels, since the amount of proven reserves added to the total is highly correlated to expected future demand. These data are more indicative of the industries' inventory position than the future production position. Accordingly, if a comparison of "lower 48" production with and without the North Slope oil coming to the "lower 48" market were to be made, then production in the "lower 48" would be expected to be greater without North Slope oil than with North Slope oil.

To see the effect of this objection the data in Table 5¹³ show the annual additions to gross productive capacity in the "lower 48." An average based upon the last 5 years would be 15% greater than the 1967-1969 average used and an average based upon all 6 years would be 8% greater than the 3 years used by the authors of the environmental impact statement. One reason for the sharp decline in 1969 and to a lesser extent the decline in 1968 is that the discovery of oil reserves in Alaska (North Slope) was announced in June of 1968, which probably affected the addition to proven reserves in the "lower 48." However, if one is analyzing the effect on domestic production when Alaskan North Slope oil is not expected to be produced, it is a mistake to use these last two years.

TABLE 5

Annual additions to gross productive capacity in the "lower 48"

[Thousands of barrels]	
1964	2,664,700
1965	3,048,100
1966	2,963,900
1967	2,962,100
1968	2,454,600
1969	2,120,000

To account for this difficulty, industry and government estimates of future "lower 48" oil production in 1980 as reported in Appendix D of the Cabinet Task Force Oil Import Control¹⁴ may be used to determine a more realistic estimate of "lower 48" production without North Slope oil supplying this same market. To be conservative, since some of the more recent daily production estimates may include some North Slope production, the full 2 million barrels per day throughput of the pipeline are subtracted from the average industry forecast for 1980 and the Interior Department 1980 domestic production forecast. In Table 5a the data show that "lower 48" domestic production in 1980 would be 12.3 million barrels per day, if recent industry and Department of Interior projections are used and North Slope oil subtracted at the full daily throughput of the proposed pipeline. This supply projection is some 400,000 barrels per day greater than the estimate utilized by the authors of the impact statement for both the with and without pipeline cases and if not a precise estimate of the effect of North Slope development on "lower 48" production, it nonetheless indicates the direction of the adjustment that should be made when such comparisons are made between two mutually exclusive alternatives.

TABLE 5a¹⁵

Industry and Interior Department forecasts of 1980 production

[Million barrels per day]	
A. Average industry estimate:	
Crude 11.9 MMB/d-2.0 MMB/d	9.9
Natural gas liquids	1.6

Footnotes at end of article.

Condensate (some portion of this may be included in crude but the Alaska pipeline total is also questionable in some estimates) .8

Total 12.3

B. U.S. Department of Interior estimate (table D-2, p. 229):

Crude (12.7 MMB/d-2MMb/d) 10.7
Natural gas liquids 1.6

Total 12.3

To illustrate the significance of these objections for estimates of gross national security benefits made by the authors of the impact study, we will consider a low and high estimate of 1980 domestic demand and supply which were made by the U.S. Department of Interior in 1968 and 1970 respectively (and which also fall in the mid and upper range of forecasts reported in Tables 3 and 4). These are shown in Table 6. Shown along with these are the 1980 estimates assumed in the absence of the pipeline used by the authors of the environmental impact statement (shown in Table 2 above).

TABLE 6.—A COMPARISON OF DOCUMENTED INTERIOR FORECASTS WITH THE 'KEY' ASSUMPTIONS USED IN THE ENVIRONMENTAL IMPACT STATEMENT

	Thousands of barrels per day—		
	1980 (low Interior figures)	1980 (high Interior figures)	1980 (Environmental Impact Statement)
Domestic demand	18,200	19,300	22,000
Exports	300	300	300
Total demand	18,500	19,600	22,300
Less process gain	-500	-550	-550
Required petroleum supplies	17,950	19,050	21,750
U.S. oil production (less North Slope)	10,700	10,700	9,900
Natural gas liquids	1,600	1,600	2,000
Total	12,300	12,300	11,900
Required other sources	5,650	6,750	9,850
North American imports	-1,600	-1,600	-1,600
South American imports	-3,250	-3,250	-3,250
Other sources	800	1,900	5,000
Percent of total demand	4	10	22

When the above documented projections are utilized, the percentage of oil imports from the Middle East either remain about the same as the 1970 figure of 4% on the low side, or run to 10% on the high side. Both estimates are well below the 22% dependence calculated by the authors of the environmental impact statement. It should be further noted that both estimates are lower than the 1980 "with" pipeline estimate utilized in the environmental impact statement (14%). Increases in demand beyond additional lower 48 domestic production are met by some increased imports from North and South America in all three cases. Accordingly, the size of the national security benefits estimated in the impact statement is due more to inappropriate data than to reality.

B. Additional national security issues

Additional national security alternatives are discussed in Appendix A of this paper and include a consideration of:

1. A Shut-in Reserve Capacity
2. Additions to Domestic Capacity
- a. Permanent New Technology
- b. Ending Market Prorationing
3. Emergency Plans
- a. Accelerated Productive Capacity
- b. Rationing Private Automobile Fuels

Possible sources of domestic crude oil supplies to meet both additional capacity and emergency contingencies are summarized in Table 7.

TABLE 7

Alternative sources to meet domestic crude oil demands¹⁶

[million barrels per day]	
1. Coal-Shale conversion 1980	1.0
2. Ending Prorationing (present)	1.7
3. Elk Hills (NPR1)	0.2
Additions to capacity ^a 2.9	
1. Accelerated productive capacity (3 years) (U.S.)	.8 to 1
2. Accelerated productive capacity (3 years—Canada) ^b	.8 to 1
3. Additional capacity in Venezuela	.4 to .8
4. Non-Arab additional capacity (Iran):	
1 year	1.4
2 years	2.5
3 years	3.6
5. Rationing at 90% demand during emergency	1.5 to 1.8
Total emergency ^c	6.5
Grand total	9.4

^a Note: Additions from ending prorationing may already be included in industry supply forecasts used previously to estimate need and national security dependence.

^b Note the U.S. imports Canadian Oil, but Canada also imports oil from the unrestricted world market. Accordingly, during world emergencies Canadian domestic demands may use up this accelerated capacity.

^c Averages are used for all categories and 2.5 million barrels per day used for Iran.

A major concern given by the authors of the environmental impact statement for acting immediately on the proposed pipeline is related to a presumed urgency in the current world due to Eastern Hemisphere uncertainties and possible Middle East conflicts. The authors of the environmental impact statement conclude that this urgency means action should begin at once in spite of admitted and unresolved environmental costs, uncertain environmental and engineering problems and irreversible decisions. Such a decision would foreclose future options (including construction of a pipeline or preserving the area as national wilderness area) to make the most informed judgment concerning the best development and preservation plans for the State of Alaska and the Arctic resources. Such flexibility has economic value. Accordingly, without claiming precise measurement for the 9.4 million barrels per day versus the 2 million barrels per day from the proposed pipeline, the imminent urgency and need for immediate action does not seem to be supported by a review of the alternatives, which are summarized in Table 7.

C. Economic development of Alaska benefits

There are two types of economic development benefits considered by the authors of the Trans-Alaska environmental impact statement. First, additional use of construction roads, air fields and positive spillovers to the Alaska economy are considered qualitatively, while probable environmental damages (negative spillovers) from these other uses are generally ignored. Second, the authors of the environmental impact statement estimate the State will earn revenues of \$125 million per year in 1975 and \$250 million per year by 1980 from the oil production, if the pipeline is built. In addition recent lease sales are reported to have brought the State \$900 million.

The benefits which may accrue from economic development are the result of convert-

ing an immobilized form of capital, i.e., the oil pool, into active capital yielding an annual return for the State. If the State invests these proceeds to extend and expand its infrastructure, the likely increase in economic activity would constitute an element of economic growth for the State. If foreign oil is imported, even if produced by United States firms abroad, the royalty payments will go to the host country instead, and will be available for promoting economic development there in lieu of Alaska or elsewhere in the United States. Accordingly, if North Slope oil were produced instead of importing foreign oil some economic benefits should be counted.

In Appendix B is presented an upper bound estimate of possible economic development benefits. We assume that all revenues accruing to the State are invested (not used, for example, to reduce State taxes or otherwise used for consumption purposes) and yield an eight percent per year return in perpetuity. The present value of this eight percent in perpetuity is slightly more than \$2.8 billion, which if annualized and divided by average annual production (500,000 barrels per day during 1975-80 and 2,000,000 barrels per day over 1980-2000) would give a cost offset, or developmental benefit of 31 cents per barrel. If some of the oil revenues were used to reduce taxes in Alaska or used for consumption expenditures, the benefit, or cost offset, would be reduced proportionally. For this reason the 31 cent per barrel estimate is an upper bound and may in fact substantially overstate economic development benefits.

D. Balance-of-payment benefits

In the environmental impact statement, balance of payment benefits from producing North Slope oil instead of importing oil are estimated to be \$470 million to \$680 million per year in 1980. These values are equivalent to stating that between 65¢ and 94¢ spent on every barrel of oil imported by the United States never returns to the United States. The Cabinet Task Force¹⁷ estimates that local expenditures associated with every barrel of oil exported to the United States amount to approximately 10¢ and that producing country taxes amount to 95¢. Therefore, estimate of non-return flows of 65¢ to 94¢ per barrel are very unrealistic the longer the view of international dollar flows that is taken. The lower estimate of dollar outflows used in the environmental impact statement implies that for every \$1.05 spent abroad to produce oil for U.S. consumers that 65¢ will not return to this country, while the higher estimate implies that 94¢ will not return to the United States.

Several points should be raised about these estimates. Most oil producing countries rely heavily on import from third party or other countries. These countries in turn buy goods from the United States, as well as other countries who also buy from the United States. Accordingly, measuring two country exchange positions in the short run is fallacious. In our total transactions with all other countries even including various foreign aid and loan programs, the Cabinet Task Force estimated more than 95 cents on every \$1.00 spent abroad returns to the United States. If we take out expenditures abroad for strategic objectives (non-trade items) our trade position actually provides a net favorable balance of payments. Accordingly, if any credit is to be made, overlooking that in the long run we shall doubtless achieve a balance, only about 5 cents per barrel imported should be considered as a balance of payment benefit rather than the 65 and 94 cents per barrel used by the authors of the impact statement.

If multilateral transactions are taken into account when measuring balance of pay-

ments advantages of North Slope oil, an estimated 5¢ per barrel times the 730 million barrels of oil per year will give something like \$36.5 million rather than the estimates of \$470 million to \$680 million used by the environmental impact study.

E. SUMMARY

Our examination of the environmental impact study impels us to conclude that the authors of the study confused their role in the undertaking. Rather than conducting a systematic, quantitative evaluation of environmental costs, the intended objective of the enterprise, they launched instead into an enthusiastic advocacy of its benefits. That they were able to show benefits as readily and in such magnitudes as they did relates both to their systematic failure to consider the entire range of alternatives and their reliance on gross magnitudes, i.e., identification of benefits without offsetting by the associated costs. We have illustrated that their estimates of the dependence on North Slope oil for national defense results from the use of data which bias results in that direction, while ignoring numerous sources of information which would permit a closer estimate of the desired quantities. The huge estimate of balance of payments benefit is a case in point. The environmental impact study's authors selected a figure more than an order of magnitude high. The only estimate which enjoys the possibility of realism is the economic development benefit. While it is impossible to evaluate the economic development prospects without knowing what use will be made of the oil receipts, only by very extreme assumptions regarding investment of all receipts will the estimated economic development benefit approximate the estimate utilized by the authors of the environmental impact statement.

Having critiqued the environment impact study, we propose to illustrate in Part II the mode of analysis which is essential to a systematic evaluation of the pipeline. We make no claims that the analysis is definitive. That is not our responsibility. What we hope to do is to use what documentary evidence is available and illustrate the way in which relevant data can be employed to answer relevant questions which need to be asked were benefits and costs to have firm foundation in established modes of analysis.

PART II—BENEFIT-COST ANALYSIS FOR THE PROPOSED TRANS-ALASKA PIPELINE AND SEVERAL ALTERNATIVES

1. INTRODUCTION

The spirit in which this section is undertaken is to recommend an evaluation or analytical technique which will permit a more systematic consideration of alternatives to the proposed pipeline. Several types of alternatives will be considered, these will be representative of (1) alternate routes, (2) alternate modes, (3) non-development of the North Slope alternative, and (4) changing institutions and legal entities. The data used are to be regarded as more illustrative than definitive; however, we have consistently chosen data from government publications in 1970, based upon 1969 data, which reflect a relatively stable period in "spot" tanker prices. The reason for selecting this stable period is that it is probably more representative of a long run equilibrium period than 1970 which saw Libyan embargoes, a Syrian pipeline shutdown, continued closure of the Suez Canal and a united negotiating front by the Oil Petroleum Exporting Countries (OPEC). At this writing the Libyan embargo has ended, Syria's intransigence seems to be softening, and an OPEC agreement has been reached. Accordingly, the short run instability caused by changing tanker routes and increased transportation costs will probably settle out during the early 1970's.

We have attempted to indicate how changing royalty payments to OPEC countries would affect the results in the cases when the alternative we consider would involve the flows of oil into the "lower 48" from OPEC countries. However, we do not claim to have quantified this effect precisely. Since the importance of what follows is the method rather than the numbers themselves any concern over the possibility of our having understated some or overstated other values can be readily taken into account in this framework. Perhaps the facility of such adjustments is the method's principal strength.

2. Net benefits of the pipeline

We will define net benefits of any alternative as the difference between the market price per barrel and net cost per barrel. We have discounted all costs to a base year of operation and put them on an annual per barrel basis. Accordingly, aggregate annual net benefits or costs may be determined by multiplying the per barrel figure by the estimated number of barrels produced in any given year. To estimate the net benefits of the proposed pipeline to Valdez, coupled with a tanker to Los Angeles, we use a price per barrel of crude oil in Los Angeles of \$3.35 as used in the Cabinet Task Force report.¹⁸

Net resource costs per barrel are estimated by several methods in Appendices B and C. We define a resource cost as the payments made by the oil companies to draw oil from Alaskan pools and thus reduce the value of the sub-surface resource stock. Since this payment could be converted into productive physical and human capital by the State, we define net resource costs to the national economy as this resource payment minus the economic development benefits. If per barrel resource costs are estimated for the entire period of production assumed to be 1975 to 1980 at 500,000 to 2,000,000 barrels per day and from 1980 to 2000 at 2,000,000 barrels per day (the proposed throughput of the presently proposed Trans-Alaska Pipeline), then resource costs are estimated to be \$.56 per barrel. If the full production period beginning in 1980 is taken as the base point resource costs are estimated to be \$.61 per barrel. We use an average of \$.59 per barrel from which we subtract possible economic development benefits of \$.31 per barrel and estimate the net resource costs of depleting the stock of oil on the North Slope to be \$.28 per barrel in all cases below.

Production costs are estimated by taking a simple average of the estimates shown in Table 8. An estimate of \$.25 per barrel will be used in all cases below. Estimates of transportation costs are reported in Appendix E of the Cabinet Task Force Report and we generally accept them unless indicated otherwise. See Table 9. Uncertain costs such as environmental damages, increases in royalty payments to OPEC countries, quality adjustments, etc., are shown by symbols which we will discuss qualitatively in the text below, and will attempt to quantify where possible.

TABLE 8

Estimated well head costs for North Slope oil fields¹⁹

Source: Well head costs:
M. A. Adelman,^a 18-26¢.
Charles Norman,^b 23.5-27¢.
Staff Working Paper,^c 36¢ (include 8¢ royalty to state).

^a M. A. Adelman, "Significance of Shifts in World Oil Supplies," paper presented at the 20th Alaska Science Conference, University of Alaska, Fairbanks, August 1969.

^b Charles Norman, "Economic Analysis of Prudhoe Bay Oil Field, Alaska," M.A. thesis in Economics, Massachusetts Institute of Technology, July 1969.

^c See *Gas and Oil Journal*, November 24, 1969.

TABLE 9.—TRANSPORTATION COSTS FOR NORTH SLOPE OIL²⁰

Destination and mode	Cost per barrel		
	pipeline	+tanker	=total
Los Angeles, pipeline to Valdez, then tanker	\$0.60	\$0.35	\$0.95
Seattle, pipeline to Valdez then tanker	.60	.21	.81
Chicago ¹ , pipeline to Inuvik	1.08	to 1.21	1.15
Edmonton, Chicago			
New York, tanker to New York		1.00	1.00
New York, pipeline continued from Chicago	1.40	to 1.50	1.45

¹Note these costs are estimated to be as high as \$1.25 in appendix D of the Oil Import Question.

We summarize in Table 10 benefits and costs of the proposed route, including expected environmental costs represented by X. Such damages would be expected normally during construction and operation, as well as during potential environmental catastrophes such as earthquakes, tanker spills and irreversible options foregone by present and future populations, who might choose a natural wilderness area if the market could reflect their preferences. The usefulness of the X measure is not so much for comparing with the other costs and benefits for a given alternative but as a means of comparing various alternatives, which might have very different environmental costs or benefits associated with them.

TABLE 10.—Net benefits per barrel of North Slope oil via pipeline and tanker to Los Angeles

Benefits—\$3.35—(Revenue)	
Costs (Present Value and Annualized):	
Net resource cost ^a	\$0.28
Production cost ^b	.25
Pipeline cost ^c	.60
Tanker from Valdez ^c	.35
Environmental Cost—(present value per barrel)	X
Costs per barrel + X	1.48
Net benefits = \$3.35 - 1.48 - X	= \$1.87 - X

^a See Appendices B and C for an estimate of resource cost of \$0.59 per barrel and an economic development benefit from converting immobilized capital to productive capital of \$0.31 for a net resource cost of \$0.28 per barrel.

^b Straight average from Table 8 after removing taxes.

^c See Appendix E, *The Oil Import Question*.

3. Net benefits of a Trans-Canadian pipeline

At the present time the Canadian government is considering the construction of a natural gas pipeline from the Canadian Arctic through Inuvik down to Edmonton. A natural gas and/or crude oil connection from the North Slope would be possible and the mid-west and east coast U.S. markets could be supplied with North Slope oil. In Table 11 are shown the benefits based on a New York price of \$6.90 per barrel, and net resource, production and pipeline costs taken from the Cabinet Task Force from whence corresponding data on the Trans-Alaska were taken.²¹

TABLE 11

Net value of North Slope oil via pipeline across Canada to New York	
Benefits—\$3.90—(revenue)	
Costs (Present Value and Annualized):	
Net Resource Cost	\$0.28
Production	.25

Footnotes at end of article.

Pipeline to Inuvik ^a	.20
Pipeline to Edmonton ^a	.50
Pipeline to Chicago ^b (1980 .51 (present) existing pipeline in place for 1,500 miles)	.38
	\$1.99 (present) 1.86

Environmental Cost (present value per barrel), Y, Y

Net benefits—\$3.90 - \$1.86 - Y = \$2.04 - Y
\$3.90 - \$1.99 - Y = \$1.91 - Y

^a See pipeline estimates in Appendix E, "Transportation Costs."

^b See actual costs shown in Appendix E, "Transportation Costs."

When either present pipeline or the 1980 estimated pipeline costs are used, the net benefits from the Trans-Canadian pipeline exceed the net benefits of the Trans-Alaska pipeline (\$1.91 and \$2.04 versus \$1.87) if environmental costs are ignored (X and Y).

Since the Canadian route would follow the natural terrain by closely following the Mackenzie Valley rather than to cut across various rivers, valleys and mountains as does the Trans-Alaska pipeline, this component of Y (TCP environmental cost) is probably less than a similar component for X (TAP environmental cost). The Canadian route also avoids the region's major seismic disturbances that make up the lower 2/3 of the Alaskan route and does not require the loading of tankers, possible spills, and collisions of such tankers along the coast of both countries. These components of Y are therefore less than similar components of X. If the Canadian route were to be built it would be possible for the oil pipeline to take a similar route, perhaps even enclosed within gas pipeline to reduce possible leaks. Were this to be done, natural gas as well as oil from the entire Arctic region could be brought to "lower 48" and Canadian consumers with only one access right-of-way. This is in contrast to multiple routes and concomitantly multiple possible disruptions to the wilderness of both countries. For the reasons above, Y would probably be lower than X.

Since the Trans-Alaska right-of-way would not involve Canada, any resource savings from the avoidance of possible delays caused by international agreements might serve to decrease X relative to Y and tend to favor the Alaskan route for this component of costs. However, Canadian concern over possible spills off its west coast from tankers transporting oil from Valdez to the lower 48 may also require international negotiation. On balance Y is probably significantly lower than X when all factors are considered, and since the measured net economic benefits also favor this Canadian route, serious consideration of this route should be given very high priority.

4. Net benefits of the Northwest Passage to the eastern coast of the United States

A second type of alternative is not to construct any pipeline but instead to continue research and development of a tanker route through the Northwest Passage. Such a route would, however, require an international resolution between the U.S. and Canada, since Canada has unilaterally extended its Arctic territorial limits to 12 miles. In Table 12 the benefits and several cost estimates for the Northwest Passage alternatives are shown. On average these are superior alternatives for the measured economic benefits (\$2.01 and \$1.96 versus \$1.87). Possible environmental catastrophes represented by V, V' and V'' should be compared with environmental damage of the proposed Alaska pipeline (X) before an irreversible decision one way or the other is made concerning these two alternatives.

TABLE 12.—NET VALUE OF NORTH SLOPE OIL VIA NORTHWEST PASSAGE TO NEW YORK

Costs	Ice breaker		
	Submarine	High	Low
Resource costs	\$.28	\$.28	\$.28
Production costs	.25	.25	.25
Transportation costs ¹ (including loading in Prudhoe Bay submarine tanker in transit transfer at Godthaab, Greenland)	1.36		
Transportation cost ¹ ice breaker U.S. flag and loading cost:			
High estimate		1.82	
Low estimate ²	V	V'	1.00 V''
Environmental cost			
Total cost	1.89 +V	2.35 +V'	1.53 +V''
Net benefits	2.01-V	1.55-V'	2.37-V''
		average	1.96-V'

¹ See "Oil Import Controls," testimony of John M. Houchin, Phillips Petroleum, p. 747.
² See "The Oil Import Question," appendix E, p. 248.

5. The Preservation alternative: North Slope production postponed and foreign imports used to meet domestic demand

At the present time domestically-owned companies could produce greater quantities of oil from wells located in foreign countries and transport them via tankers to the United States. In the case of Venezuela²² recent per barrel royalty payments (resource costs) and production costs are in the \$.98 and \$.35 per barrel range. Corresponding costs for Persian Gulf States²³ would amount to approximately \$.82 and \$.10 per barrel. Since royalty payments would be paid to foreign governments no economic development benefits to the United States would be realized, therefore, no benefits offset the resource costs in the benefit-cost analysis.

Transportation costs are presently estimated to be \$.23 per barrel from Venezuela to New York and \$.74 per barrel from the Persian Gulf to New York.²⁴ These costs are expected to fall to \$.16 and \$.45 per barrel by 1980, with expected increases in tanker capacity and improvements in technology. If foreign oil is imported, an additional cost of 5 cents per barrel, as discussed in Part I might be used to show the balance of payment cost of importing foreign oil.

The most persistent argument against importing oil from foreign countries is based on national security considerations. The threat of politically motivated stoppage of oil deliveries is given often as the reason for encouraging domestic production of petroleum. A possible alternative, however, is an oil storage program to meet emergencies which might arise under such circumstances. With this alternative in mind, an annual cost per barrel for an oil storage program was estimated by the Cabinet Task Force.²⁵ The assumptions are that (1) oil is purchased in the unrestricted world market at \$2.00 per barrel, (2) steel tanks are built for \$2.50 per barrel with a salvage value equivalent to \$.30 per barrel, (3) land is rented or purchased at a price equivalent to \$.25 per barrel, and (4) annual operation, maintenance and evaporation costs are \$.12 per barrel. The annual per barrel cost for various program lives and discount rates are shown in Table 13. An interest cost of 8% and program life of 25 years (consistent with estimates used in the analyses above) results in \$.53 per barrel storage cost.

APPENDIX J

TABLE 13.—OIL IMPORT QUESTION

TABLE J-2.—TOTAL ANNUAL COST OF OIL STORAGE—STEEL TANKS¹

[Dollars per barrel of storage]

Program life ²	Discount rate		
	5 percent	8 percent	10 percent
10 years.....	0.54	0.65	0.73
15 years.....	.46	.58	.66
20 years.....	.42	.55	.63
25 years.....	.40	.53	.62

¹ Oil=\$2.00 per barrel; tankage=\$2.50 per barrel; salvage value=\$0.30 (12 percent of the cost of tankage); land=\$0.25; other annual costs (management, repair, maintenance, and evaporation loss)=\$0.12.

² For these purposes, it is assumed that the physical tank life is equal to or greater than the program life.

A somewhat less costly salt dome storage program was also investigated by the Cabinet Task Force.²⁰ Assuming that (1) oil could be purchased at \$2.00 per barrel, (2) capital and land costs would be \$1.02 per barrel, (3) annual operation and maintenance would be \$.01 per barrel and (4) oil losses would amount to 5 percent, the annual cost per barrel for various program lives and discount rates are shown in Table 14. At an interest rate of 8 percent and 25 year program life, the annual cost per barrel would be \$.27. In 1966 the Department of the Interior had estimated on-shore storage capacity equal to about 650 million barrels or 89 percent of the annual throughput of the proposed Trans-Alaska pipeline.²¹ If such storage capacity were used first, since this is a lower cost storage alternative, to be supplemented by steel tank storage in an amount to equal a year's throughput of the Trans-Alaskan pipeline, the national security objective could be met at an annual cost of \$.31 per barrel.

APPENDIX J

TABLE 14.—OIL IMPORT QUESTION

TABLE J-3.—TOTAL ANNUAL COST OF OIL STORAGE—SALT DOMES¹

[Dollars per barrel of storage]

Program life	Discount rate			
	5 percent	8 percent	10 percent	12 percent
10 years.....	0.25	0.33	0.39	0.45
15 years.....	.22	.29	.36	.41
20 years.....	.20	.28	.34	.40
25 years.....	.19	.27	.33	.39

¹ Oil=\$2.00 per barrel; capital cost, including land=\$1.02; administration and maintenance=\$0.01; oil loss=5 percent.

A summary of the benefits and costs of such storage alternatives are shown in Table 15. When only the readily measured benefits and costs are calculated, all four of the storage program cases show slightly higher net benefits than does the Trans-Alaska pipeline case (\$1.87). Some uncertainty is introduced in costs of the import-storage program by virtue of possible OPEC price increases and quality adjustment factors for differences in sulfur content and specific gravity of the oil. Possible benefits of the program are time and resource savings during national emergencies from having crude oil stored near the prime market areas. An additional advantage is that dispersed storage facilities are a more secure source of supply than a relatively unprotected pipeline or tankers on the high seas. If the environmental damages of the proposed pipe-

line (X) are expected to be large, very serious consideration should be given to the import-storage alternative, while research and development achieve an environmentally safe transportation plan.

TABLE 15.—NET VALUE OF IMPORTED SOURCE OF SUPPLY FOR THE NEW YORK MARKET, WITH NATIONAL SECURITY, BALANCE OF PAYMENTS AND ECONOMIC DEVELOPMENT OFFSETS

	Venezuela		Persian Gulf	
	Present	1980	Present	1980
Costs:				
Resource costs ¹	\$0.98	\$0.98	\$0.82	\$0.82
Production costs ².....	.35	.35	.10	.12
Transportation costs ³.....	.23	.16	.74	.45
National security costs ⁴.....	.31	.31	.31	.31
Balance of payment costs ⁵.....	.05	.05	.05	.05
Subtotal, costs.....	1.92	1.85	2.02	1.75
OPEC resource cost increase and or quality adjustment factor.....	Z	Z	Z'	Z'
Net benefits.....	1.98Z	2.05Z	1.88Z'	2.15Z'
Benefits (revenue).....			3.90	
Total.....			.31	

¹ See p. 113, Mikesel, "Foreign Investment in the Petroleum and Mineral Industries."

² See M. A. Adelman, forthcoming, "Resources for the Future" study.

³ See Appendix E, "The Oil Import Question."

⁴ National security costs per barrel (8% for 25 years): Salt tank (\$0.89).....\$0.27 per barrel Steel tank (\$0.11)......53 per barrel

Total......31 per barrel

⁵ See text, part I, Sec. D, pp. 18, 19.

6. An import for export program: changing institutions to maximize profits

In recent testimony before the House Interior and Insular Affairs Subcommittee on Mines and Minerals,²² John M. Houchin, President of Phillips Petroleum, proposed a two-tier price system or an "import for export" program. Under one variant of this program, North Slope oil would be exported to Japan and for each barrel exported an additional barrel of Venezuelan or Persian Gulf oil would be allowed to be imported to the eastern U.S. market. Since the U.S. would be producing an equivalent amount as the increased imports, it is averred that national security and balance of payment costs would be negligible.

The benefits and costs of this program are shown for two cases in Table 16. A direct all tanker route would be superior to a combination pipeline-tanker alternative for the measured benefit and cost portion (the \$3.21 net benefit per barrel is greater than \$2.87). A comparison of the relative environmental costs from possible tanker spills in the Bering Sea (W) versus possible pipeline breaks overland (X) should also be made before either alternative is chosen. A major saving from this proposal results from the fact that oil companies would not be shipping oil between two U.S. ports. Accordingly, the restrictions of the Jones Act would not apply, thus non-U.S. flag ships with lower unit costs could be utilized.

TABLE 16.—NET VALUE OF NORTH SLOPE OIL TO JAPAN AND AN IMPORT FOR EXPORT PROGRAM FOR EITHER VENEZUELA OR PERSIAN GULF STATES

(1) Assume price of oil in Japan is \$2 per barrel of crude.	
(2) New York price is \$3.90.	
Revenues to U.S. producing companies per barrel of North Slope oil matched by a barrel of oil produced by U.S. companies in foreign countries.	\$2.00
Benefits (Rev. Japan).....	3.90
(Rev. New York).....	5.90
Costs.....	5.90

	To Japan		To New York	
	North Slope	Pipeline	Venezuela	Persian Gulf
Net resource cost.....	\$0.28	\$0.28	\$0.98	\$0.82
Production costs.....	.25	.25	.35	.11
Tanker cost ¹.....	.66	.40	.20	.54
Pipeline to Valdez.....	0	0	0	0
Net, National Security.....	0	0	0	0
Net, Balance of Payments.....	0	X	0	0
Environmental cost.....	W	X	0	0
Total costs.....	1.19	1.53	1.53	1.47
	+W	+X		

Average \$1.50 of Venezuela and Persian Gulf + Z = (Z + Z')/2. Net benefits of tanker through Bering Sea carried in non-U.S. flagships matched by an increase in imports to the Eastern part of the United States also carried in non-U.S. flagships.

Net benefits=\$5.90-(1.19+W)-(1.50+Z)
=\$3.21-Z-Z'

Net benefits of similar program with the pipeline alternative

Net benefits=\$5.90-(1.53+X)-(1.50+Z)
=\$2.87-X-Z'

¹ See p. 747, "Oil Import Controls." Transportation costs of \$0.86 are estimated for a Japan for Venezuelan crude alternative, this can be broken to \$0.66 per barrel for the North Slope to Japan route and \$0.20 per barrel for the Venezuelan to New York route. Similarly a Japan for Persian Gulf estimate of \$1.20 can be broken down to \$0.54 per barrel for the Persian Gulf to New York and \$0.66 for the North Slope to Japan route.

² The estimate of transportation costs from Valdez to Japan are no more than an informed ballpark estimate.

The restrictions in the present Oil Import Quota system are also used to enhance the profitability of this case since low cost Alaskan oil would be sold competitively in the unrestricted world market, while imported oil, produced by U.S. firms would be sold in the protected U.S. market at a much higher price. Such a two-tier pricing system applied to Japanese manufactured goods exported to the United States, however, has come to light as a violation of international agreements. Moreover, there may be raised a question of propriety in that the advantages of low cost (exclusive of costs of environmental damage) Alaskan oil would not be shared with the American petroleum consumers, whereas the costs of environmental damages would not be shared by Japanese petroleum consumers. This proposal, therefore, would seem to merit the most careful scrutiny, not only in terms of the relative benefits and costs of the transport means, but in terms also of the equity in the international distribution of the benefits and costs, when potential massive environmental damages may be involved.

7. Additional potential costs of distribution from initial port of entry

In the previous discussion we have assumed that oil flows would travel the route of maximum profitability. Therefore a Trans-Alaska pipeline was used to supply the New York market area. On the other hand, it is conceivable that the inflow of 2 million barrels of oil per day may affect the market price or represent an oversupply which must be transhipped to other markets at additional costs. To take account of this fact we address two principal cases relevant to our alternatives discussed above.

Case 1

If the Alaskan pipeline were built and the oil brought in from Valdez to Los Angeles we might expect an oversupply in the west coast market relative to the markets east of the Mississippi. To redistribute the excess supplies to eastern markets would involve the construction of a pipeline across northern United States at a per barrel cost to Chicago of \$.60 and to New York of an additional \$.25.

Footnotes at end of article.

Case 2

If the Trans-Canada pipeline involving shipments to the east coast resulted in a relative oversupply in the east coast markets, the potential throughput might be diverted at Edmonton to Seattle using an existing pipeline operating at a cost of \$.40 per barrel. Moreover, if North Slope oil, moved to New York, displaced present Venezuelan imports, these could be diverted to the Gulf Coast for transshipment to Los Angeles via a southern U.S. pipeline built for that purpose at an estimated per barrel cost of \$.50.

Economist Herbert Winokar has suggested that oversupply on the west coast (Case 1) would be likely in 1980 were the Trans-Alaska pipeline to be built.²⁹ Accordingly, the measurable portion of the Trans-Alaska pipeline costs should be increased by an appropriate transshipment cost. Quite apart from the greater possibility of excess supply in west coast markets, the Trans-Alaska pipeline would be inferior to alternatives making deliveries to the east coast since the additional costs of transshipment for the former of \$.60 to \$.85 per barrel compare unfavorably with the \$.40 to \$.50 per barrel for the latter.

SUMMARY AND CONCLUSIONS

In Part I we undertook a critical review of the proposed Trans-Alaskan pipeline environmental impact study and concluded the analysis was both inadequately done and biased in results. In Part II we have presented the kind of analysis which should be undertaken in reviewing the alternatives to the Trans-Alaskan pipeline. In this we have considered not only alternative routes, modes and destinations for North Slope oil, but also alternative sources of oil to meet essentially the same objectives as North Slope oil and the Trans-Alaskan pipeline. Below we rank the various alternatives in ascending order of their economic value.

North Slope oil, alternative routes, modes, and delivery points	Net benefits	Net benefits less environmental or other unmeasured costs
Trans-Alaskan pipeline to Los Angeles.....	\$1.87	X
Trans-Canadian pipeline to New York.....	1.91-2.04	Y
Northwest Passage to New York.....	1.96-2.01	V
Alternative sources:		
Venezuelan oil to New York.....	1.98-2.05	Z
Persian Gulf oil to New York.....	1.88-2.15	Z'
Export of North Slope oil to Japan, import of Venezuelan oil to United States:		
Trans-Alaskan pipeline and tanker.....	2.87	X and Z
Direct tanker from North Slope to Japan.....	3.21	W and Z

Based on the published information available from governmental documents, we concluded that the Trans-Alaskan pipeline to Valdez with transshipment by tanker to the West Coast markets was the least attractive economically when benefits and costs exclusive of environmental damages (our unknown designated by X) were considered. Both the Trans-Canadian pipeline and the Northwest Passage Tanker alternative modes would provide larger net benefits exclusive of the unevaluated environment damages (Y). On balance, it appears that the environmental damages one would anticipate also would be less for the Trans-Canadian or Northwest Passage routes, than those one would anticipate from the Trans-Alaskan pipeline alternative.

When alternative sources of supply are considered, with domestic storage to meet emergency conditions, we find that the storage program alternative will provide for as economical a source of oil for the United States as the North Slope source without compara-

ble risk of environmental damage. On the other hand, there may be some added cost (Z') due to price uncertainties.

The most attractive alternative for the oil producers would be the use of North Slope oil for export at world market prices to Japan, while importing a similar amount from Venezuela, selling same at the support price in the United States. Since the beneficiaries of the low cost North Slope oil would be Japanese consumers, while the environmental costs would be borne by the United States, there is an issue of propriety and equity associated with this alternative which does not arise in any of the other alternatives.

FOOTNOTES

¹ See Adelman, M.A. "The Alaska North Slope Discoveries and World Petroleum Supplies and Costs" in *Change in Alaska*, ed. George W. Rogers. College, Alaska: University of Alaska Press, 1970.

² See: *The National Environmental Policy Act of 1969*.

³ See: "Revision of Guidelines on Statements of Proposed Federal Actions Affecting the Environment," Council on Environmental Quality, January 23, 1971. Henceforth to be indicated by "Guidelines" (Interim released on April 30, 1970).

⁴ See: "Draft Environmental Impact Statement for the Trans-Alaska Pipeline Section 102(2)(C) of the National Environmental Policy Act of 1969," prepared by: Department of Interior, January 1971.

⁵ *Op cit.*, "Revision of Guidelines. . ."

⁶ See, Krutilla, J.V., Cicchetti, C.J., Freeman, A.M., and Russell, C.S., "Observations on the Economics of Irreplaceable Assets," in *Environmental Quality Analysis; Theory and Method in the Social Sciences*, eds. Allen V. Kneese and Blair T. Bower, Baltimore: Johns Hopkins Press, forthcoming.

⁷ Note, that it is estimated that the pipeline would transport 500,000 barrels per day in 1975 and that the throughput in 1985 would be 3 million barrels per day. This latter value is not considered in the present evaluation since it exceeds the capacity of the present proposal by 50% and would require additional construction and therefore an additional environmental impact statement.

⁸ *Op. cit.*, "Draft Environmental Impact Statement. . ."

⁹ *An Energy Model of the United States*, IC8384, Bureau of Mines, July 1968, figures revised August, 1970.

¹⁰ *Oil Import Controls*. Hearings Sub-Committee on Mines and Minerals, House Interior and Insular Affairs House of Representatives, March-April 1970.

¹¹ *The Economy, Energy and the Environment*, Joint Economic Committee, September 1, 1970, p. 27.

¹² See (1) Landsberg, H. H. and Schurr, S. H., *Energy in the United States*, New York: Random House, 1968; (2) Netschert, Bruce C., *The Future Supply of Oil and Gas*, Baltimore: Johns Hopkins Press, 1958; (3) Lovejoy, W. F. and Homan, P. T., *Methods of Estimating Reserves of Crude Oil, Natural Gas and Natural Gas Liquids*, Baltimore: Johns Hopkins Press, 1965.

¹³ Additions to gross productive capacity are found in Volume 24, May 1970 joint report of the American Gas Association, American Petroleum Institute and Canadian Petroleum Association, entitled: *Reserves in Crude Oil, Natural Gas Liquids, and Natural Gas in the United States and Canada and United States Productive Capacity as of December 31, 1969*. See Table II, p. 28.

¹⁴ *The Oil Import Question*, The Cabinet Task Force on Oil Import Controls, February 1970.

¹⁵ *Ibid.*, Appendix D, "The Future Supply of Petroleum in the United States."

¹⁶ *Ibid.*, Appendix J, "Alternative Security Measures."

¹⁷ *Ibid.*, Appendix H, "Additional Oil Imports and the United States Balance of Payments."

¹⁸ *Ibid.*, *The Oil Import Question*, Footnote 1, p. 19.

¹⁹ *Ibid.*, Appendix D.

²⁰ *Ibid.*, Appendices D, E, and F.

²¹ *Ibid.*, *The Oil Import Question*, Footnote 1, p. 19 and Appendix E, "Transportation Costs."

²² See Mikesell, R.F., et al. *Foreign Investment in the Petroleum and Mineral Industries*, especially G.G. Edwards, "Foreign Petroleum Companies and the State in Venezuela," Baltimore: The Johns Hopkins Press, 1971. See Adelman, M.A., *The World Petroleum Market: 1946-1969*, forthcoming, Resources for the Future.

²³ *Ibid.*, Mikesell, et al. and Adelman.

²⁴ See, Appendix E, "Transportation Costs," *The Oil Import Question*.

²⁵ *Ibid.*, Appendix J, "Alternative Security Measures."

²⁶ *Ibid.*, Appendix J.

²⁷ Bureau of Mines, "Salt Domes in Texas, Louisiana, Mississippi, Alabama and Off-shore Tidelands: A Survey, 1966" (IC8313). See also Appendix J, *ibid.*

²⁸ *Oil Import Controls*. Hearings before the Sub-Committee on Mines and Minerals, House Interior and Insular Affairs Committee, March-April 1970.

²⁹ Winokar, Herbert. Statement of February 16, 1971, concerning the Draft Environmental Impact Statement at the Department of Commerce Auditorium, Washington, D.C.

APPENDIX A—NATIONAL SECURITY ALTERNATIVES AND THEIR RESPECTIVE COSTS

1. SHUT-IN RESERVE CAPACITY

In a recent paper Mead and Sorensen¹ estimate the costs of a shut-in policy at Elk Hills Petroleum Reserve (Naval Petroleum No. 1) to be 8.4c per barrel. They use a 6% opportunity cost of immobilized capital and the 8.4c per barrel cost is broken down to 7.3c in interest, .3c administration and .8c opportunity cost of a standby overcapacity pipeline. It is estimated that the output from NPR1 could reach 350,000 barrels per day efficiently during an emergency. The Federal government presently is involved in protective production in NPR1 to a small extent and more so on NPR2 and NPR3. If a shut-in policy were to be meaningful the three areas should be made fully shut-in, therefore costs would increase. In addition, NPR4 offers little national security benefits at the moment since it is located in Alaska and no large scale transportation links exist. The relatively low cost of a shut-in policy may make it the preferred national security program if oil import quotas are removed. The Federal government could then conserve our domestic capacity now held by private owners for national defense and emergency situations. This alternative would probably be the least social cost case but would probably not be feasible with the existing institutions in the U.S.

2. ADDITIONS TO DOMESTIC CAPACITY

A. Permanent new technology

At present domestic prices the production of oil from shale is possible at a subsidy of 75c per barrel or less and at world prices between \$1.35 and \$2.10 per barrel² with subsidies to coal conversion processes approximately 25% more at present. By 1980 under current domestic prices no subsidy would be required to justify shale to oil con-

¹ See, Mead W. and P. Sorensen "The National Defense Petroleum Reserve Alternative to Oil Import Quotas," paper presented at the Western Economic Association Meetings, Davis, California, August 27-28, 1970.

² See Appendix J, "Alternative Security Measures."

version on a financial basis. At world prices of \$1.65 a subsidy of \$1.00 would be required. (See Table A-1.) Additional capacity from shale and coal is therefore technically feasible.

TABLE A-1.—APPENDIX J, OIL IMPORT QUESTION

TABLE J-6.—SUBSIDY COST PER BARREL OF SHALE OIL IN 1930¹

	Case I ²	Case II ³
Price = \$3.08 ⁴	\$0.00-\$0.27	\$0.00-\$0.07
Price = 2.00	.70-1.35	.55-1.15
Price = 1.65 ⁵	1.05-1.70	.90-1.40

¹ Assumes a Government subsidy equal to the differences between the market price and the cost of production (including a 12-percent return on investment). Base costs are taken from table J-4 and include a resource charge of \$0.38-\$0.40 per barrel.

² 600,000 barrels of 1st-generation technology; 400,000 barrels of improved 1st-generation technology.

³ 400,000 barrels of 1st-generation technology; 600,000 barrels of improved 1st-generation technology.

⁴ Estimated current price equivalent in western Colorado for shale. The Interior Department estimated in June 1968 that the price of shale oil in western Colorado was \$3.08. Since then the price of domestic crudes has risen, and the value should now be somewhat higher. Standard Oil Co. (New Jersey), however, continued to use the \$3.08 value for shale (submission No. 125-D, p. 39), and for lack of better information we have followed its practice.

⁵ Estimated world price equivalent in 1980 for shale oil in western Colorado. Estimated world price equivalent in 1980 for shale oil in western Colorado. Assumes the price of 30 Louisiana crude would be \$2.19 per barrel in the Midwest. From this a quality debit of \$0.29 and a transportation charge of \$0.25 have been subtracted.

B. Ending State prorationing of oil markets

At the present time state production restrictions and the present oil import quota system result in a privately-owned excess of 1.7 million barrels per day,³ by adding the reserves from Elk Hills (.2 million barrels per day) discussed above, the present full market capacity would nearly equal the projected

³ See, *The Oil Import Question*, p. 51, *op. cit.*

2 million barrels per day from the North Slope. Most industry sources feel this privately-held excess capacity will be reduced in the future, and William Murray, President of the Texas Independent Producers and Royalty Owners Association claims that prorationing has already ended *de facto* in Texas and would therefore not be available.

3. EMERGENCY PLANS

A. Accelerated productive capacity

In periods of emergency oil may be removed faster than engineering efficiency would justify. The Cabinet Task Force estimate this additional capacity during an emergency period to be between 800,000 and 1 million barrels per day by the end of the first and a similar amount in the second year but then declining. Canadian production could similarly be increased, but a probable investment in pipelines would be required.⁴ Similarly, Venezuela production could be increased between 400,000 and 800,000 barrels per day with new drilling cost.⁵

The increase of productive capacity during an extended emergency would equal more than 2 million barrels per day for a year from these sources. During such an emergency alternatives could be pursued, such as shale and coal conversion, or construction of a pipeline from the North Slope. It is incorrect, however, to plan on the worst, when there are fallback measures which provide sufficient lead time to avoid irreversible decisions and foreclose the available

⁴ Canadian oil may not be available to the U.S. during an emergency since Canada is both an exporter to the U.S. and an importer in the unrestricted world market. Accordingly, emergencies may cut Canadian imports and therefore reduce the ability of Canada to increase exports to the U.S. during emergencies.

⁵ See, *The Oil Import Question*, p. 52, *op. cit.*

options at the expense of high environmental costs.

If emergencies came from sources other than Arabian Middle East disruptions the very great excess capacity (50 percent or more) in the Middle East could be utilized. Iran and other non-Arab eastern hemisphere nations could supply as much as 1.4 million barrels per day in one year, 2.5 million barrels per day in two years and 3.6 million barrels per day (primarily Iran) in three years, if the Arab countries would interrupt supplies to the United States.⁶

B. Rationing private automobile petroleum

The Cabinet Task Force⁷ reports that during an emergency a tolerable rationing of automobile gasoline could reduce domestic consumption by 9% to 16% depending upon the severity of the crisis. A 10% reduction in 1980 would be 1.85 million barrels per day almost as much as the Alaskan pipeline throughput. This would be an alternative method at relatively low cost (only administrative costs) to meet "essential" demand during emergency periods and therefore reduce the urgency for constructing a pipeline.

A related development to the use of petroleum for automobiles is the 1970 Clean Air Act, which places stringent restrictions on the internal combustion engine by 1975. The effect of this legislation is unclear but three probable effects would reduce the consumption or use of petroleum in automobiles, these are:

- (1) smaller internal combustion engines.
- (2) more efficient internal combustion engines.
- (3) non-gasoline-powered engines.

If any of these developments occur, the result would be a drop in estimated future demand after 1975.

⁶ *Ibid.*, p. 53.

⁷ *Ibid.*, p. 53.

Appendix B

"Resource Cost to the Company"

A. Lease Sales

Assume: \$900×10⁶ leases were purchased in 1970, that the discount rate is 8%, and that there will be a production lag time of 10 years before full production begins (1980).

$$\frac{\$900 \times 10^6}{(1.08)^{10}} = \$2,150$$

$$\frac{\$1.94 \times 10^9}{\text{Lease sales plus interest during interim returns forgone.}}$$

$$\text{Factor to annualize costs for the 20 year full capacity productive life} = \frac{i}{1 - \left(\frac{1}{(1+i)^n}\right)^n}$$

$$\text{for } i=8\% \\ n=20$$

The factor to annualize lease costs = .1019

$$\frac{\$1.94 \times 10^9}{\times .1019}$$

Annual cost to repay lease sale over full capacity production life

per barrel annual equivalent of cost

$$\frac{\$1.97 \times 10^9 \text{ per year}}{730 \times 10^6 \text{ barrels per year}} = \$2.7 \text{ per barrel}$$

B. Taxes

Annual direct tax, high estimate

$$\frac{\$250 \times 10^6 \text{ per year}^1}{730 \times 10^6 \text{ barrels per year}} = \$3.4 \text{ per barrel}$$

Total resource costs per barrel = \$6.1

This method overestimates resource cost by spreading all costs over the full production period of 1980 to 2000 and applies this rate to the 1975 to 1980 period. An alternative calculation which errs on the low side could be calculated as follows:

"Alternative Costing Method under Partial Production in 1975 at 500,000 Barrels per Day and Annual Taxes of \$150×10⁶."

A'. Lease Sales

$$\frac{\$900 \times 10^6 \text{ (lease sales)}}{\times (1.08)^{10}} = 1.469 \\ \$1.32 \times 10^9$$

¹ See page 186, Environmental Impact Statement, January 1971

annualize costs at 8% for 25 years

$$\frac{\$1.32 \times 10^9}{\times .0937}$$

$$\$1.23 \times 10^9$$

expected annual number of barrels 1975 to 1980

$$182.5 \times 10^6 \text{ barrels per year 1975}$$

$$730 \times 10^6 \text{ barrels per year 1980}$$

$$2 \left[\frac{912.5 \times 10^6}{2} \right]$$

$$456.3 \times 10^6 \text{ barrels per year (average) (1975 to 1980)}$$

$$\text{Overall average 1975 to 2000} = \frac{20(456.3 \times 10^6) + 80(730 \times 10^6)}{100} \\ = \frac{91.2 \times 10^6 + 584 \times 10^6}{100} \\ = 675.2 \times 10^6 \text{ barrels per year}$$

$$\frac{1.23 \times 10^9}{675 \times 10^6} = \$1.83 \text{ per barrel}$$

B'. Taxes

$$\text{Tax per barrel 1975} = \$125 \times 10^6 \div 182.5 \times 10^6 \text{ barrels}$$

$$= \$685 \text{ per barrel}$$

$$\text{Tax per barrel 1980} = \$250 \times 10^6 \div 730 \times 10^6 \text{ barrels}$$

$$= \$342 \text{ per barrel}$$

Average tax per barrel 1975 to 1980

$$\frac{.685 + .342}{2} = \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

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$$= \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

$$= \$1.027$$

Weighted average tax per barrel 1975 to 2000

$$.2 \times \$1.83 = \$0.366$$

$$.8 \times \$1.027 = .8216$$

$$= \$1.188 \text{ per barrel}$$

Cost under alternative

$$\$1.83 \text{ per barrel}$$

$$\$1.376 \text{ per barrel}$$

$$= \$5.59 = \$5.6 \text{ per barrel}$$

Note this method does not discount future annual taxes but lumps them together to compute straight arithmetic averages. Accordingly it underestimates real costs, an average of the two methods will therefore be used to balance out the two averages.

$$\begin{array}{r} \cdot .56 \text{ per barrel} \\ + .61 \text{ per barrel} \\ \hline 2 \overline{) 1.17} \\ \underline{1.17} \\ 0 \end{array}$$

\$.585 per barrel or \$.59 per barrel resource cost

This last calculation is an average of the two methods used to calculate economic development offset benefits and will therefore be used for purposes of comparison.

Appendix C

"Economic Development Benefits"

A. Lease Sale

$$\$900 \times 10^6$$

Assume the \$900×10⁶ is fully recovered in 2000 after the state invests the revenue from the lease sale into productive investments which yield a net return of 8% and which recovers the initial investment after 30 years:

$$\frac{\$900 \times 10^6}{(1.08)^{30}} = .0994$$

Present value of net returns on fully recovered investment of \$89.5×10⁶ \$900,000,000 in perpetuity from year 31 on.

Present value of lease sales assuming the state invests all converted capital into a physical investment which yields 8% per year in perpetuity:

$$\begin{array}{r} \$900 \times 10^6 \\ + 89.5 \times 10^6 \\ \hline \$989.5 \times 10^6 \end{array}$$

B. Taxes (Annual)

Annual payment of \$250×10⁶
Assume production life from 1980 to 2000
Present value to 1970

$$\text{Value of annuity for 20 years} = \frac{(1+i)^n - 1}{i}$$

and i=8% is 45.76

Present value discounted by (1+i)^m

Where m=30 years and i=8% is 10.063

Present value in 1970 of \$250×10⁶ each year for the period 1980 to 2000 at 8% becomes

$$\$250 \times 10^6 \times 4.55 = \$1.14 \times 10^9$$

Present value in 1970 for average of \$125×10⁶ and \$250×10⁶ for 5 years between 1975 and 1980

Average per year

$$\begin{array}{r} \$125 \times 10^6 \\ 250 \times 10^6 \\ \hline \$375 \times 10^6 \\ \hline 2 \end{array} = \$187.5 \times 10^6$$

Annuity for 5 years discounted over 10 years at 8% becomes

$$5.867 = \frac{(1+.08)^{10} - 1}{.08}$$

$$2.159 = (1+i)^n = (1.08)^{10}$$

$$\frac{5.867}{2.159} = 2.72$$

$$2.72 \times \$187.5 \times 10^6 = \$510 \times 10^6$$

Total present value of two annuity streams

$$\begin{array}{r} \$1,140 \times 10^6 \\ + 510 \times 10^6 \end{array}$$

$$\$1,650 \times 10^6 = \$1,650 \times 10^6$$

Present value of net returns on fully recovered (after 30 years) investment of \$1.65×10⁹ in perpetuity

$$\frac{\text{Present value of net returns in present from year 31 into future}}{(1+i)^{30}} = \frac{\$1,650 \times 10^6 \times (1+i)^{-30}}{164 \times 10^6} = (1.08)^{-30} = .0994$$

Total present value to perpetuity of annual oil revenues anticipated by the State

$$\begin{array}{r} \$1,650 \times 10^6 \\ \$164 \times 10^6 \\ \hline \$1,814 \times 10^6 \end{array}$$

Total present value of all payments to the State in perpetuity for oil stock reduction from the North Slope

$$\begin{array}{r} \$989.5 \times 10^6 \\ 1,814.0 \times 10^6 \\ \hline \$2,803.5 \times 10^6 \end{array}$$

at 8% per year

Annual economic development benefits to the state if all revenues are invested in projects with a social rate of return of 8% converted to an equivalent 30 year annual or leveled basis

$$\frac{\$226 \times 10^6}{30} = \$7.53 \times 10^6$$

$$\frac{\$226 \times 10^6 \text{ per year}}{730 \times 10^6 \text{ per barrel}} = \$.31$$

Net resource costs=costs to the company for purchase offset by economic development benefits from buying oil from internal U.S. sources

$$\$.59 - \$.31 = \$.28 \text{ per barrel.}$$

WHAT HAS HOFSTRA DONE FOR YOU LATELY?

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. LENT. Mr. Speaker, the recent report by the Carnegie Commission on Higher Education that two-thirds of the Nation's 2,340 colleges are in financial difficulty or headed for it, underscores the need to restore public confidence in higher education. In addition to the obvious need for greater stability and efficiency in internal operations, restored confidence will require convincing evidence of the relevancy of higher education—that the public can understand and support.

The problem is especially acute for the private colleges. Serving as they do but 29 percent of the college and university students—versus the 71 percent enrolled in public colleges—their need to communicate their "distinctive" contributions has never been more critical.

Unfortunately, universities, public or private, are not generally known for excessive initiative in communications. Which is precisely why I single out a recent communication from a young university in my area—Hofstra University—

that imaginatively and factually dramatizes its unique contributions to the community it serves. This private 32-year-old university is one of a half dozen major public and private institutions serving the two counties of Long Island, Nassau and Suffolk.

In a full-page report, which appeared February 25, 1971, in the local newspaper, Newsday, sponsored by its board of trustees, the university, under a provocative headline, "What Has Hofstra Done for You Lately?" described in detail its diversified community services over and above the traditional functions of a university; namely, education.

I include the text of this unusual report in the CONGRESSIONAL RECORD. It will stand as one answer to the perennial question, How relevant can or should a university be to its community?

WHAT HAS HOFSTRA DONE FOR YOU LATELY? WE ARE GLAD YOU ASKED

As a relatively young institution, Hofstra has already established itself as a vital and active participant in community affairs. The degree of our community involvement is not limited by the traditional functions of a university. We are willing and able to take calculated risks, to experiment and to innovate. Call it youthful exuberance, esprit de corps or simply interest in the community around us. We're doing things, and we'd like you to join us in our continuing effort to make our community a better place to live, to work, to learn and progress. What

have we at Hofstra done in and for our community lately? Let's look at the record for 1970.

In the field of education, Hofstra served 8,000 of our children last year, equal to 67% of our 13,000-man student body. We also invested \$1.8 million to support these young people with scholarship and achievement grants.

Last year alone, Hofstra turned out 1,200 certified teachers, graduates of the Island's only professionally accredited School of Education, as well as 400 graduates of the only accredited School of Business in the two counties.

We enrolled the first 78 lawyers-to-be in New York State's first new Law School in 47 years.

We opened a Store Front Law Office, staffed by our law school faculty and students, to provide legal aid for those in need.

The Hofstra Bureau of Educational Studies and Services gave 60 courses for 900 students; it created master plans, and conducted training programs, personnel searches and school administrative programs for 12 Long Island school systems.

Our Reading Center helped over 1,300 students from 120 Long Island communities, some in workshops, others in conferences held in 28 different towns and villages on the Island.

Our Speech and Hearing Center tutored 4,371 Long Islanders, most of them young people.

Our Psychological Evaluation Center during 1970 held over 200 specialized training sessions and tested 275 children ages 2 to 17.

Economically speaking, last year 88% or \$22.5 million of our annual budget went back into the economies of Nassau and Suffolk counties.

Over the past six years more than \$30 million has been invested in capital building, most of it going to local suppliers and contractors.

Cultural activities include the Hofstra Pro Arte Symphony concerts which in '70 played to a total audience of more than 10,000. In six years over 75,000 have listened to this symphony, the first professional orchestra sponsored by a university in the U.S.

Last year Hofstra drama students, enrolled in the Island's only professionally accredited drama program, presented the 21st Annual Shakespeare Festival. It played host to 4,500 high school students from 120 schools on the Island, and to 10,000 adults.

The Hofstra Band and Chorus entertained over 15,000 Long Island students, while our professional string quartet entertained another 2,700 neighbors.

Hofstra's Emily Lowe Gallery featured nine unique art exhibitions attended by more than 18,000.

Athletics: Hofstra's AstroTurf playing field, unique to the metropolitan area, was used 75% of the time last year, by community organizations for activities from band concerts to high school and Little League football.

How do you measure service? By the many things we've enumerated? By the spontaneous acts of people? Is it best represented by the 400 students who last year gave their free time to tutor youngsters? Or the 50 students who worked as Big Brothers? Or the 700 fraternity members who gathered 7,500 toys to make Christmas brighter for 5,000 children in 15 communities? Or is it the dozen dedicated Black students who created, and served as faculty, for the Afro-American Summer Experience program for 249 minority school-age youths last summer . . . one of 22 Hofstra programs for minority groups.

We think it's all of these things last year that helped make Hofstra more, much more than just another university.

A GREEN MEDALLION FOR
MRS. KNAUER

HON. LEE METCALF
OF MONTANA

IN THE SENATE OF THE UNITED STATES
Tuesday, March 30, 1971

Mr. METCALF. Mr. President, Mrs. Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, addressed the public utility buyers' group of the National Association of Purchasing Managers in Atlanta on March 9. Mrs. Knauer commended those utilities which have discontinued advertising which promotes greater use of fuel. She suggested that large expenditures for advertising be diverted to research. She found merit in the proposed restructuring of rates which now penalize low-income users while encouraging large volume users to consume even more of a precious commodity which is in short supply.

Mrs. Knauer said:

We must examine present systems of operation to determine whether they are responsive to tomorrow's needs. If they are not, then we must exchange them, for systems exist to serve men; man does not exist to serve institutions.

Mr. President, I commend Mrs. Knauer for a forthright talk on an important issue and ask unanimous consent that it be printed in the RECORD. We should strike a Green Medallion Award for her.

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

THE CONSUMER'S STAKE IN THE FUTURE OF
ENERGY

(By Virginia H. Knauer)

(NOTE.—This text is the basis of Mrs. Knauer's oral remarks. It should be used with the understanding that some material may be omitted or added during presentation.)

Ladies and gentlemen, it is indeed a pleasure to speak before the 40th Annual Conference of the Public Utility Buyers' Group. I am informed that the purchasing agents represented here spend approximately \$10 billion a year in obtaining equipment, goods and services for the electric utility industry. As the men who order the goods for the future, you are most intimately concerned with what happens tomorrow in the areas of lead time, reliability of equipment, growth factors, and rate structures.

Consumers, too, have a vital stake not only in what happens in these specific categories, but other energy areas as well, and so I can think of no better topic upon which to base my remarks than how the future of energy may affect the consumer. This issue should be of equal importance to utility management.

As Tofler has indicated in his stimulating work, "Future Shock" those best able to cope with tomorrow will be those who use the present to live and work in the future.

I know that this audience understands Tofler's point. You and your colleagues are now placing orders and planning generating and transmission facilities that may not be used for another five or six years from now.

But just as you must be concerned with the mechanical act of purchasing goods, you must also be cognizant of the present various philosophical and legal debates which will shape our way of living and hence the manner in which we consume electricity.

Ten years ago, for instance, the sight of smoke pouring out of chimneys was a sign of advancement, once a community could be proud of because the smoke was a symbol of industrial progress. Today, that same sight might have an exact opposite effect on a viewer because the smoke could contain an unacceptable amount of sulfur dioxide.

In short, ten years ago the environment and ecology were not national issues; now they are, and all purchasing decisions must be made with these two key factors uppermost in mind.

Let us then examine some of the inter-related issues concerning the power supplier and the power user.

Perhaps the first question which should be examined both for the short and long term is the adequacy of supply.

In his book, "Energy of the Future" P. C. Putnam says that from the time man was able to kindle his first campfire to 1850, he used 10 Q of fuel, Q being defined as 10 to 18th power BTU, or the equivalent of about 38 million tons of coal.

Between 1850 and 1950, man used 4 Q, Putnam states. But, based on accelerated use of fossil fuels, man will want 100 Q between 1950 and 2050, but only 27 Q of fossil fuel are left, he believes.

Tofler notes the fantastic surge in energy consumption in this century, and, quoting from studies undertaken by Dr. Homi Bhabha, the late Indian atomic scientist, sees a continual acceleration in the use of energy.

The problem of future energy supply was examined by the Wall Street Journal in an

article entitled "Will the Earth Reach an Energy Ceiling?" written by John G. Welles, head of the Industrial Economics Division of the University of Denver Research Institute.

Welles poses the following question: "Will the United States have to limit the level of its production and use of its energy at some future date? The answer is surrounded by many unknowns, but the question should be the object of more attention than it is receiving. Its implications are so far reaching to the future of the nation that, if an investigation shows an energy ceiling may be reached within the next century, it is not too early to begin preparing for it now."

I am well aware that some of these prognostications are disputed. Carl Bagge, the new President of the National Coal Association, states that there are enough known coal recoverable reserves to last the nation another 1,000 years. Too, some of our energy supply concerns may be resolved if some of the current problems in fast breeder technology are solved.

Still, there are at least a few industry men who question the long term impact on fuel reserves if increasingly higher rates of growth continue. It is quite obvious that our fossil fuel reserves are of a finite and not infinite character.

And though there may be honest arguments about the long term supply of energy resources, there can be no question about the present, somewhat precarious, state of energy supply.

This audience, I am sure, is well aware of some of the recent brownouts and blackouts which have occurred. While for the most part they have been relegated to the New York area, the New England states, and the P-J-M System, the Federal Power Commission just a few weeks ago in a preliminary report warned the nation that some areas of the country may experience power supply shortages this coming summer as a result of inadequate installed capacity to meet summer loads. In fact, only one region in the United States, the west, had what the Federal Power Commission considered to be an adequate reserve margin of 20 percent or more.

Along with the problem of a tight power supply facing both residential and corporate consumers is the problem of rates. On the first of this month, the FPC announced that between June 2 and December 31, 1970, 176 electric utilities in 27 states reported rate increases totaling \$362 million.

I believe all of these matters, the question of the present tight supply, the uncertainty of long term fuel reserves, and rising rate costs, pose many questions to consumers and the utility industry. In recent years, an increasing number of questions have been raised regarding the concentration of fuel supplies which has taken place through the acquisition of coal companies by gas-oil companies.

Perhaps the first question should be whether utilities should continue to follow policies which have the effect of promoting greater uses of electricity.

I am well aware that a number of utilities have not only discontinued advertising which promotes greater use of fuel, but have actually advised consumers how to conserve energy. I believe these steps are in the right direction.

As you will recall, last November, I issued a statement which informed consumers how they could conserve energy. The National Bureau of Standards and my office followed up that release with a booklet called "7 Ways to Reduce Fuel Consumption in Household Heating . . . through energy conservation", which elaborated on my earlier suggestions. Owens-Corning Fiberglas Corporation reprinted 20,000 copies of our "7 Ways" booklet in its own campaign to urge fuel conservation.

Nonetheless, according to the FPC, privately-owned electric utilities in 1969 spent \$304.8 million for advertising and promotional activities, and another \$18.9 million for institutional ads. If 1970 figures are anywhere near that sum, then I think we may question whether too much is still being spent on promoting new energy uses.

The large expenditures for advertising raise other problems. What would the effect be on consumer rates if these advertising expenditures were diverted to research which has the potential of cutting operational costs by developing new generating and transmission techniques?

I am well aware of the argument that utilities must promote the use of facilities during off-season loads for more economical use of equipment. But is promotion the sole answer to more efficient uses of energy equipment? Is promotion adding to higher peak loads?

According to a statement made in December of 1969 by E. O. George, President of the Detroit Edison Company, and Chairman of the Edison Electric Institute's Research Division Executive Committee, the EEI is supporting research and development projects of close to \$48 million. And, as you know, EEI members serve over 97 percent of all electric customers served by privately-owned utilities.

In other words, for the 1969 period, advertising and promotional expenditures of \$323.7 million spent by privately-owned utilities were almost seven times as much as spent for R&D by EEI. Published FTC figures show that about 1/4 of one per cent of total gross revenues of privately-owned utilities have been used for research. In essence, paltry sums are being allocated to an area which would pay handsome dividends if sufficient financing were instigated.

As but one example, experts at the Federal Power Commission have estimated that the best fossil fuel generators achieve about 39 percent of efficiency, while the average efficiency rate is about 32.5 percent. In other words, in the conversion from fossil fuel to electricity anywhere from 60 to 67 percent of the fuel's potential is lost. Though some experts believe we have reached the peak in the efficiency of present generating systems, a number of advanced forms of generation hold out the promise of improved fuel efficiency.

The question is whether the utility industry is going to commit more research, development and demonstration funds into this area so that we may adequately preserve our precious fuels and use them more efficiently in the future. Can the utility industry afford the luxury of depending upon generating manufacturers to develop methods of generation which may not be in the manufacturer's best interests? Can in fact manufacturers afford the necessary research and development?

Adequate research can help in other areas also. Bruce Mansfield, President of the EEI and President of Ohio Edison, has said that poor quality workmanship and late equipment deliveries are two of several major obstacles to getting major generating units in operation on time.

Indeed, during the extensive brownouts and load shedding which occurred last September in the eastern part of the United States, there were eight generating plants with a total of five million kilowatts which were not available for use because of malfunctioning equipment. Indeed the problem of reliability of new generating equipment is so serious that four utilities and over nine insurance companies are suing one of the two major domestic manufacturers of generating equipment for the basic reason that generating equipment allegedly did not work the way the utilities expected it to work.

It would appear again that an increase in funds allocated toward research and development for better quality control and manu-

facturing procedures might resolve a number of problems of both the consumer who is not getting electricity and the corporate consumer who is unable to produce it.

The question is whether the utilities will continue to rely mainly on the two main domestic manufacturers for research into these two key areas or will the utilities attempt to support more research by themselves. Are electric utilities going to continue to spend seven times as much to tell people what a great job they are doing than the amount for research which could enable them to do a better job? I know what Thomas Edison's answer would be.

Still on the topic of methods to promote greater usage of electricity, David Freeman, Director of the Energy Policy Staff of the Office of Science and Technology, has suggested a re-examination of promotional rate structures which provide lower cost per kilowatt hour to the heaviest users of electricity.

Mr. Freeman, in a talk before the National Association of Regulatory Commissioners, asked whether in view of the present tight power situation, we should continue to keep our foot on the promotional rate pedal to accelerate more growth.

Mr. Freeman argues persuasively for the consideration of a rate structure which would make volume users bear the brunt of rate increases. He sees this approach as providing a great incentive to conserve energy.

He also takes note of a socio-economic problem which we all should consider. Mr. Freeman says, and I quote:

"The low-income citizen who cannot afford air conditioning, who doesn't have a large house and who uses electricity only for lighting, cooking, and perhaps hot water heating, is not the person responsible for our power shortages. He uses about 250 kwh per month. In fact, the average use per residential customer in most big cities is less than 300 kwh per month. The cash outlays this low-income consumer makes for energy is a significant item in his budget. If rates for electricity increase by 50 percent in the next five years—which I believe is a real possibility—and the increases are added equally to all rate blocks, it could well impose a real hardship on low income consumers. And since their use of electricity is small and for basic necessities, there is little scope for reducing the volume.

"On the other hand, redesigning rates and requiring the larger volume users to absorb the coming rate increases would alleviate the hardship on small consumers and provide real incentives to achieve greater efficiencies. And after all, it is the volume users whose growth is a primary cause of the increased costs for which the increases are needed."

I understand, of course, that what Mr. Freeman is suggesting is very controversial. Employed on a national scale, a system of charging volume users more per unit of electricity would result in a significant change in present rate systems.

True, on a strict cost basis there is reason for higher rates to small volume users. Yet, I believe there is a great deal of merit in Mr. Freeman's suggestion. What does the concept of justice dictate—that all users of electricity bear an equal portion of rate increases or that those mainly responsible for the growth bear the major brunt of rate increases? If a new aluminum plant requires a new generating facility which adds substantially to total generation costs, should all users pay for these increases?

Secondly, should rate increases in the near future rise by 50 percent, as Mr. Freeman suggests, what will happen to those who cannot afford the cost of this basic necessity of life? Are they to go without hot water, without light, without cooking facilities while suburbia glitters? Will the bill collector be pounding on the door? Will another unbearable burden be placed upon inner city residents?

Third, and finally, do present rate structures encourage conservation of energy or do they encourage waste?

Thus far, I have not touched on another controversial problem which concerns us all and has had an effect on power supplies. That, of course, is the concern over environment, the concern over where utility facilities will be constructed, and concern over air and water pollution.

I know that in some areas conflicts between utilities and conservation groups have resulted in lengthy delays for the construction of generating or transmission facilities.

I believe the President's environmental proposals, if enacted by the Congress, will provide us with the means to settle these disputes within a reasonable period of time.

The President has recommended legislation which provides that each state or region may establish a decision-making body which will review alternatives to assure that optimum sites for power plants and large transmission lines are selected, and will assure, prior to construction, that adequate environmental protection features will be employed. The bill also requires open long-range planning.

The legislation would require that proposed power plant sites and general locations of transmission line routes be disclosed at least five years prior to construction and that public hearings on the plant sites be held at that time. Detailed applications for construction of power plants and transmission lines must be filed at least two years in advance and a public hearing held in which all interested persons can participate.

In short, the bill would provide the public with an early voice in the planning process, but it would also allow facilities to be built at approved locations and with proper safeguards.

The President has also recommended legislative proposals to cope with the problem of sulfur oxides which, according to the Council on Environmental Quality, are responsible for one half of the total damages from air pollution. At present, power plants account for 20 million tons of the sulfur oxides or 55 percent of the nation's total.

If uncontrolled, sulfur oxides emissions will almost quadruple, to about 126 million tons by the year 2000, with power generation accounting for an increasing percentage of the emissions.

The President has recommended that an emission charge be placed on sulfur emissions, and that the funds generated by this charge be used by the Federal government to develop the technology to reduce such emission and develop clean energy supplies.

I hope that you will support these proposals and that you give consideration to these other matters which I have discussed with you today.

I started out my talk by noting that this audience has a vital stake in the future of energy. So do consumers.

We must examine present systems of operation to determine whether they are responsive of tomorrow's needs. If they are not, then we must change them, for systems exist to serve men; man does not exist to serve institutions.

THE GENEVA PROTOCOL

HON. MIKE GRAVEL

OF ALASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 30, 1971

Mr. GRAVEL. Mr. President, on March 4, the Federation of American Scientists released a statement calling the proposed administration "understandings" on chemical weapons to the Geneva pro-

toxic "Highly questionable legally, absurd politically, repugnant morally, and foolish strategically." Their statement, approved by the FAS Executive Committee, and by its Committee on Chemical and Biological Weapons, chaired by Dr. John T. Edsall, professor of biochemistry at Harvard, made a persuasive case for all four of those charges—I ask unanimous consent that it be printed in the RECORD so that Senators can judge for themselves.

The statement argued that the war is the explanation for these "understandings." It advised the Senate to "wait a few more years for the war to end—rather—than to risk unraveling the carefully built attitudes of mankind that are embodied in the protocol prohibition of chemical and biological warfare."

Indeed, concerning the controversy over the legitimacy of the understandings, I do not see how the Foreign Relations Committee could be persuaded to report out a treaty whose meaning would be unclear to the Senate that was supposed to ratify it. But I do not believe that the treaty should disappear for another 46 years. Instead, during any period of delay in its ratification, continuing steps should be taken by the executive branch to ascertain the opinion of the cosignatories to our understandings, and/or to ascertain the opinion of the World Court. This will provide, in good time, a record upon which Senators will be able to determine whether they can or cannot support these "understandings."

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

GENEVA PROTOCOL: BETTER TO DEFER IT'S RATIFICATION, IF NECESSARY, THAN TO APPROVE ADMINISTRATION "UNDERSTANDINGS"

We applaud the wise initiative of the President in totally renouncing biological weapons and in sending the Geneva Protocol to the Senate for advice and consent. The Administration advocates the ratification of this treaty which we also support. But in sending the Protocol to the Senate, the Administration has expressed its understanding that the treaty does not prohibit the use in war of irritant chemicals, such as tear gas, and anti-plant chemicals, known also as herbicides. There is no reason to believe that such an understanding would have been adopted by the Administration were the United States not using these chemicals in Vietnam. As an understanding, this point of view is highly questionable legally, absurd politically, repugnant morally, and foolish strategically. We urge the Senate to ratify the Protocol only if the Administration will cease to use irritant and anti-plant chemicals in war, and will abandon these two reservations.

How questionable the Administration interpretation is legally is seen in history. Gas warfare began in World War I with French, German, and Russian use of irritant gases: tear gas, nausea gas, and the blistering mustard gas. It was to prevent a repetition of just this sort of thing that led to the relevant provisions of the 1919 Treaty of Versailles; of the 1922 Washington Treaty on Submarines and Noxious Gases; and of the Geneva Protocol itself. There is no positive evidence whatsoever that a majority or significant minority of the signatories of any of these treaties meant to permit, in war, tear gases, or nausea gases, or any other irritant gases. No one doubts that these prot-

visions prohibit, for example, the non-lethal mustard gas.

While tear gases were not mentioned in these treaties except as "other gases" no Nation on the League of Nations Preparatory Commission except the United States expressed any doubts that they were covered. Ten of these sixteen states explicitly agreed that they were. And all parties to World War II acted as if they were, indeed, covered.

We can also argue that, when the Protocol was drafted, the herbicides in use, mainly arsenic compounds, were considered to be dangerous to animal life as well, and hence were meant to be covered by the treaty under the phrase "analogous liquids". In any case, although little attention was directed to them at the time, there can be little doubt that they violate the spirit of the Geneva Protocol's general effort to ban chemical and biological warfare. And there is no doubt that the vast majority of the international community prefer this interpretation, as reflected in a December 16, 1969 U.N. resolution adopted 80 to 3 with 36 abstentions. Only Australia and Portugal agreed with us. No other state has ever ratified the Geneva Protocol with a reservation on chemical weapons of any kind.

In the face of these world-wide attitudes, it would be politically absurd to take an understanding that could not, and would not, be supported by other nations or international bodies. Any nation, or the U.N. General Assembly, could take this matter to the World Court where we would likely find our understanding disavowed. Would we like to have our uses of chemicals in Vietnam debated publicly and skeptically in an International Court?

The Executive Branch understandings are morally repugnant because they are simply efforts to justify use of offensive chemical warfare in Vietnam. The six million pounds we used in 1969, of CS—a tear and nausea producing gas—were not necessary to separate civilians and enemy forces; these are not often found together in combat situations. Since its introduction CS has been used instead in a wide variety of offensive military operations: assault against point and area targets, flushing of caves and structures, use in conjunction with antipersonnel artillery and air strikes, suppression of small arms fire around helicopter landing zones, and so on. Most of these uses are simply adjuncts to offensive weapons in which, for example, the CS flushes out enemy forces which are then shot or killed with fragmentation grenades, air strikes, etc. This is neither more nor less than the lethal use of non-lethal gas.

Like tear gas, herbicides could be used for innocuous purposes: defoliation of friendly base perimeters, or ambush sites. But, in fact, most of the herbicides have been used in what has been called "ecocide." Half of Vietnam's Mangrove forests have been destroyed, a sizable fraction of its merchantable hardwood forests have been severely damaged, and crop destruction has covered land capable of feeding approximately 600,000 people per year. This has taken place in food scarce areas where it cannot be assured that crops destroyed are "intended solely for consumption by the (enemy) armed forces" as required by U.S. Army Doctrine. In such areas, it is women, especially child-bearing women, and children who suffer most from crop shortages—not the able-bodied soldiers that can supply themselves, commandeer food, or leave the area. Indiscriminate destruction of crops has figured in Nuremberg war-crimes trials. Why should it be protected by a U.S. understanding of the Geneva Protocol?

Finally, it would be foolish and shortsighted strategically for the strongest nation in the world to encourage a kind of warfare that lends itself to poorer nations. If CS

and herbicides had never been invented, the course of the war in Vietnam would not have been seriously affected. Neither weapon is of more than marginal value in the general context of the war and of the enemy's ability to cope with our chemical tactics. But if the use of chemicals in Vietnam should lead to a breakdown in international attitudes toward chemical warfare, who knows what future lethal chemicals might be used against America or its forces. General Pershing noted in 1922 that the Washington Treaty should prohibit all gases because of the difficulty of enforcing partial bans; he is still right today.

The Federation condemns the use of chemical warfare in Vietnam. But over and above that it would be senseless for the American Government to adopt "understandings" that protect these uses simply because the Protocol is being sent to the Senate during the Vietnamese War. We have waited more than 40 years to ratify this treaty. It should be ratified without exceptions. If necessary, it would be better to wait a few more years for the war to end than to risk unravelling the carefully built attitudes of mankind that are embodied in the Protocol prohibition of chemical and biological warfare.

MAJORITY LEADER, HALE BOGGS, SPEAKS ON THE PROBLEM OF FINANCING THE GOVERNMENT

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. FLOOD. Mr. Speaker, on St. Patrick's Day, the distinguished majority leader paid a visit to Wilkes Barre, Pa. In an address that evening, he had some perceptive things to say about government and the problem of financing it. Mr. Boggs' address resulted in two editorials on WBRE-TV. I am inserting these editorials in the CONGRESSIONAL RECORD and calling them to the attention of my colleagues:

REAL FEDERAL SHARING

MARCH 18, 1971.

When he visited Wilkes Barre this week, Congressman Hale Boggs of Louisiana offered to save Pennsylvania alone nearly 8-million dollars. The Majority Leader of the United States House of Representatives announced he had introduced legislation Wednesday which would enable the federal Internal Revenue Service to collect state and local income taxes on behalf of those governments.

Congressman Boggs said the IRS, which collects the federal income tax, could collect state and local income taxes cheaper and more effectively than can state and local agencies. He said the collection cost for the IRS is the lowest of any agency in the world—four thousandths of one percent. Further, he said its effectiveness is such that by comparison, state and local governments miss collect 2-billion dollars a year. The IRS could collect these state and local taxes, according to him, merely by adding several lines to the present federal income tax reporting form.

The Majority Leader's comments are especially significant in view of last weekend's announcement by the Pennsylvania Department of Revenue. Secretary Kane said the Department was creating a new bureau to collect Pennsylvania's income tax—a bureau of 1-thousand political patronage workers costing about 8-million dollars to operate in

the first year. Applying the figures of Congressman Boggs, the IRS could do that job alone for about 32-thousand dollars. The savings to Pennsylvania would be about 7-million, 970-thousand dollars and a whole bureau of patronage.

Congressman Boggs revealed his move as an example of the kinds of federal programs he proposes as alternatives to the President's revenue-sharing plan. We think Congressman Boggs performed a great service to the people of this State. Anything which produces this kind of economy in government is federal sharing that makes sense.

NEW FEDERALISM

MARCH 16, 1971.

Several weeks ago it was estimated that collection of the state income tax would require an additional 200 employees in the Department of Revenue and cost about 2-million dollars a year. That forecast vanished over the weekend when Secretary Kane announced creation of a new Bureau with 1-thousand political patronage workers and an estimated cost in the first year of 8-million dollars.

We propose instead that it is both possible and highly logical to have the state income tax and even the local wage taxes collected by the federal Internal Revenue Service. The IRS already deals with all of the basic information, computing and reporting required for collection of these taxes. It has the personnel and experience necessary for the job, and with only modest additions could perform this function for State and local governments. The local governments could save much of what now is paid private collection agencies, and the State government would be relieved of the certain cost of an expanded bureaucracy.

We realize such a move would be an innovation. Not one, to our knowledge, of the 43 states imposing the income tax use the federal service. All have their own bureaus. The politics of patronage is deeply ingrained, but it also is extraordinarily expensive. We think the taxpayer cannot afford the luxury of patronage of government surrendered to finance political organizations.

We submit that a new federalism which would effect true economy ought to begin with a sharing, not of revenue but of inter-governmental services, and that this kind of expanded function by the Internal Revenue Service is the place to start.

A MINNESOTA BUSINESSMAN'S CONCERN FOR OUR ENVIRONMENT

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 30, 1971

Mr. HUMPHREY. Mr. President, as the present Congress focuses attention on the sources of environmental pollution, it is instructive for us to take note of important statements and actions by concerned representatives of American industry. In this regard, I bring to the attention of Senators selections from a recent address by Mr. George Barrie, president of Faberge, Inc., cosmetic and fragrance manufacturers, whose main plant is located in St. Paul, Minn. Pollution control operations are an integral part of this modern, highly mechanized facility, and Mr. Barrie himself has long been active in promoting environmental protection programs.

In remarks to executives of the company's facilities located in seven States, Mr. Barrie stated that "the cosmetic industry has a great stake in the environmental protection movement in our country." He noted the early efforts of ecologists over a decade ago, before "environment" became a popular issue, to warn the American people of the progressive destruction of the beauty and life-sustaining resources of this great land. And it was with commendable insight that he pinpointed movements within our society which can turn the appeals of a few into the cry of many. For example, he saw in the "Flower Children" the sounding of "a muffled bell—for environmental protection by advocating their posture as nature's children. What started as antiwar attitudes has given way to cries for clean air and serious endorsements for ecological concern and protection."

He concluded, however, that the essential action to improve our environment can only succeed through a concerted effort by the people of our Nation:

If two hundred million Americans would begin to police themselves and the areas they inhabit, a major stride will be made towards the quality of life we all so ardently desire. Gone would be the soft drink and beer cans from our streets and woodlands, the crumpled newspapers, the overflowing trash and garbage cans, abandoned automobiles, and the assorted eco-pornography that bruise the senses of all thinking people.

I believe industrialists like George Barrie speak well for America in demanding the exercise of self-responsibility for meeting the crisis of our environment. He stated:

At Faberge, we are deeply concerned with youth for they are tomorrow's electorate in addition to being our potential customers. Whatever they have inherited in our cities and the suburbs and farmlands, forests, waterways . . . we have bequeathed to them. Let it not be said that we gave them a permanently spoiled environment. . . . More than good business, for all forms of industry, it is responsible citizenship that initiates pride in the American environment. Faberge will continue to support the efforts of . . . all the nation's governmental leaders in this single greatest challenge to our life, liberty, and pursuit of happiness.

Mr. President, I am greatly impressed by this statement of personal and corporate commitment. It offers a solid foundation for hope that the beauty and richness of our natural resources in Minnesota and the entire United States of America can be preserved for future generations.

MAKING JOB SAFETY A REALITY

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. DANIELS of New Jersey. Mr. Speaker, April 28 is a day that will realize the intensive efforts of Congress, the labor movement, and responsible business leaders to provide a safe and health-

ful working environment for 53 million American workers. On that day, the Occupational Safety and Health Act passed in the 91st Congress, will become effective.

In order to prepare for fullest implementation of the provisions of the act, labor unions have already begun informing their local members on their duties and rights under the new law.

Following is the text of a February 24 radio interview with George Taylor, an economist with the AFL-CIO who discussed the law's implications:

LABOR NEWS CONFERENCE

Unions are gearing up to use the federal job-safety law enacted last year "intelligently and vigorously" to safeguard the lives, limbs and health of workers, an AFL-CIO safety expert declared today in a network radio interview.

George Taylor, executive secretary of the AFL-CIO Standing Committee on Safety and Occupational Health, urged the Nixon Administration to show "more tangible evidence of firm intent . . . to take this program forward in high gear" than they have since it was signed into law last December. Taylor stressed that the effective date of the new law is only two months off, but key officials and panels responsible for shaping health and safety standards and enforcing them still haven't been named.

"The Administration is weighing this program . . . against the internal budgetary decisions" they have already made for other programs, he said. He added that "on the basis of our examination of the budget and our knowledge of what's needed . . . the authorization received by the Department of Labor is not enough" to establish and sustain the kind of program that is needed.

Questioned by reporters on Labor News Conference, a network radio interview produced by the AFL-CIO and broadcast Tuesday at 9:35 p.m. (EST), on the Mutual Broadcasting System, Taylor turned aside the suggestion that the Labor Department "will be flooded with complaints" from workers of in-plant violations of the law "that will swamp the whole operation." Such worry, he said, is based on the invalid assumption that "our people are going to act irresponsibly."

He said the labor movement recognizes and accepts its responsibility to help workers and in-plant safety committees understand the law so that they "can use it on a day-to-day basis in the plant."

The Occupational Health and Safety Act "is going to be made or broken at the plant level," Taylor declared. If workers, employers and government carry out their respective responsibilities under the Act, there is no need to fear it will bog down, he said.

Reporters questioning Taylor on Labor News Conference were Sam Sharkey, labor specialist for the Newhouse Newspapers, and Robert Barr, congressional correspondent for the Fairchild Publications.

IMPLEMENTING JOB SAFETY

(Guest: George Taylor, an economist in the AFL-CIO's Department of Research and executive secretary of the AFL-CIO Standing Committee on Safety and Occupational Health.)

(Reporters: Sam Sharkey, labor specialist for the Newhouse Newspapers, Robert Barr, congressional correspondent for the Fairchild Publications.)

(Moderator: Frank Harden.)

MUTUAL ANNOUNCER. The following time is presented as a public service by this station and the Mutual Broadcasting System.

HARDEN. LABOR NEWS CONFERENCE. Welcome to another edition of LABOR NEWS CONFERENCE, a public affairs program

brought to you by the AFL-CIO. LABOR NEWS CONFERENCE brings together leading AFL-CIO representatives and ranking members of the press. Today's guest is George Taylor, an economist in the AFL-CIO's Department of Research and executive secretary of the AFL-CIO Standing Committee on Safety and Occupational Health.

Shortly before Congress adjourned last year, a long-sought federal job health and safety law was approved and signed by the President. Here to question Mr. Taylor about the Occupational Health and Safety Act of 1970, the protections against job-related injuries and deaths it provides and how they will be implemented, are Sam Sharkey, labor specialist for the Newhouse Newspapers, and Robert Barr, congressional correspondent for the Fairchild Publications. Your moderator, Frank Harden.

And now, Mr. Sharkey, I believe you have the first question?

SHARKEY. Mr. Taylor, you recently won a landmark bill on Occupational Health and Safety. A two part question: What's in it, specifically, and what are your objections to it—why are you dissatisfied with parts of it?

TAYLOR. Well, the bill provides for a federal-state program to protect the health and safety of workers in about 4 million workplaces in the country—a total of some 55 to 60 million workers.

The Secretary of Labor will be responsible for developing and promulgating occupational health and safety standards and enforcing them.

Various training programs will also be his responsibility.

State relationships will be his responsibility.

The responsibility of the Secretary of Health, Education and Welfare, by way of the newly-created Institute for Occupational Health, will be for various types of research, labelling hazardous materials, monitoring hazardous substances in plants, and developing the basis on which occupational health standards can be promulgated by the Secretary.

In answer to the second part of your question, I would say that we are generally satisfied with the bill. It provides for the first time, a very sizeable list of protections and rights for the worker which no occupational safety and health legislation ever conceived before in this country has contained. We are very happy about this, and we intend to use it intelligently and vigorously.

On the other hand, we will just have to adopt a wait-and-see attitude on some of the provisions of the bill. As the program opens up and develops, there may be need for amendments.

On the other hand, it may be that the amendments will not be significant.

We don't know yet.

BARR. Mr. Taylor, you said you've got a landmark bill here. Well, the President signed this into law last December 29; it is supposed to become effective April 28; but so far, we have no action by the White House. An Assistant Secretary of Labor is to be named. A commission is to be named. There is some money in the budget. But, are you satisfied that they are proceeding fast enough?

TAYLOR. No, we're never satisfied on that.

We feel that this Administration is weighing this program as well as other programs, against the internal budgetary decisions they have made, in terms of their overall programs. We believe that as a result, the budget authorization, which has been received by the Department of Labor to carry out this bill, is not enough, on the basis of our examination of the budget and our knowledge of what's needed in the program.

With respect to the appointments of the various officials who will operate this program, they are moving slowly. We still don't have an Assistant Secretary for Occupational Safety and Health.

We don't have the three-man enforcement panel.

We don't have the National Advisory Committee on Occupational Safety and Health.

The Secretary of HEW has not named the director of the Institute, nor the assistant director.

A hundred and twenty days can pass very rapidly. We hope to see more tangible evidence firm intent by the Administration, to take this program forward in high gear, than we have seen so far.

SHARKEY. Well, Mr. Taylor, you said that you think that part of this delay is budgetary or financial. Do you have any reason to believe that they are deliberately delaying this program for political reasons?

TAYLOR. We have no reason to assume that there is any conspiracy in this.

We only assume that we have access to the Secretary—business management has better access to the Secretary. All during the course of the legislative history, it was made plain to us, by the Secretary, that in choosing a position between organized labor and its desire for a strong bill, and business and its desire for a weaker bill. Secretary Hodgson made his choice, up until the last minute.

So, we feel that if we can go in and see Secretary Hodgson about our problems in connection with the bill, business management has already been in there.

SHARKEY. Mr. Taylor among the elements of the bill is a new provision for in-plant inspection at the request of workers. How is this really going to operate? The Labor Department, as I understand it, is quite worried that they will be flooded with complaints that will swamp the whole operation.

TAYLOR. Well, Mr. Sharkey, I don't believe that this is a real fear.

As you pointed out, the bill does provide that workers have the right to ask for a special inspection, if they feel that something is wrong in the plant, either from the standpoint of an occupational safety hazard or a health hazard, and to write the Secretary, setting forth the specifics of their request. The Secretary may, as soon as practicable, send an inspector in.

Now, I think the worry of the Secretary and the Administration is not real, but assumes that our people are going to act irresponsibly.

Now, of course, it is our responsibility to help everybody who works on safety committees in plants to be able to send in a proper letter, setting forth, not fancied, but real situations about which they believe, on the basis of their ability to diagnose them, something should be done by way of inspection.

If we carry out our respective responsibilities here, they don't have a thing to worry about.

SHARKEY. Have you done anything in that line so far? Are you sending out guidelines?

TAYLOR. We are in the process of doing that right now.

We want to get everything possible out to the workers before this bill becomes effective, so that they will be able to use their rights and responsibilities intelligently and responsibly.

SHARKEY. A related question, Mr. Taylor; in that respect, the workers who filed the complaints—won't they be subject to repression by management for kicking up dust?

TAYLOR. It's quite possible, Mr. Sharkey, that this might happen, although there is a provision—a non-discrimination provision—in the bill, whereby if this does happen, a worker can take the matter up with the Secretary, have a hearing and if the record shows that discrimination actually occurred, he can be reinstated to his job—he won't lose any seniority, and he also can get some monetary damages.

BARR. On that same point, Mr. Taylor, isn't it true that the law allows a worker to com-

plain on a confidential basis—that they'll keep his name a secret, if he files a complaint?

TAYLOR. That is true, Mr. Barr—that's in the Act.

BARR. On another matter, the law allows Mr. Hodgson, as Secretary of Labor to begin this program with what people call "industry consensus standards." Could you explain what an "industry consensus standard" is?

TAYLOR. Well, the term in the bill is "national consensus standard," Mr. Barr.

These are standards, privately produced by organizations that for the most part, represent business management. The principal private consensus standard producing organization is the American National Standards Institute.

However, I might add that organized labor is quite well represented on the various committees that comprise this board that work on particular standards.

The main problem in the consensus standard is consensus itself.

In order to get agreement that a standard should be adopted by this group, generally speaking, you have to compromise. Sometimes, a compromise results in a weaker standard than what is needed.

However, you have to start with something, and in this country, the standard-producing organizations have been chiefly private in this field. There are a large number of standards, which are perfectly okay, that the Secretary has incorporated into the Walsh-Healey Act. Most of them are ANSI standards—American National Standards Institute standards.

Several hundred are what are known as "threshold value limitations standards," which are for dust, fumes, noise, gasses and chemicals of various types. These are produced by the American Association of Industrial Hygienists.

When this Act comes into effect on the 28th of April the Secretary is obliged, for a period of two years to take such standards as these—either the consensus standard or the federal standard that is now in operation—and make them interim standards. At the end of the two year period, another section of the bill takes over and the Secretary may either appoint an advisory committee to develop the standard or modify the standard, or do it himself, or take a recommended standard from the Institute for Occupational Safety and Health from HEW and work that through the standard-making process.

So, I don't think we have to worry, if he administers the bill really well, about the private standards-producing community dominating the standard-production under this law.

SHARKEY. Mr. Taylor, you pointed out that the Administration has lagged in setting up forces to implement this bill. What has organized labor been doing from its side to help its participation?

TAYLOR. We're now in the process of developing materials and organizing meetings whereby everyone—right down to the plant level—will know what this bill is—what it contains—in an understandable way so that they can use it on a day-to-day basis in the plant.

This bill is going to be made or broken at the plant level.

Every one of our workers—particularly those on safety committees—is going to have to know how to operate under this bill.

Some of them—some safety committees we have in unions—are very very sophisticated. Others must be taught. This is going to be a big job.

It's the responsibility of our organization, and we intend to undertake it fully.

SHARKEY. Well, since there has been this rising toll of injuries and deaths in industry, do you think that your message is really getting through to the workers.

TAYLOR. A few years ago, I would have said

no; today, I would say yes—during the last two years, particularly.

We were pushing very hard for this bill. The industrial unions, and some of the craft unions, have had so much trouble in their plants, and so many new situations arising—where they know people are getting sick, but they can't pin it down—can't get a causal relationship between the exposure and the sickness.

Concern has been rising. As a result of the debate on this bill in the last year and one-half, as well as the activities of many of our unions in supporting this bill, they've really gotten on it.

BARR. Mr. Taylor, a two part question; during most of the debate on this bill in Congress, the figure 80 million was thrown around—that it could effectively cover 80 million workers. Then the figure changed, and my memory is that about 55 million workers would be covered by this law. Part one, how many workers will it cover, and, in what industry would you expect to see the law used first—construction, railroads, what?

TAYLOR. Well, Mr. Barr, the figure 80 million, of course, would mean that this bill covered all workers in all industries and would supercede all existing federal laws that already cover certain groups.

However, the bill provides for exemptions from other acts—federal acts that cover groups of workers—like coal miners—the Coal Mine Safety Act is exempted; the Construction Safety Act is exempted; the Metallic and Non-metallic Mine Safety Act coverage is not included in this bill. The Atomic Energy Commission's agreement on radioactive materials regulations is not covered; the Railroad Safety Act is not covered; the Airline Safety Act is not covered.

So, this brings it down to a total, according to the Department of Labor—to the last figure you mentioned—approximately 60 million people in 4 million establishments.

BARR. Well, again this is a federal law, but we already have on the law books, in various states, some work safety laws, which may or may not be adequate. Could you explain how this law will interact with the state laws? Will it pre-empt those states—just how will this work?

TAYLOR. The law provides that if a state wishes to assume the enforcement responsibility, which otherwise would be federal, that it prepare a plan, which it submits to the Secretary of Labor.

The plan must meet a considerable number of criteria set forth in the bill. The plan must also include adequate budgetary and manpower—trained manpower—provisions—be a law which meets the criteria of the coverage of workers, etc.

After the plan is submitted the state may also ask that no federal inspectors be sent into the state during the time that the Secretary is considering the plan.

The Secretary also is able to give us up to 90 percent grants, to prepare the plan and get the program ready for operation, assuming that he accepts it and approves it.

If the plan is accepted, the Secretary monitors it as far as the operations under the plan he has approved. If he finds a failure to meet what the state plan purportedly was supposed to meet, in order to qualify, he may withdraw it—he has a pull-back authority. If the state is dissatisfied with this withdrawal, it can take the issue to the federal courts, and argue against withdrawal. This is something like the provisions in the Social Security Act, relating to the withdrawal of federal funds.

SHARKEY. This is a stiffer law than we've ever had before. The Coal Mine Safety Act has been strengthened. One of the problems they've been having there is a lack of inspectors. Where on earth are we going to get enough inspectors to implement this on a

nationwide basis? It seems to me to call for a rather enormous force.

TAYLOR. My understanding is that the Department of Labor is trying to get about 150 inspectors immediately.

As you probably know, the number of Walsh-Healey inspectors to cover several hundred thousand contractors, with about 29 million workers, totals about 37. And, you can imagine when the last plant would be inspected on that basis.

The problem is two-fold; numbers and skilled inspectors. This program can stand or fall on the quality of inspectors. You have both the problem of getting qualifications set forth in the civil service requirements for this Act, which weigh, appropriately, both experience and education.

Some of our people will be qualified to be inspectors, assuming that they give equivalent weight to experience and education.

SHARKEY. By "our people", you mean union members?

TAYLOR. Yes, union members.

There will probably be a large number of union members who will apply for inspectors jobs. Many of them will have the skills—with a little training—to qualify for the jobs. I expect that many of our union members will apply. My understanding is that these announcements—official job announcements—will be very soon.

SHARKEY. Don't you think that the small numbers of inspectors you've cited would lead to considerable disappointment in labor? Hopes are high now. If you spread those guys that thin, it still isn't going to be a very effective job, is it?

TAYLOR. Mr. Sharkey, President Meany, back as far as 1968, warned all workers not to expect miracles as soon as the bill became effective.

There are too many plants—not enough inspectors. We're going to have to be sort of "unofficial enforcers" of this Act, if we are to use it effectively during the period that the manpower is being built up.

SHARKEY. By "unofficial," do you mean working with plant management?

TAYLOR. Working with plant management, yes—working for workers and using the provisions and rights that are set forth in this law, in a way that will protect the worker, in case he can't get an inspector out there. We're going to have to protect our own workers under the provisions that are sort of a "workers Bill of Rights" in the Act.

BARR. Mr. Taylor, many union contracts now contain provisions involving health and safety matters. Will this new federal safety law mean that such matters no longer have to be part of the collective bargaining process?

TAYLOR. Not necessarily, I think that the collective bargaining process would be, in effect—a good contract, with good safety and occupational health clauses, and a good union-management safety committee—would be, in effect, almost as good as having an inspector in the plant, if both sides carried out the terms of the bargain.

I think collective bargaining could be a very significant factor in strengthening this law.

BARR. Mr. Taylor, could you give us your uneducated guess on who might be the Assistant Secretary of Labor that will handle this program?

TAYLOR. Well, we're not privy to the inner-workings of the Nixon Administration. We have no in-put, as far as our own people are concerned.

We would undoubtedly exercise, to the full extent of our ability, a veto over someone we thought, on the basis of their previous record, would not be fit for the job, as we have attempted to do in other instances.

Right now, a large number of names are being discussed.

But the Administration—Secretary Hodgson—speaking for the Administration—has informed us that they expect an appointment very soon.

SHARKEY. One final question on the inspectors; when airline hijacking was at its peak, the federal government put through a crash-program to train air marshals. Do you expect anything like that for this law—for implementing this law.

TAYLOR. We have very strongly urged the Secretary to use the provisions of this law to train our people.

There are provisions for training. We would like to see at least a thousand of our workers go through a good training course, on both safety and on occupational health, and go back to their plants, able to deal effectively—and in a fairly sophisticated manner—with the problems that they have.

SHARKEY. Is there enough money in the budget to provide for them?

TAYLOR. We don't know—yet.

HARDEN. Thank you, gentlemen. Today's Labor News Conference guest was George Taylor, an economist in the AFL-CIO's Department of Research and executive secretary of the AFL-CIO Standing Committee on Safety and Occupational Health. Representing the press were Robert Barr, congressional correspondent for the Fairchild Publications, and Sam Sharkey, labor specialist for the Newhouse Newspapers. This is your moderator, Frank Harden, inviting you to listen again next week. Labor News Conference is a public affairs production of the AFL-CIO, produced in cooperation with the Mutual Broadcasting System.

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INTERVIEW WITH HALE BOGGS, HOUSE MAJORITY LEADER

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. EILBERG. Mr. Speaker, in the March 22 issue of U.S. News & World Report, there appeared a thought-provoking dialog between the editors and the majority leader, Mr. Boggs.

Mr. Boggs made some telling points about this institution and the role it must play during these times of economic adversity and social stress. I am inserting the article in the RECORD and calling it to the attention of my colleagues:

INTERVIEW WITH HALE BOGGS, HOUSE MAJORITY LEADER

A top man in the Democratic leadership gives a vigorous reply to charges leveled against Congress. In an interview with this magazine's editors, Mr. Boggs tells how the legislative process really works, what causes some delays:

Q. Mr. Boggs, public-opinion polls indicate that the American people have a rather low image of Congress. How do you account for that?

A. Congress is a great, broad institution. When you shoot at the Congress, it's kind of a scatter shot—you're shooting at 535 members, and that's very easy to do.

I have noted how these "images" change over the years. The 89th Congress is one example. I have hanging in my office 50 pens that President Johnson used to sign such measures as medicare, medical, federal aid

to education, and so on. That Congress was described by some people as "rubber stamp."

A later Congress, which moved more slowly, was called by some commentators a "do-nothing Congress."

The truth is that Congress has an enormous amount of work to do. It now has to consider each year a budget of at least 225 billion dollars. It has to take a close look at all of the problems of our country both at home and abroad. These tasks require all of our energies.

Q. What do you say in reply to contentions that Congress operates inefficiently?

A. For one thing, too little attention has been given to events that occurred late in the last session of Congress and early in this session.

The 91st Congress, last year, passed a very comprehensive reform bill which is only now beginning to have its impact. Both the Republican conference and the Democratic caucus—at meetings prior to the convening of the 92nd Congress—adopted rules that should greatly expedite our work.

One of the problems that we have had—and I don't say this in any critical fashion—is that we in the House pass appropriation bills and then the Senate doesn't act on them until late in the session. We hope to have all this year's appropriation bills out by the end of June.

Q. Then you don't agree with charges that Congress is just not able, under the present system, to deal adequately with the nation's problems—

A. No, I certainly don't agree with that.

Of course, when you look at Congress today compared with earlier years, the job is so much more demanding. Ten years ago, we didn't have to worry about an argument over the SST, for instance. Twenty years ago, no one thought that environment would be one of the great issues confronting Congress. Twenty years ago, no one dreamed of a space program, or of intercontinental ballistic missiles and nuclear submarines and spaceships.

In times past, no one dreamed of cities absolutely jam-packed full of people who had migrated from other parts of the country without any skills or training or education. No one dreamed of the millions and millions of automobiles jamming and packing the streets of every community in the country. No one dreamed of the decline of railroads and the rise of aviation.

These are all problems we are confronted with now. They are difficult problems. There are no easy solutions. And Congress works on these things all day long—every day.

If you could sit in some of the closed sessions of committees and see how these members are working and seeking information, your respect for Congress would increase considerably.

Q. Does this heavy work load mean that members can't digest it all—and that there is increasing reliance on experts in various fields who are called in to help them digest the great mass of legislation?

A. The answer is both yes and no. The average member of Congress must, by the nature of the problems, become a specialist in some areas. In these areas—take defense appropriations as an example—an enormous amount of knowledge is developed from year to year.

But of course there are many subjects in which we must depend upon experts on the congressional staffs, or from outside. As an example, the House will soon debate the SST. Here we must rely on experts to help us reach our conclusions.

Q. What is being done to simplify some of the extremely complicated aspects of your work load?

A. In the Reform Act, we have provided for much better staff work. We have also provided for the first time—and I think this is quite significant—for computer companies

to come in and make a complete study of the legislative processes. They are doing that now. Where the computers can help us we propose to employ them.

Q. Would computers help in dealing with the budget?

A. That's a case where the computers can be of enormous help to us.

DELAYS IN WHITE HOUSE PROPOSALS

Q. There has been criticism from some lawmakers in the last few years that the White House delays too long in sending up its legislative proposals. Is that still true?

A. I'll tell you, its worse than you have described. They not only have not sent up their proposals, but oftentimes they don't know where they stand themselves. A presidential message comes up as a kind of essay. But then it seems to take forever for the concrete legislative recommendations to arrive.

Q. Mr. Boggs, do you think it's good or bad for the country to have divided Government—in this case a Republican White House and a Democratic-controlled Congress?

A. It has been demonstrated that our Government functions quite well when so divided.

Some people confuse our system with the British system—the parliamentary system. A divided Government is impossible in England because, unless the Government party controls the Parliament, the Government falls. Moreover, ministers in the Government of Great Britain must also be Members of Parliament.

But here we have three coequal branches of Government. A Congress controlled by a different party from the White House functioned quite well when Harry Truman was President—the Republicans controlled the Congress.

In President Eisenhower's Administrations there were only two years when the Republicans were in control of Congress. And Mr. Nixon, of course, has not had a Republican Congress at all.

Q. Does this division sometimes lead to stalemate and bottling of legislation?

A. That may be true in certain legislative proposals. But some people have become so accustomed to the idea that the Administration is the innovative force in legislation that they forget that Congress has that power. In this Congress, I think you will see a great many constructive measures—and they will be measures produced by the Congress.

Q. What are some of those measures?

A. To give you some examples—the comprehensive manpower-retraining program, a broadened public-works program, a comprehensive Social Security bill, welfare reform, consumer-protection legislation, legislation to aid the hard-core cities. These are all in the immediate offing, plus, of course, all the measures that have to be reauthorized, plus the appropriations.

Q. What are some of the areas of conflict with the Administration?

A. The no-strings-attached revenue-sharing plan is a Nixon proposal that the Democratic leadership opposes. We have alternative programs. Some of them being considered are welfare reform, an urban bank for long-term, low-interest loans and direct grants to the hard-core cities. Urban mass transit—reduced by almost 100 million dollars in the Nixon budget—is another point of conflict. The Administration's proposed reductions in such fields as elementary and secondary education, the model-cities program, public housing and environmental assistance to both urban and rural areas—all of these are bound to be matters of conflict.

Q. Going back to the question of divided Government: Does Congress operate more effectively when the same party holds power in both the legislative and executive branches?

A. I would say that where the White House and the Congress are in the same hands, obviously there is closer liaison—obviously the executive branch under those circumstances has closer contact with the congressional leadership.

But, when you look at the record, President Eisenhower didn't have much trouble with the Democratic leaders of Congress—Lyndon Johnson in the Senate and Sam Rayburn in the House.

As for our present leadership in Congress: I remember some years ago when the Republicans talked about being the "loyal opposition." Well, I don't envisage my function as being the loyal opposition. My function is to move the legislative programs ahead, to co-operate with the President, to disagree with him when I think he's wrong.

Opposition for opposition's sake is obstructionism, and we are not obstructionists.

However, to answer the question about effectiveness, I would say yes, Congress is more effective when the same party is in control of both the White House and the Congress.

SOME PRESIDENTIAL "MISTAKES"

Q. What are some of the difficulties in the President's relations with Congress?

A. I think the President made a mistake when he went around the country last year making very partisan speeches against some members of Congress. And I think that when he issued statements in November about how terrible Congress was, he made a mistake.

Apparently he has changed direction. He is saying nice things about Congress now.

Q. What effect is the 1972 presidential election going to have on legislation this year?

A. I think the main impact is that the Democratic leadership will continue to put forward alternative programs.

Q. Has there been a gradual tendency to shift more and more power from Congress to the President?

A. I must answer in two parts—domestically and in foreign affairs.

In my judgment, Congress today, particularly in domestic matters, is stronger than it has been at any time since I have been here—almost 30 years. In the 91st Congress, the significant bills bore the stamp of Congress—they were congressionally initiated.

In the field of foreign affairs, the President's power obviously has increased, because he is the only man who has the power to push the button to incinerate the earth. And, of course, that is the ultimate power.

But in day-to-day operations, the influence of the House has grown enormously even in foreign affairs. The House Ways and Means Committee has tremendous power because of its constitutional mandate to originate tax measures. The Senate Foreign Relations Committee, which must approve so many actions in foreign policy, performs an equally powerful function.

So my answer to your question is:

In the domestic area, Congress is stronger than it has ever been. In foreign relations, of course, the President has enormous power, but the influence of the House has grown.

FEDERAL CIVILIAN EMPLOYMENT, FEBRUARY 1971

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. MAHON. Mr. Speaker, I include a release highlighting the February 1971 civilian personnel report of the Joint Committee on Reduction of Federal Expenditures:

FEDERAL CIVILIAN EMPLOYMENT,
FEBRUARY 1971

Total civilian employment in the Executive, Legislative and Judicial Branches of the Federal Government in the month of February was 2,871,774 as compared with 2,867,250 in the preceding month of January. This was a net increase of 4,524.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Federal Expenditures.

EXECUTIVE BRANCH

Civilian employment in the Executive Branch in the month of February totaled 2,834,073. This was a net increase of 4,436 as compared with employment reported in the preceding month of January. Employment by months in fiscal 1971, which began July 1, 1970, follows:

Month	Executive branch	Increase	Decrease
July 1970	2,942,517		-1,595
August	2,901,856		-40,661
September	2,851,875		-49,981
October	2,838,664		-13,211
November	2,843,411	+4,747	
December	2,838,320		-5,091
January 1971	2,829,637		-8,683
February	2,834,073	+4,436	

Total employment in civilian agencies of the Executive Branch for the month of February was 1,687,193, an increase of 7,379 as compared with the January total of 1,679,814. Total civilian employment in the military agencies in February was 1,146,880, as decrease of 2,943 as compared with 1,149,823 in January.

The civilian agency of the Executive Branch reporting the largest increase during February was Treasury Department with 6,694. This increase was largely seasonal.

In the Department of Defense the largest decreases in civilian employment were reported by the Army with 1,332 and Navy with 1,240.

Total Executive Branch employment inside the United States in February was 2,628,597, an increase of 6,347 as compared with January. Total employment outside the United States in February was 205,476, a decrease of 1,911 as compared with January.

The total of 2,834,073 civilian employees of the Executive Branch reported for the month of February 1971 includes 2,520,869 full time employees in permanent positions. This represents a decrease of 151 in such employment from the preceding month of January. (See Table 2 of accompanying report).

The Executive Branch employment total of 2,834,073 includes some foreign nationals

employed abroad, but in addition there were 100,120 foreign nationals working for U.S. agencies overseas during February who were not counted in the usual personnel reports. The number in January was 100,059.

LEGISLATIVE AND JUDICIAL BRANCHES

Employment in the Legislative Branch in the month of February totaled 30,296, a decrease of 68 as compared with the preceding month of January. Employment in the Judicial Branch in the month of February totaled 7,405, an increase of 156 as compared with January.

DISADVANTAGED PERSONS

The total of 2,871,774 reported by the Committee for February includes 20,154 disadvantaged persons employed under federal opportunity programs, an increase of 297 over the preceding month of January. (See Table.)

In addition, Mr. Speaker, I would like to include a tabulation, excerpted from the joint committee report, on personnel employed full time in permanent positions by executive branch agencies during February 1971, showing comparisons with June 1969, June 1970, and the budget estimates for June 1971:

FULL-TIME PERMANENT EMPLOYMENT

Major agencies	February 1971				Major agencies	February 1971			
	June 1969	June 1970	February 1971	Estimated June 30, 1971 ¹		June 1969	June 1970	February 1971	Estimated June 30, 1971 ¹
Agriculture	83,425	82,912	82,685	85,600	General Services Administration	36,176	36,400	36,685	39,900
Commerce	25,364	25,427	27,769	28,400	National Aeronautics and Space Administration	2,856	2,387	2,407	2,500
Defense:					Office of Economic Opportunity	14,731	14,635	14,343	14,800
Civil functions	31,214	30,297	29,709	30,900	Panama Canal	6,584	6,665	6,690	6,500
Military functions	1,225,877	1,129,642	1,082,111	1,079,500	Selective Service System	4,099	4,015	3,977	4,100
Health, Education, and Welfare	102,941	102,297	104,194	105,300	Small Business Administration	11,987	12,657	13,354	13,300
Housing and Urban Development	14,307	14,661	14,972	15,000	Tennessee Valley Authority	10,500	9,989	9,824	9,900
Interior	58,156	59,349	56,338	58,000	U.S. Information Agency	147,606	148,497	149,969	154,400
Justice	35,106	38,013	39,960	43,600	Veterans' Administration	26,200	27,420	27,762	29,700
Labor	9,723	10,217	10,662	11,600	All other agencies				5,000
Post Office	562,381	565,618	567,854	585,200	Contingencies				
State	24,658	23,618	23,156	23,600	Subtotal	2,633,762	2,552,571	2,520,337	2,574,000
Agency for International Development	15,753	14,846	13,763	14,000	Public Service Careers			552	* 4,900
Transportation	60,386	63,879	66,754	69,600	Total	2,633,762	2,552,571	2,520,889	2,578,900
Treasury	79,982	86,020	88,822	93,500					
Atomic Energy Commission	7,047	7,033	6,936	7,000					
Civil Service Commission	4,970	5,214	5,259	5,500					
Environmental Protection Agency ²			4,718	6,700					

¹ Source: As projected in 1972 budget document; figures rounded to nearest hundred.
² Established as of Dec. 2, 1970, by transfer of functions and personnel from Interior, HEW Agriculture, Federal Radiation Council and Atomic Energy Commission.

³ Source: Civil Service Commission estimate of persons in "entry" component for whom ceiling relief has been granted.

THE ACTION CORPS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. ANDERSON of Illinois. Mr. Speaker, I want to commend the administration on its proposal to merge the various volunteer agencies of the Federal Government into a new Action Corps. I think it is in keeping with this administration's policy to return power to the people that it should be seeking new ways to expand and more fully utilize volunteer efforts in local problem solving. I recall that in his inaugural address President Nixon said:

... We are approaching the limits of what Government alone can do. Our greatest need is to reach beyond Government to enlist the legions of the concerned and committed. . . . To match the magnitude of our tasks, we need the energies of our people enlisted not only in grand enterprises, but, more im-

portantly, in those small, splendid efforts that make headlines in the neighborhood newspaper instead of the national journal.

Mr. Speaker, I think the creation of Action Corps to give unity and direction to our Federal volunteer programs is just one more indication of how central this administration considers voluntarism to be to the success of the New Federalism. You will recall that prior to this move, the President had established a Cabinet Committee on Voluntary Action headed by HUD Secretary Romney, and an Office of Voluntary Action as the service arm of that committee. And he also established a privately funded, nonprofit National Center for Voluntary Action to mobilize and integrate the efforts of government, voluntary groups, and individual volunteers.

Now, to give further impetus to our national program for Voluntary Action, the President has sent down Executive Reorganization Plan No. 1 of 1971, to bring under one roof several volunteer components now scattered throughout the Federal Government. The logic for

this is compelling. The Action Corps will give new unity and direction to our national program for Voluntary Action, and will administratively centralize the important recruiting, training, and placement elements of the various volunteer programs. It will make it much easier to plug the right people into the right jobs and thereby improve the chances for the success of these programs.

The programs to be merged under this reorganization plan include Volunteers in Service to America—VISTA—and the auxiliary and special volunteer programs from the Office of Economic Opportunity; foster grandparents and the retired senior volunteer program—RSVP—from Health, Education, and Welfare; and the Service Corps of Retired Executives—SCORE—and the Active Corps of Executives—ACE—from the Small Business Administration. And, once the reorganization plan has been approved, Action Corps would be delegated the principal responsibility for the Peace Corps. In this regard, I should mention that the new Action Corps will be headed by

the current Peace Corps Director, Joe Blatchford, who has made a tremendous mark for himself by shaping the new directions at Peace Corps.

Once the reorganization plan has been approved, separate legislation will be sent to the Hill to include the Teacher Corps, now in the Office of Education, in Action Corps.

Mr. Speaker, it is my understanding that there are already those who have criticized the proposed merger as being a cover for gutting the poverty program. Nothing could be further from the truth. As Joe Blatchford pointed out in the press briefing last week, VISTA's poverty efforts, "will not only be maintained, but expanded." These critics also seem to overlook the fact that the President has asked for an additional \$20 million for new program thrusts, over and above the combined budgets of the components. This can hardly be termed "funeral expenses" for the poverty program.

Mr. Speaker, when the Frenchman, Alexis de Tocqueville, visited this country nearly a century and a half ago, he was impressed by the way in which our countrymen banded together in voluntary associations to get things done. In his book, "Democracy in America," he warned against allowing the Government to replace the role of these voluntary associations, because of the threat this would pose to the morals and intelligence of a democratic people. And he concluded with these words:

Among the laws that rule human societies, there is one which seems to be more precise and clear than all the others. If men are to remain civilized or to become so, the art of associating together must grow and improve in the same ratio in which the equality of conditions is increased.

Mr. Speaker, I think it is essential in this democratic country that we heed those words well, for the quality of life and the human condition does depend upon how well we can work together as a people to solve our problems. And crucial to the success of this experiment we call America are the voluntary efforts of groups and individuals. I think the proposed Action Corps can play a catalytic role in mobilizing those voluntary efforts and I, therefore, give it my enthusiastic endorsement.

Finally, Mr. Speaker, on a related matter, I want to mention the fact that I am today introducing a House joint resolution to designate the week beginning May 30, 1971, as "National Peace Corps Week," in recognition of the decade of service some 45,000 Americans have given to the developing countries of this world. The Peace Corps has been a living symbol of the voluntary way in America and our willingness to serve others as well as ourselves.

At this point in the RECORD, Mr. Speaker, I include the proposed Action Corps budget for fiscal year 1972, and an article from the March 25 New York Times on the proposed merger:

ACTION CORPS BUDGET: FISCAL 1972

Component:	Amount
Peace Corps.....	\$71,200,000
VISTA (OEO).....	33,100,000
Teacher Corps (OE).....	37,435,000
Foster Grandparents (HEW).....	7,500,000

RSVP (HEW).....	5,000,000
SCORE & ACE (SBA).....	1,800,000
Office of Volunteer Action (HUD).....	295,000
Action Corps: "New Program Thrusts".....	20,000,000
Total Action Corps budget	176,340,000

[From the New York Times, Mar. 25, 1971]
NIXON WOULD MERGE NINE SERVICE PROJECTS
 (By Jack Rosenthal)

WASHINGTON, March 24—After weeks of internal infighting, President Nixon unveiled today a general plan for merging the Peace Corps, VISTA and seven other voluntary service programs.

The merger would centralize management of 15,000 full-time and 10,000 part-time volunteers, young and old, foreign and domestic. The new agency's budget of \$176.3-million equals the combined budgets of the nine present agencies plus \$20-million for innovation.

If Congress concurs in the plan, the core of the new agency would be established by July 1, with other components to follow.

In a special message sent to Congress, Mr. Nixon today called for still larger future efforts. "America must enlist the ideals, the energy, the experience and the skills of its people on a larger scale than it ever has in the past," he said.

SOME UNCERTAINTIES

The twice-delayed Presidential message did not offer answers to a series of issues that arose during the extended internal Administration debate over the merger.

Uncertainty extended even to the name of the new agency. Formally, it is labeled "Action," but officials today insisted that it would be called the "Action Corps."

They also were uncertain whether the names VISTA and Peace Corps would continue to be used for components of the agency.

The President first offered the merger idea in a Jan. 14 speech at the University of Nebraska. Two distinct controversies quickly developed.

One was over the future of VISTA—Volunteers in Service to America, some 4,000 young people engaged in urban and rural antipoverty work. An outline of the merger plan that way recently circulated by the White House called for dissolution of VISTA into several new corps only partly related to poverty work.

This intent was denied today at a White House press briefing by Joseph Blatchford, the Peace Corps director, whom President Nixon has designated to head Action.

VISTA's present poverty efforts, he said, would "not only [be] maintained, but expanded." He said he foresaw "many, many more volunteers" working in the same areas of concern as both the Peace Corps and VISTA.

The second controversy was over inclusion of the Teacher Corps in the new agency. Officials of the Office of Education, where the Teacher Corps is now located, resisted Mr. Blatchford's conclusion that the corps should be transferred.

As had been expected, Mr. Nixon proposed today what one official described as "a subtle compromise." The Teacher Corps will not be included in the first phase of the reorganization plan.

Rather, Mr. Nixon said, transfer of the Teacher Corps will be proposed in legislation if Congress concurs in the first phase of reorganization.

A reorganization plan takes effect automatically unless either house of Congress objects within 60 legislative days. Such plans customarily are successful. There is no such limit on consideration of legislation, which requires affirmative action by both houses.

CONTROVERSY FORESEEN

Congressional experts said today they foresaw little difficulty for the reorganization plan, which Mr. Nixon sent to Congress with his message today. But the outlook for the later Teacher Corps bill, they said, is for substantial controversy.

"The reorganization plan is not an issue most people care enough to oppose the President on," one staff member said. "But as for the Teacher Corps, well, at a minimum, there are some very strong supporters who will vigorously oppose the legislation."

Mr. Nixon's reorganization plan would consolidate these six present volunteer agencies:

VISTA and a small special program, with a combined budget of \$33.1-million from the Office of Economic Opportunity.

Foster Grandparents, with a \$7.5-million budget, and the Retired Senior Volunteer Program (\$5-million), from the Department of Health, Education, and Welfare.

The Service Corps of Retired Executives and the Active Corps of Executives, with a combined budget of \$1.8-million, from the Small Business Administration.

When the reorganization plan goes into effect, the President said, he will transfer the Peace Corps, whose budget is \$71.2-million, and the small Office of Voluntary Action, to Action.

The third phase of the Action merger would be submission of the legislation to transfer the Teacher Corps, whose budget is \$33.4-million.

EXPLANATION GIVEN

Administration officials gave two explanations for following the legislative, rather than a reorganization, course with the Teacher Corps.

Mr. Blatchford said at today's briefing that the President felt it was better to let Congress debate the question more fully. Richard P. Nathan of the Office of Management and Budget added that the Administration also wished to propose some amendments to the basic Teacher Corps legislation.

In his message, Mr. Nixon briefly traced the rapid enlargement of Government volunteer programs in recent years. Their proliferation, he said, was "perhaps inevitable," but he added:

"The foundation for a greatly expanded Government contribution to volunteer services already exists. Now we must consolidate that foundation in order to build on it."

**TENNESSEE GENERAL ASSEMBLY
 ADOPTS RESOLUTION TO HONOR
 J. EDGAR HOOVER**

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. BAKER. Mr. Speaker, I have been distressed from time to time over the carping criticism directed to J. Edgar Hoover, Director of the Federal Bureau of Investigation. It was refreshing, therefore, to note the action taken by the General Assembly of the State of Tennessee this month in the adoption of House Joint Resolution No. 64 to honor this dedicated public servant. I commend the authors of this resolution, and likewise, Gov. Winfield Dunn for signing it.

I am sure many of my colleagues will agree with the language of this joint resolution. I am pleased to place a copy of it in the RECORD so they can take note of the tribute the State of Tennessee has paid to J. Edgar Hoover.

The resolution follows:

HOUSE JOINT RESOLUTION No. 64

Whereas, J. Edgar Hoover has served this country well in law enforcement and fighting subversion; and

Whereas, There are all too few men today willing to stand up and be counted as loyal Americans dedicated to the principles of freedom; and

Whereas, Mr. Hoover as director of the Federal Bureau of Investigation has been a bulwark of solidity for the United States of America; and

Whereas, Mr. Hoover has always answered the call of duty immediately; and

Whereas, The forces of the radical left have sought to discredit Mr. Hoover with false and misleading statements; now, therefore,

Be it resolved by the House of Representatives of the Eighty-Seventh General Assembly of the State of Tennessee, the Senate concurring, That the General Assembly expresses its deep appreciation for the years of untiring service J. Edgar Hoover has rendered to the United States and wish him well and Godspeed in the days ahead.

Be it further resolved, That we express our full confidence in his ability, integrity and leadership.

Be it further resolved, That copies of this Resolution be sent Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation; President Richard M. Nixon; Attorney General John Mitchell; and all eleven members of the Tennessee Congressional delegation.

PROPOSAL TO ESTABLISH A STANDING COMMITTEE ON THE ENVIRONMENT

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. BROTZMAN. Mr. Speaker, I am today reintroducing my proposal to establish a standing Committee on the Environment in the House of Representatives. Joining me today are seven of my distinguished colleagues: the gentleman from Pennsylvania (Mr. WARE); the gentleman from New York (Mr. BRASCO); the gentleman from Michigan (Mr. VANDER JAGT); the gentleman from Pennsylvania (Mr. MORGAN); the gentleman from Texas (Mr. PICKLE); the gentleman from Georgia (Mr. BRINKLEY); and the gentleman from Ohio (Mr. KEATING). This brings to 182 the number of Members offering identical resolutions.

The fact that over 40 percent of the Members of this body have seen fit to sponsor resolutions to create a standing Committee on the Environment indicates that this is an idea whose time has come. Both political parties in the House are represented in substantial numbers, and all aspects of the philosophical spectrum are evident.

No other single step, Mr. Speaker, could do more to bring this body into the forefront of the crusade to upgrade our physical environment than to establish the standing committee I advocate. For many years I have contended that Congress should be innovative, and that it should not merely react in the fight to preserve our earth, its waters, and its atmosphere.

I believe that so long as we treat the complex and interrelated environmental degradation problems piecemeal, through committees whose primary responsibilities lie elsewhere, we are destined only to react. We are destined to be behind the problems instead of ahead of them. In the past, we could get away with reaction. Nature has been forgiving in terms of healing the wounds inflicted upon her ecological balances by man and his technology.

In the past the axiom that time heals all wounds has been, in the main, quite true. However, we are now in an era when time—or, if you prefer, nature—simply cannot heal all of the wounds. Time definitely is not on mankind's side, and accordingly the very highest of priorities must be assigned to environmental quality by the Federal Government; and particularly the Congress.

It is for this reason that I first proposed a single, action-oriented, standing Committee on the Environment in April of 1969. In the nearly 2 years since that date, the expressions of support from my colleagues in the House have been gratifying. Members from each of our 21 existing standing committees have cosponsored the bill as have a number of committee chairmen and ranking Republicans.

Particularly gratifying has been the support from Members who serve on the committees which currently have jurisdiction over some of the environmental legislation considered by Congress. These, of course, are the Members who most keenly recognize the inadequacy of our current approach. They see fragmented efforts to solve interrelated problems, and they recognize the advantages which would accrue to the Nation if one standing committee had jurisdiction over air pollution, water pollution, herbicide and pesticide problems, solid waste disposal, acoustical problems, and weather modification.

Mr. Speaker, there has been a great deal of interest in proposals to establish a Joint Committee on Environment and Technology. Such a proposal, despite being passed by both bodies in the 91st Congress, did not become a reality due to irreconcilable differences on the part of conferees. While I supported the joint committee proposal on the floor of the House, I consider it to be only a half step, because the joint committee would possess few actual powers. It would not be a primary committee assignment. Instead it would be an additional chore to be added to the already busy schedules of senior Members. Its functions would be primarily advisory, and it would lack the power to draft and report bills to the floors of the House and Senate.

Mr. Speaker, I again call on the Rules Committee to hold hearings and favorably report a resolution to establish a standing Committee on the Environment. By so acting, this body will be in a position to fulfill an obligation which I believe transcends all others; leaving the earth, its atmosphere and waters in better condition than we found them. No generation in the history of civilized man has been able to do this. We should not waste our opportunity to be the first.

INTEREST RATES AND COST-OF-LIVING STABILIZATION

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. BURKE of Massachusetts. Mr. Speaker, yesterday a very well-considered amendment to the temporary extension of certain provisions of law relating to interest rates and cost-of-living stabilization was defeated. I regret the action of this House in this instance because I feel the amendment would have gone a considerable distance toward rectifying the present situation wherein the President can and has acted in an arbitrary manner singling out one special trade and union for punitive action in the name of combating inflation and changing the course of this Nation's dismal economic performance. The amendment offered by Mr. REUSS would have indicated Congress' real intent in granting authority to the President to stabilize costs of living by insisting that it would be used on a basis sufficiently broad to facilitate substantial cost-of-living stabilization. It would have had the result of forcing the President to move on the whole economic front with a broad range of measures, with a well-thought-out program which would take into consideration all the interlocking economic relationships and repercussions which his decisions would have. To date, we have witnessed an extraordinary performance by the White House in response to growing pressure that something be done to curb inflation. Rather than use the broad authority granted to him by Congress last session and renewed this session, the President elected to move in a manner which singled out one group, albeit an important trade group, for public denunciation and punishment. The construction trade industry was made a scapegoat to cover up the fact that this administration does not have a developed, coherent, well-thought-out approach to the economic problems this Nation faces.

In the name of correcting the serious economic disorders presided over by this administration, the suspension of the Davis-Bacon Act had the curious effect of contributing in many instances to the very inflation the administration argued it was combating. The effect of the suspension was to require local communities and States across the country to re-open bids and renegotiate contracts which had not as yet, been signed. In almost every instance it increased costs to the taxpayers of this country, either on the local or Federal level. In some cases, funds were held up because approval was denied which would have been spent in areas of high unemployment. Again, we witness the curious manner in which the hasty, ill-conceived suspension of Davis-Bacon boomeranged on its creators. Many Congressmen in this House could rise to document numerous cases where funds have been held up for close to 2 months now in areas which are in desperate need of more work

and more Government spending. In other words, without too much effort, a well-documented case could be made to show that the suspension of Davis-Bacon, and nothing more these past 2 months, has actually in instance after instance added to the Nation's inflationary pressures and the same time contributed to growing unemployment, or, what is the same, did nothing to prevent it.

Gentlemen, I am afraid that the Nation's economic structure is too delicate and too finely interwoven to allow any administration to act precipitously, attacking one sector without regard to the repercussions of such hasty action throughout the economy. While zeroing in on the construction trades might have made good political sense and gone over well with groups this administration is beholden to from the last election, it has become crystal clear that political debts were repaid at great cost to our economy.

Yesterday, the administration finally admitted the hopelessness of the situation and back-tracked to the extent of lifting its earlier suspension of the Davis-Bacon Act. Is it too much to hope that it has realized the error of its ways and will hesitate before acting so precipitously again? Its position was patently untenable and in such circumstances, the best thing is to admit defeat. That does not, however, diminish the force of my admonition today, that even if the amendment was defeated yesterday the administration had best take heed and learn from the painful experience of the last 2 months and in the future treat the economy as a whole which is greater than the sum of its parts.

I cannot leave the subject of the Davis-Bacon suspension without drawing the attention of the members to the fact that the administration found in this device yet another method of going against the intentions of Congress and delaying the disbursement of appropriated funds. When all is said and done, the only thing the administration was able to accomplish successfully these last two months with the suspension of Davis-Bacon was to prevent the disbursement of further millions, in addition to those which were already being held up by the various departments through orders of the Office of Budget and Management. Again, it would seem to give the lie to the administration's concern about growing unemployment about which we heard so much in the recent SST debate.

ALASKA LEGISLATURE RESOLUTIONS ON THE PIPELINE

HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. BEGICH. Mr. Speaker, one of the most important issues facing Alaska today is the proposed construction of the trans-Alaska pipeline. For sometime now, the Nation has heard arguments for

and against the proposed construction of the pipeline. Much study and testimony has already been made on this issue and many people have had the opportunity to express their points of view.

Because of the importance of this resolution of this issue to the State of Alaska, the State legislature has passed two resolutions that I believe merits the attention of my colleagues. I submit them for inclusion in the RECORD:

SENATE CONCURRENT RESOLUTION No. 19
Current resolution relating to the environmental impact hearings in Anchorage

Be it resolved by the Legislature of the State of Alaska:

Whereas the United States Department of the Interior is holding hearings in Anchorage, February 24 and 25 on the environmental impact of the proposed North Slope pipeline; and

Whereas the Legislature wishes to express its appreciation to the Department of the Interior for conducting these hearings in Alaska, thereby presenting Alaskans the opportunity to be heard on this subject vital to the future of the state; and

Whereas the Legislature desires to have the State of Alaska participate to the maximum extent in the proper and timely resolution of this important question; and

Whereas, because of the importance of this hearing, both Houses of the Legislature have recessed to allow their members to attend this hearing;

Be it resolved that the First Session of the Seventy State Legislature commends the Department of the Interior for the hearings held in Alaska and welcomes the many federal officials to our great state; and be it

Further resolved that, because the Legislature as well as all other Alaskans desires to have the pipeline issue resolved at the earliest possible time, officials of the Department of the Interior are respectfully requested to inform the Alaska State Legislature and the Governor if there are any steps or action of any kind that may be taken by the state to bring the pipeline issue to a proper, yet timely, resolution.

Copies of this resolution shall be sent to the Honorable Rogers C. B. Morton, Secretary, Department of the Interior; the Honorable Henry M. Jackson, U.S. Senator and Chairman of the Senate Interior and Insular Affairs Committee; the Honorable Wayne N. Aspinall, U.S. Representative and Chairman of the House Interior and Insular Affairs Committee; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Nick Begich, U.S. Representative, members of the Alaska delegation in Congress.

HOUSE RESOLUTION No. 4

Resolution relating to the issuance of a permit for the trans-Alaska pipeline

Be it resolved by the House of Representatives:

Whereas at the recent hearings held under the auspices of the Department of the Interior in Washington, D.C. and Anchorage regarding the proposed trans-Alaska pipeline, Alaska's Governor has made clear the states' position—the pipeline must be built in order that the state be enabled to take care of its human needs; and

Whereas the Governor has made it known the state's position is that the pipeline can be built with minimal environmental change; and

Whereas he has pointed out to the hearings panel that the state is doing and will do everything necessary to ensure adequate and strictly enforced environmental protection programs; and

Whereas the state is moving forward in a positive manner to ensure the ultimate

protection of our great land by considering such safeguards as the creation of a geologic-geophysical division in the Department of Natural Resources, creation of a Department of Environmental Conservation, establishment of a joint federal-state commission on land-use planning, the establishment of reserves to protect Alaska's critical habitat zones, strict enforcement of ballast discharge laws, state monitoring of the pipeline construction, and strong measures regarding the safe navigation of our waters by the oil tankers; and

Whereas the testimony taken as a whole at the Washington and Anchorage hearings clearly indicates the correctness of the Governor's position that the Prudhoe Bay to Valdez route is not only the most feasible route for the pipeline but that it can be constructed without environmental degradation to any appreciable degree; and

Whereas by far the majority of Alaskans who testified at these hearings desired to have the pipeline built and viewed it as an economic necessity;

Be it resolved by the Alaska House of Representatives that it supports the clear and concise position of the state, as presented by Governor Egan at the recent Interior hearings; and be it

Further resolved that the House of Representatives urgently requests the Department of the Interior to issue the pipeline permit in the most expeditious manner possible after a review of the testimony from the impact report hearings.

Copies of this resolution shall be sent to the Honorable Richard M. Nixon, President of the United States; the Honorable Rogers C. B. Morton, Secretary of the Department of the Interior; the Honorable Henry M. Jackson, U.S. Senator and Chairman of the Senate Interior and Insular Affairs Committee; the Honorable Wayne N. Aspinall, U.S. Representative and Chairman of the House Interior and Insular Affairs Committee; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Nick Begich, U.S. Representative, members of the Alaska delegation in Congress.

IN DEFENSE OF THE LOCAL AFFILIATES

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1971

Mr. HÉBERT. Mr. Speaker, on March 17, three representatives of the Columbia Broadcasting System participated in a program called "All About TV" over station WNYC-TV in New York. The show was hosted by Steven Scheuer.

The CBS spokesmen were Morley Safer, Peter Davis, and Perry Wolff. In a press release issued March 22, I pointed out some inaccurate statements made by Davis, who produced the discredited documentary "The Selling of the Pentagon."

Davis said on the program that no representation had been made to anyone on Capitol Hill that CBS was doing a prisoner-of-war documentary. CBS representatives had talked with my office numerous times and indicated they wanted a film clip of me and Maj. James Rowe, a former POW, for a special on prisoners of war.

Knowing of my interest in the plight of the POW and his family, my press

secretary, Lou Gehrig Burnett, cooperated fully with them and with my permission sent CBS the film clip.

I will discuss this in complete detail later in the *RECORD*, but the fact is that Davis said other Congressmen had been called for a clip of them with Major Rowe and that these Congressmen knew what CBS was doing—a documentary on Pentagon public relations.

In the press release of March 22, I included five memorandums from congressional offices which show that they were told by CBS that the network was doing a documentary on prisoners of war.

However, that is not my main concern here. I just wanted to point out that what I am about to relate was said on that same program called "All About TV."

I feel compelled to come to the defense of the CBS affiliate in New Orleans, which is WWL-TV. Certain comments were made on the program about local stations that I feel do not apply to the New Orleans station.

I quote verbatim from the transcript of the program:

SCHUEER. One of the most interesting issues that was raised on the program (The Selling of the Pentagon) is the question which Mudd put to Daniel Henkin. And he asked—he said the whole question of a government having film crews in the field on any kind of story raises the question of putting the government in the position of deciding which stories to be covered. Is that valid, asked Mudd. Henkin's reply said, I don't believe it is any more valid than putting our news releases to what we in our trade call the 'hard print side of the picture.' I don't think, said Henkin, that there's any great difference between putting out a printed news release to use in newspapers than making film available for television networks. Now if the networks disagree with that they have yet to communicate with me that disagreement. And Mudd's answer is, but in the case of a press release, the AP men or the Cincinnati Inquirer man can take your press release and dump it or rewrite it or add to it. But in the case of a film clip it's there to use or not to use. Isn't there a difference? Is there a difference, Morley? What's your reaction to that?

SAFER. Well, I think there is a difference. I think one of the tragedies of broadcasting is—and its not just broadcasting—it's journalism at the local level. That the Pentagon knows the stuff it puts out, either on film or in printed version, is not going to be picked up and repeated word for word by the AP, or picked up and run frame for frame by CBS, NBC, or ABC. But their audience is way out there and they publish it word for word, frame by frame, as it's put out.

ANOTHER VOICE. On the local level.

SAFER. It's a very cheap time filler for all those munificent station managers out there. It not only gives them programming for nothing, or fills newspaper space for nothing, it makes their relationship with the Pentagon very handy. I'm sure a lot of the editors get free trips to Washington, as we saw in . . .

ANOTHER VOICE. Or points beyond.

SAFER. Or points beyond. Vietnam. They used to run them out to Vietnam. I don't know if they do anymore. And they would swallow the story put out by the Pentagon whole.

These comments by Mr. Safer appear to be a blanket indictment of journalism at the local level. The thoughts expressed by him on this program again indicates

the desire of centralization of control by CBS so it can feed the people what CBS wants them to know and deny the public what it should know.

I resent these remarks by Mr. Safer which are a direct attack on the integrity of our local stations. I must point out that WWL-TV, the CBS affiliate in New Orleans, has for many years sponsored without charge a half-hour each Sunday morning called "Congressional Report," in which the two U.S. Senators from Louisiana and the two Congressmen from the New Orleans area each have 15 minutes of air time twice a month.

WWL assumes full financial responsibility for the program and allows the Senators and Congressmen to institute their own format. WWL in no way censors or intimidates the participants in this program. It is one of the finest public-service programs in the country.

Similarly, a number of years ago, WDSU-TV, the NBC affiliate in New Orleans, had a program called *Dateline Washington*, in which the station assumed all financial liabilities and even supplied an individual producer.

This program, like the WWL program, was a public service presentation. The first producer for the WDSU presentation was Ann Corrick, who later became the only woman president of the Radio-TV Correspondents Association.

During her regime as producer, *Dateline Washington* was presented the *Sylvania Award* for public service.

She was succeeded by John Corporan, now vice president and general manager of WTOP here in Washington. Mr. Corporan, in his present capacity, has demonstrated repeatedly by his expressions and actions that he believes both sides of an issue should be aired.

It was WTOP which first offered me the opportunity to reply to the discredited program *The Selling of the Pentagon*.

The ABC affiliate in New Orleans, WVUE-TV, and the local newspapers have always done a fine job of handling the news.

Therefore, I could not let Mr. Safer get by with this all-encompassing indictment of local journalism, because it does not hold true in New Orleans.

DAVID ROCKEFELLER: A DAY AT THE BANK

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. BOGGS. Mr. Speaker, the Chase Manhattan Bank is a leader in the banking industry and in the effort to bring private capital and enterprise to bear on the many problems confronting our country. Much of this is attributable to the energy and dedication of its chairman, David Rockefeller. Mr. Rockefeller was the subject of a profile in the *New York Post* of February 20, 1971. I am inserting it in the *RECORD* and calling it to the attention of my colleagues:

MAN IN THE NEWS: DAVID ROCKEFELLER—A DAY AT THE BANK

(By Roberta Brandes Gratz)

He is the Rockefeller few really know, no matter how often they hear about him. The banker Rockefeller, head of Chase, The Governor's brother—and, by many accounts, the one with the most far-reaching influence.

David Rockefeller is the youngest of the five brothers and one sister, the most educated (Lincoln School, Harvard, London School of Economics and the University of Chicago, where he received his Ph. D. in economics) and the only brother to have wholeheartedly followed his grandfather, the first John D. Rockefeller, into the competitive world of business and finance. (The second John D. Rockefeller, David's father, devoted himself to the family philanthropies.)

In looks he most resembles Nelson. The nose is a little longer and thinner, the face rounder, the mouth when he's talking remains tighter. But the smile, the manner of speech, the intonations are similar.

But David Rockefeller is never as relaxed in his public role as his Albany brother, who appears to relish each moment. Considerably less aggressive and occasionally even ill-at-ease, he sometimes gives the impression he lacks the self-confidence which Nelson has to spare.

Yet whenever anyone draws a list up of the 10 most powerful people in the country, David Rockefeller's name is bound to be on it—more often than Nelson's.

Down through the years he's been mentioned as a majority prospect. Is anything like that possible? "I do think having two brothers as politicians [there's also Winthrop, twice Governor of Arkansas] may be enough for one family," he says.

Only one position ever came close to enticing him into government service. President Kennedy was reported to have considered offering him the job of Treasury Secretary. Says David Rockefeller: "In a sense that position has appeal but I have to admit that I have an awfully good job. That sounds so silly, but really there is a certain freedom I have and really it's a sort of platform from which one can do many things."

One not only can, one does and when he speaks, people listen.

Few men can go before an audience as David Rockefeller did this week at the annual Regional Plan Assn. dinner, propose the formation of two new national agencies to deal with new-town development and core-city rehabilitation, knowing full well that it would be on the front pages of the morning newspapers and taken seriously on all levels of government.

For 25 years, he says, he's concerned himself with urban problems and for this concern, the Regional Plan Assn. this week gave him its annual distinguished service award.

But for all his public activities the image persists of David Rockefeller, the prototypical banker—remote, cold, calculating and stiff. It is not an image displayed to the closest observer, and it is one which Rockefeller seems to find amusing.

"Needless to say I don't think of myself as either remote or impersonal," he says laughing. "But then I suppose the fact is inevitable that anyone you hear about and don't know seems remote and mysterious."

"I suppose that bankers are thought of traditionally as being distant, cold, unhuman, what I think is a wrong image but nevertheless they have it and it's not easy to change that."

Perhaps that is why Rockefeller—who has never been very talkative about his private self in public—recently allowed himself to be persuaded to let this reporter accompany him through a day's routine. It was a routine that included a session with NYU representatives seeking a large contribution from the Chase Manhattan Foundation, meetings

with groups of company executives, with Treasury Under Secretary Paul Volcker, with newly appointed Treasury Secretary John Connally and, at day's end, a meeting at the Brook Club—an exclusive men's club—of the Bilderberg Conference, a little-known group that Rockefeller helped organize seven years ago at which leaders of the Atlantic Community meet informally and off the record to discuss common problems.

In this office, he listens carefully as the NYU people appeal to his concern with urban problems, flatteringly recall his past generosity, inform him of the good-size commitments other banks have made and show him assorted promotional publications—the photography and lay-out of which impress Rockefeller, who has a similar assortment of publications about the bank that he likes to present to visitors.

Rockefeller walks the few blocks to U.S. Trust at 45 Wall St. where he is to meet with Connally, and gets momentarily lost in the maze that is the financial district. He is amused and embarrassed. Returning afterward to his 60-story building's two-acre plaza, he points with pride to the site where will stand in two years a 40-foot sculpture by Jean Dubuffet. It will be the largest outdoor sculpture in New York.

At 55, the father of four sons and two daughters, grandfather of one boy, Rockefeller dresses in conservative but well-tailored custom-made suits, colored shirts and colorfully patterned ties, which are a little wider these days as his sideburns are a little longer. He is a non-smoking social drinker, wine and food enthusiast, polka contest winner (31 years ago with his wife-to-be Peggy McGrath), beetle collector, linguist (fluent French, German, Spanish), sailor, golfer, enjoyer of picnics and all in all a man of varied interests.

He mostly enjoys a "friendly, quiet evening at home," only occasionally still goes dancing but, he notes, "I must admit that I haven't gotten to where I can do rock 'n roll."

He averages a 16-hour day packed full with high-powered appointments but occasionally makes his own phone calls, takes time out for personal problems of staff members and is easily accessible if an urgent matter arises with any of his nonbanking involvements.

He is close to his brothers and of their relationship, he says: "On the whole it's been a very good one. Our interests are very different and our temperaments and methods of approaching problems are very different. I think probably that Nelson, Winthrop and I tend to be the three that would be more outgoing, the other three (John, Laurence and his sister, Abby Mauze) somewhat more reserved, if you have to make that distinction."

Where his brother Nelson has been accused of arrogance, David Rockefeller, perhaps, may be accused of overzealous minimizing of his own influence.

"Power is a very intangible thing," he says, "I have to say it is surprising to me that people feel it because in a sense I don't know why they feel it because it isn't as though as chairman of the bank I could . . . obviously within the bank and within limits I have very considerable authority but in terms of things outside the bank this is not true. I have no legal or economic authority. It is more a question of persuasion and human rapport."

In the financial community, his voice, whether heard publicly or privately, is one of the most respected. As board chairman of Chase, he has a financial power base that is the second largest in the country and world (the largest is the Bank of America) with assets of \$25 billion and investments in almost every corner of the globe.

After two years in non-combat Army duty overseas, he joined the bank in 1945 at the

urgency of then Chase chairman Winthrop Aldrich, Rockefeller's uncle. Groomed for executive position, he became president in 1961 and chairman in 1969.

He shares the Rockefeller predilection for monumental building projects, the "edifice complex" as it has been called. David Rockefeller, first and foremost, has his Chase Manhattan Plaza which opened 10 years ago. The first major office building put up in the area in 25 years, it pretty much started the whole financial district renewal.

Rockefeller initiated the idea of the World Trade Center through his chairmanship of the Downtown-Lower Manhattan Assn. which he organized. He also founded Morningside Heights Inc. to spur renewal of the upper Manhattan neighborhood. The projects have brought him both sharp criticism and high praise.

Both Morningside Heights and the World Trade Center have spurred outcries that they mean the destruction of the small businesses and residences that comprise a community. The Trade Center has brought additional charges that it will create monumental traffic jams and, by competing with commercial office space, cheat the city tax base.

How sensitive are you, he was asked, to the arguments against bigness—the impersonal kind of projects that engulf an area. Rockefeller reacts coolly to the indictment:

"I just don't see how you can avoid a certain amount of that. I don't think you will get things done without governmental and other action."

His office is huge, with modern furniture to complement the building's architecture. Push-button opaque-glass sliding doors insure maximum privacy.

The office interior is a clear reflection of Rockefeller's passion for art and variety of taste. It is a melange of 19th and 20th century paintings (Cezanne, Signac, Rothke, Wyeth) African artifacts, Oriental treasures, and Greek vases. Most of the works are owned by him personally, the rest from the bank's collection of some 1,600 works—valued conservatively at \$2.5 million—that has been selected over 10 years by a committee headed by Rockefeller.

"My interest in primitive and Oriental art stem from my family upbringing," Rockefeller says. "My mother was tremendously interested in art in general and in primitive and Oriental art in particular."

He is director of the Business Committee for the Arts and Board Chairman of the Museum of Modern Art as was the Governor before him. It is the museum his mother helped found and which his family has generously supported. The Museum, Rockefeller University and the Council on Foreign Relations are the three outside involvements that interest him most.

His own collection bridges the 19th and 20th centuries with the largest concentration in Impressionists and post-Impressionists. His wife is responsible for all the framing and deciding to which of their four residences (New York City, Poconico, Maine, West Indies) each work will go.

While he credits his mother, Abby Aldrich Rockefeller, with so much of his art interest, he says: "Even in college I took art courses and always enjoyed going to museums and visiting beautiful, historical monuments."

"Nelson is probably more oriented toward sculpture and I toward painting and he's more interested in the very contemporary. It just happened to start that way. Another thing that my wife and I have always been interested in is porcelain and furniture. Nelson more recently is getting into that area. Actually I think we're coming closer together. He's been going farther back and I've been coming farther forward."

Adventures in "sailing, camping and pack trips" are the kind of shared family activities he enjoys, as he did over New Year's when

the family vacationed in their West Indies home. "We had four of the six children with us which these days is doing rather well," he says smiling.

Is there a Rockefeller generation gap? "I think we've had our share of it. On the other hand our eldest son is almost 30 and I think if anything the gap is narrowing. (He laughs). Who is moving toward whom is more difficult to say.

"Our generation had equally great differences with our parents but tended to express them less openly and less frankly and what we have today is probably better. This wasn't considered the thing to do in our day and if we had differences we expressed them with considerable diffidence.

"Our children are a very lively and independent lot ranging from 18 to 29. And we have one daughter (Abby) who's been interested in Women's Lib. I certainly share the feeling that women ought to be treated fairly, given the same opportunities as men and paid for the same work but I confess that I'm left behind with some of the things the more extreme Women's Lib people ask."

As for the challenges of his children, he adds with good humor: "I'm sure it's kept both my wife and myself younger, maybe turned our hair gray but certainly kept us younger in spirit."

PRESIDENT NIXON DELIVERS KEYNOTE ADDRESS AT THE NATIONAL CONFERENCE ON THE JUDICIARY

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. DOWNING. Mr. Speaker, President Nixon recently visited my district to deliver the keynote address at the National Conference on the Judiciary which was being held in Williamsburg.

No more appropriate locale could have been suggested for such a conference because it was in Williamsburg in 1779 that the first college level school of law in the Western World was established. That chair of law and police, as it was styled in 18th century America was filled by George Wythe, the father of American jurisprudence. His early students at the school included a young Continental Army officer from Virginia named John Marshall.

The school was founded by Gov. Thomas Jefferson himself, an earlier student of George Wythe.

The President's fine address included his endorsement of the concept of a National Center for State Courts.

President Nixon's speech was highly stimulating to all who heard it and I include it in the RECORD in order that all of the Members might benefit from reading it:

TEXT OF AN ADDRESS BY THE PRESIDENT, NATIONAL CONFERENCE ON THE JUDICIARY, WILLIAMSBURG, VA.

As one who has practiced law; as one who deeply believes in the rule of law; and as one who now holds the responsibility for faithful execution of the laws of the United States, I am honored to give the opening address to this National Conference on the Judiciary.

It is fitting that you come together here in Williamsburg. Like this place, your meeting is historic. Never in the history of this Nation has there been such a gathering of distinguished men of the judicial systems of our

States. I salute you all for your willingness to come to grips with the need for court reform and modernization. And I would like to salute especially the man who has been the driving force for court reform; a man whose zeal for reshaping the judicial system to the need of the times carries on the great tradition begun by Chief Justice John Marshall—the Chief Justice of the United States, Warren Burger.

I recall that when I took my bar examination in New York City a few years ago, I dwelt at some length on the wisdom of the separation of powers. My presence here today indicates in no way an erosion of that concept; as a matter of fact, I have come under precedents established by George Washington and John Adams who both spoke out for the need for judicial reform. And President Lincoln, in his first annual message to the Congress, made an observation that is strikingly current—that, in his words, “the country generally has outgrown our present judiciary system.”

There is also a Lincoln story—an authentic one—that illustrates the relationship of the judicial and executive branches. When Confederate forces were advancing on Washington, President Lincoln went to observe the battle at Fort Stevens. It was his only exposure to actual gunfire during the Civil War—and he climbed up on a parapet, against the advice of the military commander, to see what was going on. When, not five feet from the President, a man was felled by a bullet, a young Union captain shouted at the President: “Get down, you fool!” Lincoln climbed down and said gratefully to the captain: “I’m glad you know how to talk to a civilian.”

The name of the young man who shouted “Get down, you fool!” was Oliver Wendell Holmes, who went on to make history in the law. From that day to this, there has never been a more honest and heartfelt remark made to the head of the executive branch by a member of the judicial branch—though a lot of judges over the years must have felt the same way.

Let me address you today in more temperate words, but in the same spirit of candor.

The purpose of this conference is “to improve the process of justice.” We all know how urgent the need is for that improvement at both the State and Federal level. Interminable delays in civil cases; unconscionable delays in criminal cases; inconsistent and unfair bail impositions; a steadily growing backlog of work that threatens to make the delays worse tomorrow than they are today—all this concerns everyone who wants to see justice done.

Overcrowded penal institutions; unremitting pressure on judges and prosecutors to process cases by plea bargaining, without the safeguards recently set forth by the American Bar Association; the clogging of court calendars with inappropriate or relatively unimportant matters—all this sends everyone in the system of justice home at night feeling as if they have been trying to brush back a flood with a broom.

Many hardworking, dedicated judges, lawyers, penologists and law enforcement officials are coming to this conclusion: A system of criminal justice that can guarantee neither a speedy trial nor a safe community cannot excuse its failure by pointing to an elaborate system of safeguards for the accused. Justice dictates not only that the innocent man go free, but that the guilty be punished for his crimes.

When the average citizen comes into court as a party or a witness, and he sees that court bogged down and unable to function effectively, he wonders how this was permitted to happen. Who is to blame? Members of the bench and the bar are not alone responsible for the congestion of justice.

The Nation has turned increasingly to the courts to cure deep-seated ills of our society—and the courts have responded; as a result, they have burdens unknown to the legal sys-

tem a generation ago. In addition, the courts had to bear the brunt of the rise in crime—almost 150% higher in one decade, an explosion unparalleled in our history.

And now we see the courts being turned to, as they should be, to enter still more fields—from offenses against the environment to new facets of consumer protection and a fresh concern for small claimants. We know, too, that the court system has added to its own workload by enlarging the rights of the accused, providing more counsel in order to protect basic liberties.

Our courts are overloaded for the best of reasons: because our society found the courts willing—and partially able—to assume the burden of its gravest problems. Throughout a tumultuous generation, our system of justice has helped America improve herself; there is an urgent need now for America to help the courts improve our system of justice.

But if we limit ourselves to calling for more judges, more police, more lawyers operating in the same system, we will produce more backlogs, more delays, more litigation, more jails and more criminals. “More of the same” is not the answer. What is needed now is genuine reform—the kind of change that requires imagination and daring, that demands a focus on ultimate goals.

The ultimate goal of changing the process of justice is not to put more people in jail or merely to provide a faster flow of litigation—it is to resolve conflict speedily but fairly, to reverse the trend toward crime and violence, to reestablish a respect for law in all our people.

The watchword of my own administration has been reform. As we have undertaken it in many fields, this is what we have found. “Reform” as an abstraction is something that everybody is for, but reform as a specific is something that a lot of people are against.

A good example of this can be found in the law: Everyone is for a “speedy trial” as a constitutional principle, but there is a good deal of resistance to a speedy trial in practice.

The founders of this nation wrote these words into the Bill of Rights: “the accused shall enjoy the right to a speedy and public trial.” The word “speedy” was nowhere modified or watered down. We have to assume they meant exactly what they said—a speedy trial.

It is not an impossible goal. In criminal cases in Great Britain today, most accused persons are brought to trial within 60 days after arrest. Most appeals are decided within three months after they are filed.

But here in the United States, this is what we see: In case after case, the delay between arrest and trial is far too long. In New York and Philadelphia the delay is over five months; in the State of Ohio, over six months; in Chicago, an accused man waits six to nine months before his case comes up.

In case after case, the appeal process is misused—to obstruct rather than advance the cause of justice. Throughout the State systems, the average time it takes to process an appeal is estimated to be as long as 18 months. The greater the delay in commencing a trial, or retrial resulting from an appeal, the greater the likelihood that witnesses will be unavailable and other evidence difficult to preserve and present. This means the failure of the process of justice.

The law’s delay creates ball problems, as well as overcrowded jails; it forces judges to accept pleas of guilty to lesser offenses just to process the caseload—to “give away the courthouse for the sake of the calendar.” Without proper safeguard, this can turn a court of justice into a mill of injustice.

In his perceptive message on “The State of the Federal Judiciary,” Chief Justice Burger makes the point that speedier trials would be a deterrent to crime. I am certain that this holds true in the courts of all jurisdictions.

Justice delayed is not only justice denied—it is also justice circumvented, justice mocked, and the system of justice undermined.

What can be done to break the logjam of justice today, to ensure the right to a speedy trial—and to enhance respect for law? We have to find ways to clear the courts of the endless stream of “victimless crimes” that get in the way of serious consideration of serious crimes. There are more important matters for highly skilled judges and prosecutors than minor traffic offenses, loitering and drunkenness.

We should open our eyes—as the medical profession is doing—to the use of paraprofessionals in the law. Working under the supervision of trained attorneys, “parajudges” could deal with many of the essentially administrative matters of the law, freeing the judge to do what only he can do: to judge. The development of the new office of magistrates in the Federal System is a step in the right direction. In addition, we should take advantage of many technical advances, such as electronic information retrieval, to expedite the result in both new and traditional areas of the law.

But new efficiencies alone, important as they are, are not enough to reestablish respect in our system of justice. A courtroom must be a place where a fair balance must be struck between the rights of society and the rights of the individual.

We all know how the drama of a courtroom often lends itself to exploitation, and, whether it is deliberate or inadvertent, such exploitation is something we must all be alert to prevent. All too often, the right of the accused to a fair trial is eroded by prejudicial publicity. We must never forget that a primary purpose underlying the defendant’s right to a speedy and public trial is to prevent star-chamber proceedings, and not to put on an exciting show or to satisfy public curiosity at the expense of the defendant.

In this regard, I strongly agree with the Chief Justice’s view that the filming of judicial proceedings, or the introduction of live television to the courtroom, would be a mistake. The solemn business of justice cannot be subject to the command of “lights, camera, action.”

The white light of publicity can be a cruel glare, often damaging to the innocent bystander thrust into it, and doubly damaging to the innocent victims of violence. Here again a balance must be struck: The right of a free press must be weighed carefully against an individual’s right to privacy.

Sometimes, however, the shoe is on the other foot: Society must be protected from the exploitation of the courts by publicity-seekers. Neither the rights of society nor the rights of the individual are being protected when a court tolerates anyone’s abuse of the judicial process. When a court becomes a stage, or the center ring of a circus, it ceases to be a court. The vast majority of Americans are grateful to those judges who insist on order in their courts and who will not be bullied or stampeded by those who hold in contempt all this nation’s judicial system stands for.

The reasons for safeguarding the dignity of the courtroom and clearing away the underbrush that delays the process of justice go far beyond questions of taste and tradition. They go to the central issue confronting American justice today.

How can we answer the need for more, and more effective, access to the courts for the resolution of large and small controversies, and the protection of individual and community interests? The right to representation by counsel and the prompt disposition of cases—advocacy and adjudication—are fundamental rights that must be assured to all our citizens.

In a society that cherishes change; in a society that enshrines diversity in its constitution; in a system of justice that pits one adversary against another to find the truth—there will always be conflict. Taken to the street, conflict is a destructive force; taken to the courts, conflict can be a creative force.

What can be done to make certain that civil conflict is resolved in the peaceful arena of the courtroom, and criminal charges lead to justice for both the accused and the community? The charge to all of us is clear.

We must make it possible for judges to spend more time judging, by giving them professional help for administrative tasks. We must change the criminal court system, and provide the manpower—in terms of court staffs, prosecutors, and defense counsel—to bring about speedier trials and appeals.

We must ensure the fundamental civil right of every American—the right to be secure in his home and on the streets. We must make it possible for the civil litigant to get a hearing on his case in the same year he files it.

We must make it possible for each community to train its police to carry out their duties, using the most modern methods of detection and crime prevention. We must make it possible for the convicted criminal to receive constructive training while in confinement, instead of what he receives now—an advanced course in crime.

The time has come to repudiate once and for all the idea that prisons are warehouses for human rubbish; our correctional systems must be changed to make them places that will correct and educate. And, of special concern to this conference, we must strengthen the State court systems to enable them to fulfill their historic role as the tribunals of justice nearest and most responsive to the people.

The Federal Government has been treating the process of justice as a matter of the highest priority. In the budget for the coming year, the Law Enforcement Assistance Administration will be enabled to vigorously expand its aid to State and local governments. Close to one half billion dollars a year will now go to strengthen local efforts to reform court procedures, police methods and correctional action and other related needs. In my new special revenue sharing proposal, law enforcement is an area that receives increased attention and greater funding—in a way that permits States and localities to determine their own priorities.

The District of Columbia, the only American city under direct Federal supervision, now has legislation and funding which reorganizes its court system, provides enough judges to bring accused persons to trial promptly, and protects the public against habitual offenders. We hope this new reform legislation may serve as an example to other communities throughout the Nation.

And today I am endorsing the concept of a suggestion that I understand Chief Justice Burger will make to you tomorrow: the establishment of a National Center for State Courts.

This will make it possible for State courts to conduct research into problems of procedure, administration and training for State and local judges and their administrative personnel; it could serve as a clearinghouse for the exchange of information about State court problems and reforms. A Federal Judicial Center along these lines already exists for the Federal court system and has proven its worth; the time is overdue for State courts to have such a facility available. I will look to the conferees here in Williamsburg to assist in making recommendations as to how best to create such a center, and what will be needed for its initial funding.

The executive branch will continue to help in every way, but the primary impetus for

reforming and improving the judicial process should come from within the system itself. Your presence here is evidence of your deep concern; my presence here bears witness to the concern of all the American people regardless of party, occupation, race or economic condition, for the overhaul of a system of justice that has been neglected too long.

I began my remarks by referring to an episode involving Justice Oliver Wendell Holmes. There is another remark of Holmes not very well known, that reveals an insight it would be well for us to have today.

Judge Learned Hand told of the day that he drove Justice Holmes to a Supreme Court session in a horsedrawn carriage. As he dropped the Justice off in front of the Capitol, Learned Hand said, "Well, sir, goodbye. Do justice!" Mr. Justice Holmes turned and said, most severely, "That is not my job. My job is to play the game according to the rules."

The point of that remark, and the reason that Learned Hand repeated it after he had reached the pinnacle of respect in our profession, was this: Every judge, every attorney, every policeman wants to "do justice." But the only way that can be accomplished, the only way justice can truly be done in any society, is for each member of that society to subject himself to the rule of law—neither to set himself above the law in the name of justice, nor to set himself outside the law in the name of justice.

We shall become a genuinely just society only by "playing the game according to the rules," and when the rules become outdated or are shown to be unfair, by lawfully and peaceably changing those rules.

The genius of our system, the life force of the American Way, is our ability to hold fast to the rules that we know to be right and to change the rules that we see to be wrong. In that regard, we would all do well to remember our constitutional roles: for the legislatures, to set forth the rules; for the judiciary, to interpret them; for the executive, to carry them out.

The American Revolution did not end two centuries ago; it is a living process. It must constantly be reexamined and reformed. At one and the same time, it is as unchanging as the spirit of laws and as changing as the needs of our people.

We live in a time when headlines are made by those few who want to tear down our institutions, by those who say they defy the law. But we also live in a time when history is made by those who are willing to reform and rebuild our institutions—and that can only be accomplished by those who respect the law.

"CASTRO," RAILROADING THROUGH THE OLD 92D—CHAPTER 1

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES
Tuesday, March 30, 1971

Mr. METCALF. Mr. President, I believe Members of Congress and the public should be aware of the concerted and expensive lobbying campaign that has been launched by major conglomerate corporations. The program is called ASTRO. Its goal—a multibillion dollar subsidy during the seventies.

ASTRO derives from America's Sound Transportation Review Organization, which was created by the Association of American Railroads. The acronym, ASTRO, conjures up visions of space-age transportation and astronauts such as

Wally Schirra, who along with our former colleague, George Smathers, is one of the main ASTRO spokesmen. The name evokes memories of the astrodomes on passenger trains such as the North Coast Limited, that great train now to be abandoned if the Railpax decision last week is not reversed, a decision reached despite railroad management's prior solemn assurance that the Limited and its companion Mainstreeter would be continued "until the public abandons them."

A number of the ASTRO corporations are conglomerates in which transportation is secondary or tertiary to real estate, lumber, mining, or other lucrative business, none of which is described in ASTRO materials. So, I should begin a report on this massively deceptive lobbying campaign by renaming it properly—"CASTRO," Conglomerate America's Slick Transportation rip-off.

Mr. President, CASTRO is mounting a national grassroots campaign designed to obtain legislative approval of its costly proposals. Recently there came into my possession the CASTRO kit for senior executive representatives. This CASTRO kit details the lobbying plan, names some of the regional and state coordinators, tells how to get the news media, local civic organizations and legislators—us—to do what CASTRO wants done. The CASTRO kit is similar to Project Action, the power companies' massive national program against the Rural Electrification Administration and consumer-owned power systems during the Eisenhower Administration, which I put in the CONGRESSIONAL RECORD on January 8, 1964. I shall put the CASTRO kit in the RECORD at the conclusion of these remarks. First, let me give you the flavor of the materials.

The CASTRO materials emphasize throughout that their objective is political action, including appropriations to overcome past deficiencies, tax credits, tax exemption, rapid tax write-offs, loan guarantees, low-interest loans, authority for automatic rate increases and even more freedom to abandon service.

CASTRO raises the specter, as the alternative to its \$36 billion package, of "nationalization—a dangerous proposition at best—which has been estimated to cost as much as \$60 billion for the initial acquisition alone." CASTRO neglects to state that it picked its \$60 billion figure out of the rarified air of the Harvard Business School. Two Harvard students, doing a paper last year for their MBA degree, estimated market value of railroad land, track and structures, added replacement cost for depreciated value of rolling stock and guessed at the worth of mineral and air rights. Their \$60 billion contrasts sharply with the \$21 billion estimate, by the National Association of Railroad Passengers, as the amount for which the Government could obtain the railroads free and clear.

It is important to note that the vastly inflated figure of \$60 billion has been cranked into a national publicity program at a time when the Interstate Commerce Commission is considering Docket 271, the railroad rate base case. You can be sure that the ICC will be inundated by CASTRO data, while the paying public

has no experts to present the counter arguments.

The theme for the CASTRO program, entitled "Countdown for America's Railroads," sets forth the battle plan. CASTRO "will communicate with national organizations and government bodies to obtain support for policies that will assist the industry." In phase one, Astronaut Schirra has already told us on McCann-Erickson's television and radio ads how water, food, and newspapers would go the way of the passenger pigeon—I almost said passenger train—if it were not for the railroads, which "will always deliver the goods" despite regulation and taxes.

Then according to CASTRO:

Beginning in 1971, the communications program will accent specific legislative solutions—some have already been introduced—and request support from the general public, rail employees, shippers, national organizations and others for positive congressional action.

The action program includes operation of a national speakers bureau:

Made up of Senator Smathers, other ASTRO personnel, AAR executives and top industry representatives, national advertising, newspaper articles, radio and TV appearances and other public forums, plus work through shippers, suppliers, labor unions, women's groups and the financial community.

Basic tools, provided by ASTRO headquarters, include brochures, speeches, radio and television interview scripts, press kits, charts to accompany speeches and slide presentations. There is a national coordinator, coordinating with the area coordinators, who in turn appoint State chairmen and vice chairmen, who establish the organization within their States, reporting up the chain of command any trouble spots that may need special attention. The materials which follow will include the names and affiliations of the various area and State coordinators. This list may help Members determine which CASTRO man is responsible for keeping him or her from becoming a trouble spot.

The State chairmen and vice chairmen select district chairmen—perhaps only four or five or possibly twice that number. CASTRO permits some local autonomy but cautions that "it's better to have too many district chairmen than too few."

The State leaders establish a State speakers bureau, pass up the chain of command the requests for materials:

Keep the area coordinates informed constantly of the situation in each State and coordinate media contacts with all railroads having a public relations department of PR personnel operating within the State.

All in all, CASTRO's big brothers blanket more of the States than Railpax covers. Only three States—Hawaii, Vermont, and New Hampshire—are without a State or area coordinator; 44 have State coordinators as well as being included in one of the area jurisdictions.

CASTRO's workers are admonished to be especially careful in selection of speakers at the State level. District request for speakers forms are filed in triplicate to the State chairman by the

district chairman, who makes contacts with various organizations and secures an invitation for a speaker.

If the State chairman determines one of the big engines should be brought in from the national speakers bureau, he consults the area coordinator, who in turn gets in touch with ASTRO executive director Richard E. Briggs here in the Washington dispatch center.

Actually the selection of the speaker is probably not so important, because "the State chairman will provide the speakers with a complete set of pattern speeches, together with charts to accompany them," or slide presentation sets if preferred. Freedom of choice does enter in—the State chairman permits the assigned speaker to select "which speech he intends to use"—so that the topic can be made a part of the press release to be transmitted to the district chairmen.

Mr. President, the ASTRO kit sheds further light on the services for which professional fees are paid by railroad and utility companies, a subject raised increasingly in rate and service hearings. District chairmen are urged to go through:

The State railroad association representative or the local counsel or one of the roads in their approaches to local government officials. And in working through local counsel they should request—the state chairman to contact the law department of that railroad for the assignment of the individual to be responsible.

The district chairmen are further advised to "secure news stories, columns and editorials presenting the railroads' situation," using the press kits, the "suggested interviews of different lengths" and the radio tapes being designed for distribution to local stations. The busy district chairmen, who are to submit weekly reports, with press clips attached, also line up speakers for "Rotary, Kiwanis, Civitan, Jaycees, PTA groups, professional organizations, church groups and women's organizations." The district chairmen are cautioned to:

Not overlook the significance of support from such organizations as state and local chambers of commerce, even though they may not provide speaking occasions.

The CASTRO kit also outlines procedures by which railroads will call meetings of their employees to go over this massive political action program and enlist their help on particular assignments, especially the writing of letters to Congress.

Any weak spots . . . where reaction from the public may not be favorable to the railroads' position are to be reported promptly to the State chairman. And if a situation is particularly unfavorable he should get on the telephone so that immediate steps can be taken to correct such situations.

Mr. President, I hope the phones jingle in the offices of all those State chairman. I frankly doubt that they will. The media will likely carry more CASTRO ads than exposes. The Congress, I fear, will lumber along, responding again to a powerful and well-organized lobby. Perhaps the Interstate Commerce Commission will express sympathy for the idea that it should determine CASTRO's cost and exclude it from railroad operating ex-

penses—if the Commission only had more time and money.

I would hope, however, that the Congress would abstain from any action on CASTRO proposals until after it has ascertained CASTRO's cost to date and the manner in which the costs have been reported to the ICC and State regulatory commissions. I would hope, too, that action on CASTRO proposals be deferred until after Congress has considered emergency legislation introduced as a consequence of Railpax' recent actions, and measures such as S. 608, the Transportation Consumers' Information and Counsel Act of 1971. Neither the Congress nor the Commission presently has the information and expert counsel needed to suit rail transportation to public needs. The Congress is now on a course which will make it a party to a worse boondoggle than the Penn Central fiasco.

I shall, in the near future, suggest some alternatives to the CASTRO 10-year plan for a multibillion dollar subsidy.

Mr. President, I ask unanimous consent to insert at this point in the RECORD the CASTRO kit to which I have referred along with an editorial from the January 1971, issue of Burlington Northern News and the "Watching Washington" column, by Reid Beddow, which appeared in March 8 Railway Age.

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

CASTRO KIT

ASTRO LEGISLATIVE PROPOSALS

1. The Federal government should exempt rail transportation from state and local property taxation and reimburse the states for the revenue loss.
2. Permissible types of state taxes should not, as a matter of Federal law, discriminate against railroads.
3. The Congress should require that the states devote 10 percent of Federal highway trust funds to grade crossing projects. It should also remove present restrictions which confine funds to the Federal aid highways.
4. Uniform Federal safety standards governing grade crossings should be promulgated.
5. Railroads seeking to increase work on roadbed should have access to funds from a newly-created Federal transportation fund.
6. Government guaranteed loans should be made available to expedite improvements on roadway and structures.
7. Congress should allow the railroads to amortize the costs of grading and tunnel bores over a reasonable period.
8. Rapid tax amortization should be allowed as an incentive for modernization of basic plant.
9. Railroads should qualify for Federal assistance following natural disasters on terms no less favorable than those for other modes.
10. The Federal government should guarantee loans made by railroads and railroad-owned car lines to acquire new freight cars and locomotives.
11. To provide an immediate increase in the level of cars now in short supply and to insure added motive power, the Federal government should loan 20 percent of the capital needed for such purposes. The government should also help offset the cost of borrowings to obtain such additional equipment by assuming interest charges in excess of 4 percent.
12. As a long-range program to assure an

adequate supply of general purpose cars, the Congress should create a Federally chartered non-profit corporation acquire cars under government guaranteed loans.

13. Investment tax credits should be restored for acquisitions of freight cars and locomotives.

14. The Congress should create a new agency to regulate all modes of transportation under a broad mandate of equality.

15. Railroads should be permitted to lower prices on particular commodities where the reductions would improve their earnings.

16. Until railroads can earn a reasonable rate of return, they should be authorized automatic annual increases in the general level of rates to meet higher wage and material costs.

17. Such increases should not be subject to state regulation.

18. All transportation rates should be a matter of public record, except for certain movement of farm products.

19. Selective removal of minimum rate control should be allowed on an experimental basis to determine whether a general movement to deregulation is warranted.

20. Accompanying a program of internal reform, the law should permit appeals from the ICC directly to Courts of Appeal with further review by the Supreme Court as a matter of discretion.

21. There should be a definite time limit within which appeals can be taken from orders of the ICC.

22. Federal policies should remove absolute bars to intermodal transportation companies and permit controlled experimentation concerning the benefits of common ownership.

23. Abandonment should be permitted on any line which fails to meet its avoidable costs.

24. Abandonments applied for should become effective within six months unless the regulatory agency denies the application within that time.

25. Reformed procedures should be adopted to eliminate unnecessary delays in merger proceedings.

26. The degree of Federal participation depends on whether the passenger service in question is commutation, corridor or long-haul. The governing principle, however, is that railroads should be relieved of continuing and severe losses on unprofitable service required in the public interest.

I: INTRODUCTION TO ASTRO

The history of American railroading is a history of problems.

But it's a history of accomplishment as well—of challenges met, of obstacles overcome.

In the early days, the railroad pioneers battled a hostile environment, Indians and other formidable handicaps. They were determined to triumph, because their nation needed railroads, and they knew it.

Today, railroading again faces a challenge—perhaps its greatest. Today's challenge is not as easy to identify and to meet as floods or rough terrain. But the need to triumph is just as great as it was a century ago, because our nation still needs railroads.

It was for the purpose of surveying the dimensions of transportation difficulties—and focusing upon likely solutions—that the Board of Directors of the Association of American Railroads created America's Sound Transportation Review Organization—ASTRO.

ASTRO looked at the railroad industry and found it in deep trouble.

In the opening pages of the ASTRO report, there was presented a portrait of an industry beset on every side—by poor earnings, by rising costs, by subsidized competition and by unfair regulations.

This portrait was framed in the irony of forecasts that show a growing—not lessen-

ing—need for railroad service in the future of America.

And, grimly, there was cited a real possibility that, when America most needs high-quality and low-cost rail service, her railroads may not be able to provide it.

To avert such a consequence, the ASTRO report put forward a series of bold proposals aimed at creating an economic and regulatory climate in which the railroads can continue to serve the country by competing for transportation business on equal terms.

Recommended were updated laws and regulatory procedures that would free railroads from restraints of the past; financial help on rights-of-way and equipment, recognizing that railroads can no longer perform their essential job without support such as their competitors have received; expanded federal research, and a rational approach to passenger service.

While many of the proposals, such as regulatory changes, would have no significant "price tag," ASTRO concedes that its program, as a whole, would cost money.

But it would not be as costly as the alternatives:

Not as costly as steadily deteriorating rail service at precisely the time when the nation needs to use all its transportation facilities to the fullest.

And not as costly as nationalization—a dangerous proposition at best—which has been estimated to cost as much as \$60 billion for the initial acquisition alone. Nor would it be anywhere near as costly as the present levels of government spending on other transportation facilities.

It's obvious that railroad management and railroad labor have an enormous stake in a financially sound rail system. It's our bread and butter.

But, in a real sense, the state of the rail system has a direct relationship to the bread and butter of the nation at large. The railroads cannot be permitted to fail.

The ASTRO proposals show a way to keep them whole.

It's important to remember that the ASTRO program is "not rooted in the private interests at stake," to quote from the report. It's aimed not at favoritism but at fairness—and more freedom—for the railroads.

When we urge civic groups—or any part of the public—to support the ASTRO proposals, we are urging them to support justice and to allow us to do business like any other business. More importantly, we are urging them to act in the public's own best interests.

Most of the recommendations are directed to Congress—because Congress is the only institution that can implement them. But the ASTRO message cannot be structured only toward convincing Congress of the justice of our cause.

For Congress doesn't operate in a vacuum. It's responsive to expressions of public will. Therefore, implementation of the ASTRO program will depend on developing a legislative program and generating both public and organizational support for that program.

II: THEME

The theme for the ASTRO program will be: countdown for America's railroads.

III: ASTRO: ITS OVERALL FUNCTIONS AND ORGANIZATION

After the ASTRO Report was approved by the AAR Board of Directors, the ASTRO organization was assigned the responsibility of implementing that report. ASTRO, which has its offices in the American Railroads Building in Washington, will provide three general functions in this effort:

(1) *Legislative Activities*—After consultation with the industry, ASTRO will develop policies and coordinate legislative efforts to effect legislation consistent with the recommendations of the ASTRO Report. The main thrust of this effort will occur in 1971. For the balance of 1970, these activities will be

limited to pending bills and any new legislation introduced relating to freight car supply;

(2) *Policy Activities*—ASTRO will undertake continuing evaluation of legislative proposals related to the railroad industry and will communicate with national organizations and government bodies to obtain support for policies that will assist the industry; and

(3) *Communications Program*—Prior to the introduction of major legislation in 1971, ASTRO will initiate both national and local communications programs to disseminate the basic points of the ASTRO Report—that the railroads are vital to the welfare of the American economy today, that they will become more essential tomorrow, and that, in order to provide the low cost, efficient rail service which the public will need in the coming decade, the railroads must have help, since their resources are now grossly inadequate for both present and future demands. And the ASTRO communications program will be designed to emphasize that, given (1) up-to-date regulation that stimulates management innovation and allows railroads to operate like other businesses, (2) balanced government promotional policies and (3) reform in internal practices of management and labor, the railroads can do the job the nation requires.

Beginning in 1971, the communications program will accent specific legislative solutions and request support from the general public, rail employes, shippers, national organizations and others for positive Congressional action.

The ASTRO organization is headed by former Senator George A. Smathers. Richard E. Briggs is the Executive Director and will coordinate the various staff functions of ASTRO.

The ASTRO organization is comprised of the following personnel:

George A. Smathers, General Counsel, Richard E. Briggs, Executive Director, J. C. B. Ehringhaus, Legislative Counsel, Donald T. Martin, National Coordinator, Richard E. Keefer, Jr., Policy Analyst.

The AAR's Public Relations, Legislative and Economics-Finance Departments will work closely with the ASTRO organization, providing materials, counsel and manpower in a coordinated effort to implement the ASTRO recommendations. Other AAR departments will also be involved in the ASTRO program from time to time.

V. THE PLAN FOR THE COMMUNICATIONS PROGRAM

The twin objectives of the communications program are:

To inform the general public and create, in the public mind, an awareness of and sympathy for the acuteness of railroad problems.

To encourage Congress to enact legislation that will give the industry the ability to solve its problems.

Because the accomplishment of the second objective depends upon achieving the first, the campaign will have two phases.

Phase I will be primarily educational—especially aimed, in other words, at the first objective.

Phase II will be the time for action.

Phase I should pave the way for crystallizing public understanding into active "grass-roots" support for specific legislation during *Phase II*—support that would manifest itself in letters to Congressmen, resolutions by civic clubs and local governmental bodies, newspaper editorial support and the like.

The national communications program will include the following functions:

1. Operation of a national speakers bureau. This would be made up of Senator Smathers, other ASTRO personnel, AAR executives and top industry representatives.

2. National advertising in support of the

ASTRO program. (See Appendix A for TV and radio scripts and the Fall schedule.)

3. Arrange for newspaper articles, radio and TV appearances and other public forums for railroad personnel to talk about ASTRO.

4. Contacts with national organizations such as shippers, suppliers, labor unions, women's groups and the financial community.

VI: THE "GRASS-ROOTS" COMMUNICATIONS PROGRAM

To accomplish the objectives of the program, an organization must be established to work at the local level throughout the nation. This program will be directed by the National Coordinator.

Briefly, the nation has been divided into working areas that usually cover several states. Area Coordinators from various railroads have been designated to coordinate activities within the states assigned.

In each state under his jurisdiction, the Area Coordinator will appoint a State Chairman and Vice Chairman, who will report directly to him. In the few instances where only one state comprises the area, the Coordinator may choose also to serve as the State Chairman.

A Speakers Bureau will be set up in each state under the direction of the State Chairman, who will arrange for members of the bureau to fill suitable speaking engagements in the state.

Geographical districts will be established in each state, and the State Chairman and Vice Chairman will name a District Chairman for each. District Chairmen will be responsible especially for contacts with news media, civic clubs, shippers and local government.

Basic tools will be provided by ASTRO headquarters. These will include brochures, speeches, radio and television interview scripts, press kits, charts to accompany speeches and slide presentations. The effective use of this material will be a vital part of their responsibilities. A summary of the materials and the dates they will become available are listed in Appendix B.

In order to get the ASTRO program moving quickly, the entire organization should be completed by October 15.

Since individual railroads have the best channels of communication with their employees, these channels will be used for this purpose (as described in Section XVII).

VIII: DUTIES AND RESPONSIBILITIES—NATIONAL COORDINATOR

The National Coordinator shall be responsible for directing the state and local communications program for ASTRO.

In the execution of this duty he will:

1. Coordinate all activities with the Area Coordinators.
2. Assist in establishing the organization for this program.
3. Evaluate the effectiveness of the organization at all levels and aid the various elements of the organization whenever needed.
4. Constantly keep the ASTRO staff advised of the progress the organization is making toward the achievement of its stated goals.

IX: DUTIES AND RESPONSIBILITIES—AREA COORDINATOR

The Area Coordinator will be responsible for all of the activities in the states assigned to him. He is expected to:

1. Appoint a State Chairman and Vice Chairman for each state. The selections can be made from his own or another railroad. Although there will be instances in which other types of personnel can better fill these jobs, in most cases the State Chairman and Vice Chairman probably will be members of the traffic or operating departments (one from each), since the local organizations that are set up will be composed primarily of personnel from the traffic and operating departments.
2. Assist the State Chairman and Vice

Chairman in the establishment of organizations within their states. This will include making necessary contacts with the various railroads operating within a state to assure that the most qualified individuals, regardless of railroad, are available to carry out all activities required.

3. Monitor the volume of materials used by the State Chairmen in the execution of their responsibilities. Orders for materials from the National Coordinator will be made by the State Chairman with a copy to the Area Coordinator.

4. Maintain close liaison with the State Chairmen. Reports submitted by the State Chairmen also will assist him in evaluating the activities of the organization and, at the same time, will provide him with the knowledge of any trouble spots that may need special attention.

5. Work in close coordination with the National Coordinator in Washington, keep his area and calling on him for any assistance needed. Reporting procedures for this purpose are discussed in Section XVI of this manual.

X: AREA COORDINATORS AND STATES ASSIGNED TO THEM

States and area coordinator East

Connecticut, New York, Pennsylvania, Rhode Island: William A. Lashley, Vice President, Public Relations and Advertising, Penn Central Company, Six Penn Center Plaza, Philadelphia, Pennsylvania 19104, (215) 694-3112.

Delaware, Indiana, Maryland, Michigan, Ohio: Howard Skidmore, Vice President, Chesapeake and Ohio Railway, Baltimore and Ohio Railroad, Terminal Tower, Cleveland, Ohio 44101, (216) 861-2200.

New Jersey: George W. Eastland, Manager of Public Relations, Erie Lackawanna Railway, Erie Lackawanna Terminal Building, Hoboken, New Jersey 07030, (201) 659-2000.

Maine, Massachusetts: Richard Sprague, Vice President—Public Relations, Bangor & Aroostook Railroad, 84 Harlow Street, Bangor, Maine 04401, (207) 945-5611.

Virginia, West Virginia: Peyton B. Winfree, Director of Public Relations and Advertising, Norfolk and Western Railway, Roanoke, Virginia 24011, (703) 344-1451.

South

Alabama, Georgia: William F. Geeslin, Assistant Vice President—Public Relations, Southern Railway System, Southern Railway Building, Washington, D.C. 20013, (202) 628-4460.

Arkansas, Louisiana, Texas: Harry E. Hammer, Assistant to President—Public Relations, Missouri Pacific Railroad, Texas and Pacific Railway, Missouri Pacific Building, St. Louis, Missouri 63103, (314) 622-2201.

Kentucky, Tennessee: Woodson Knight, Public Relations Director, Louisville & Nashville Railroad, 908 West Broadway, Louisville, Kentucky 4021, (502) 587-1121.

Florida, North Carolina, South Carolina: W. Edward Rachels, Manager of Public Relations, Seaboard Coast Line Railroad, P.O. Box 1620, 3600 Broad Street, Richmond, Virginia 23213, (703) 359-6911.

Illinois, Mississippi: Clifford G. Massoth, Director, Public Relations and Advertising, Illinois Central Railroad, 135 East Eleventh Place, Chicago, Illinois 60605, (312) WA 2-4811.

West

Kansas, New Mexico, Oklahoma: William C. Burk, Manager of Public Relations, Atchison, Topeka & Santa Fe Railway, 80 East Jackson Boulevard, Chicago, Illinois 60604, (312) 427-4900.

South Dakota: Chester C. Dille, Director, Public Relations and Advertising, Chicago, Milwaukee, St. Paul and Pacific Railroad, 824 Union Station, Chicago, Illinois 60606, (312) 325-7600.

Wisconsin: Frank V. Koval, Director of Public Relations, Chicago & North Western Railway, 400 West Madison Street, Chicago, Illinois 60606, (312) 332-2121.

Colorado: Alexis McKinney, Director of Public Relations, Denver and Rio Grande Western Railroad, 1531 Stout Street, P.O. Box 5482, Denver, Colorado 80217, (303) 222-5533.

Iowa: James G. Pate, Director of Public Relations, Chicago, Rock Island and Pacific Railroad, La Salle Street Station, Chicago, Illinois 60605, (312) 922-3200.

Missouri: Martin M. Pomphrey, Assistant to President, St. Louis-San Francisco Railway, Frisco Building, St. Louis, Missouri 63101, (314) CH 1-7800.

Minnesota, Montana, North Dakota, Washington: A. M. Rung, Vice President, Public Relations and Advertising, Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minnesota 55101, (612) 224-5588.

Idaho, Nebraska, Oregon, Utah, Wyoming: Edwin C. Schafer, General Director of Public Relations, Union Pacific Railroad, 1416 Dodge Street, Omaha, Nebraska 68102, (402) 281-5822.

Arizona, California, Nevada: James G. Shea, General Public Relations Manager, Southern Pacific Transportation Company, One Market Street, San Francisco, California 94105, (415) DO 2-1212.

XI: DUTIES AND RESPONSIBILITIES—STATE CHAIRMAN AND VICE CHAIRMAN

The State Chairman and Vice Chairman, to best fulfill their duties in the organization they will head, should:

1. Select District Chairmen throughout the state. Enough districts should be set up to adequately cover the state. In some cases this may mean only four or five. In others it could mean many times that number. It's better to have too many than too few. Here, again, efforts should be made to obtain employees from other railroads for some districts.
2. As soon as possible, call a meeting of all District Chairmen to outline the plans and procedures of the program so that each District Chairman can select his own personnel necessary to fulfill the responsibilities of his position. This should be done so that the organization in each state is complete by October 15.
3. Call upon the Area Coordinator to assist in those areas where there are multiple railroads and where the use of personnel from several railroads is desirable for the District Chairmanships.
4. Establish a State Speakers Bureau, securing personnel from all railroads operating within the state. Care should be exercised to insure that the best qualified persons are assigned to represent the industry as speakers. (Section XIV of this manual spells out in more detail how the State Speakers Bureau should be set up and operated.)
5. Order materials requested by the District Chairmen from the National Coordinator and supervise the use of these materials by the District Chairmen. A separate order should be sent in for each District Chairman, and a copy of all orders should be sent to the Area Coordinator. The materials ordered will be mailed direct to the District Chairmen. Available materials are listed in Appendix B. Sample order forms are included in Appendix C.
6. Maintain close coordination with the District Chairmen.
7. Keep the Area Coordinators informed constantly of the situation in each state. This will be done by the normal reporting procedures outlined in Section XVI of this manual. However, if emergency situations arise, immediate contact should be made with the Area Coordinator.
8. Coordinate media contacts with all railroads having a public relations department or PR personnel operating within the state.
9. Maintain liaison with the state railroad association representative. (A list of the rep-

representatives of each state is contained in Section XIII.) This liaison will be more important in accomplishing the objectives under Phase II than it will be under Phase I. However, this contact should be made as soon as possible to obtain advice on the emphasis and coverage which state activities should have as well as the assistance which the state railroad association representative can provide. In the absence of the Chairman, the Vice Chairman will assume all of his duties and responsibilities.

XII: STATE CHAIRMAN AND VICE CHAIRMAN

Names and addresses of the State Chairmen and Vice Chairmen will be sent you for inclusion in the manual as soon as they are appointed.

XIII: STATE RAILROAD ASSOCIATION REPRESENTATIVES

Alabama

Anderson, Walter M., Jr., Secy. and Treas., Alabama RR. Assn., Box 21, First Ntl. Bank Bldg., Montgomery, AL 36101, (205) 262-1925.

Alaska

Delaney, James J., Jr., Attorney at Law, 1003 Lancaster Drive, Anchorage, AK 99503, (907) 279-3581.

Arizona

Stanton, Allan J., Counsel, Arizona RR Assn., Luhrs Building, Phoenix, AZ 85003, (602) Alpine 8-8041.

Arkansas

Coleman, C. Fred, Chairman, Arkansas RR. Assn., 1100 Boyle Building, Little Rock, AR 72201, (501) 376-2011

California

Lyon, LeRoy E., Jr., General Counsel, California RR. Assn., Eleventh and L Building, Sacramento, CA 95814, (916) 448-3381.

Colorado

Witherall, Richard F., Director, Colorado RR. Assn., 702 Majestic Building, Denver, CO 80202, (303) 534-4663.

Florida

Fokes, W. Robert, Special Representative, Florida RR. Assn., P.O. Box 1169, Tallahassee, FL 32302, (904) 224-1812.

Georgia

Parmer, Hershel W., Asst. to President, Louisville & Nashville, 1800 First Ntl. Bank Bldg., Atlanta, GA 30303, (404) 523-6685.

Bryan, W. B. (Bill), Asst. to President, Seaboard Coast Line, Rm. 644 Piedmont-Cain Bldg., 148 Cain Street, N. E., Atlanta, GA 30303, (404) 521-1333.

Idaho

Grayson, Sam A., Special Representative, Union Pacific RR., 611 Idaho Building, Boise, ID 83702, (208) 343-1771.

Illinois

Smiley, Thomas W., Executive Director, Illinois RR. Assn., Rm. 801, 135 E. 11th Place, Chicago, IL 60605, (312) 427-1919.

Loop Office, Suite 1709, 12 So. Mich. Blvd., Chicago, IL 60603-726-9523.

During Illinois State, Legislative Session: House Clerks Office, State Capitol, Springfield, IL 62702, (217) 525-6010.

Indiana

Dalton, J.R., Executive Director, Assd. Rys. of Indiana, 1508 Merchants Bank Bldg., Indianapolis, IN 46204, (317) 631-9709.

Iowa

Hicklin, M. F., Executive Director, Iowa Railways Association, 507 Bankers Trust Bldg., Des Moines, IA 50309, (515) 244-1888.

Kansas

Walton, William A., Attorney, Kansas R.R. Committee, Suite 800 Merchants Bank Bldg., 8th and Jackson Streets, Topeka, KS 66612, (913) 232-5805.

Kentucky

Renfroe, W. W., Exec. Dir. & Gen. Coun., Kentucky RR. Assn., 101 East High Street, Lexington, Ky. 40507, (606) 255-7255.

Louisiana

Richardson, Harry H., General Counsel, Louisiana RR. Assn., 335 Austin Street, Bogaloussa, LA 70427, (504) 732-4292; in Washington: 4201 Cathedral Ave. NW., D.C. 20016, (202) 244-7747.

Maine

Houston, William M., VP & Gen. Coun., Bangor & Aroostook RR., 84 Harlow Street, Bangor, ME 04401, (207) 945-5611.

Maryland

Van Horn, Charles R., Asst. Vice President, C&O-B&O Railroad, 402 Transportation Bldg., Washington, D.C. 20006, (202) ST 3-8124.

Massachusetts

Milano, James E., Attorney, Boston & Maine Railroad Corp., 150 Causeway Street, Boston, MA 02114, (617) CA 7-6000, Ext. 586.

Michigan

Wyatt, George H., Chm. & Gen. Coun., Michigan RRs. Assn., 314 M. C. Terminal, Detroit, MI 48216, (313) 825-7000.

Minnesota

Forbes, Gordon, Counsel, Minnesota Railroads, 207 Union Depot Bldg., St. Paul, MN 55101, (612) 224-5447.

Mississippi

Noblitt, H. Don, Exec. Director, Mississippi RR. Assn., P. O. Box 3015, Jackson, MS 39207, (601) 353-0214.

Missouri

Downey, Thomas J., Counsel, Missouri RR. Comm., Suite 701, Central Trust Bldg., Jefferson City, MO 65101, (314) 636-2245.

Montana

Gough, Newell, Jr., Chairman, Montana RR. Assn., P. O. Box 1686, Helena, MT 59601, (406) 442-4810.

Nebraska

Miller, Ed R., Vice Chairman, Nebraska RR. Assn., Burl. RR. Capitol Plaza, 1815 Capitol Avenue, Omaha, NE 68102, (402) 341-6831.

Nevada

Soderblom, Carl A., Legislative Repr., SouPac-WnPac, One E. First St., Rm. 803, Reno, NV 89501, (702) 329-2492.

New Jersey

Nasmith, Augustus, Vice Chm. & Gen. Coun., Assd. RRs. of New Jersey, Pa. Station, Raymond Plaza, Newark, NJ 07105, (201) 622-6900.

New Mexico

Holder, O. J., Director, New Mexico RR. Committee, Box 2103, Santa Fe, NM 87501, (505) 982-5221.

New York

Condello, Victor, Vice Chm. & Gen. Coun., New York RR. Assn., Rm. 1537, 466 Lexington Ave., New York, NY 10017, (212) 532-2225.

North Carolina

Swindell, Russell A., Executive Director, N.C. RR. Assn., P.O. Box 2635, Raleigh, NC 27602, (919) 828-0389.

Ohio

Gill, Joseph S., Counsel, Ohio RR Assn., 16 East Broad Street, Columbus, OH 43215, (614) 224-4010.

Oklahoma

Welch, Don, Jr., General Counsel, Oklahoma Rys. Comm., Madill, OK 73446, (405) 795-3388.

Oregon

Miller, Luman G., Manager, Oregon RR. Assn., 912 Falling Building, Portland, OR 97204, (503) 227-0060, 227-4256.

Pennsylvania

Kepner, Franklin E., Special Counsel, Assd. RRs. of PA, Berwick Bank Building, Berwick, PA 18603, (717) 752-2766.

Rhode Island

Athy, James A., Asst. to VP-New England, Penn Central, 492 South Station, Boston, MA 02210, (617) 482-7800.

South Carolina

Sims, Lana H., Director, S. C. RR. Assn., 1006 Security-Federal Bldg., Columbia, SC 29201, (803) 256-0646.

South Dakota

Richardson, Lloyd C., Jr., Chairman, S. D. RRs. Assn., Rm. 3, Milwaukee Sta Bldg., Aberdeen, SD 57401, (605) 225-6310.

Tennessee

Givens, Dave, Executive Secretary, Tennessee RR. Assn., 916 Nashville Trust Bldg., Nashville, TN 37201, (615) 242-5130.

Texas

Caven, Walter, General Counsel, Texas RR. Assn., P.O. Box 1767, Austin, TX 78767, (512) GR 8-9389.

Utah

Allen, Arthur A., Jr., General Counsel, Utah RR. Assn., 1007 Kearns Building, Salt Lake City, UT 84101 (801) 322-1121.

Virginia

Waldrop, Emory F., Jr., Asst. VP, SCL, P. O. Box 1620, 3600 W. Broad St., Richmond, VA 23213, (703) 359-6911, Ext. 438, 347-0935.

Washington

Greenwood, Dale, Executive Director, Washington RR. Assn., 302 Hoge Building, Seattle, WA 98104, (206) 623-8714.

West Virginia

Parrish, George F., Executive Secretary, W. Va. RR. Assn., 1106 Security Bldg., Box 7, Charleston, WV 25321, (304) 342-1323.

Wisconsin

Ostby, Byron C., Executive Director, Wisconsin RR. Assn., 25 West Main Street, Madison, WI 53703, (608) 257-0411.

Wyoming

Evans, Harry D., Special Repr., Burlington Northern Inc., Burlington Depot, Casper, WY 82601, (307) 237-2766.

XIV: STATE SPEAKERS BUREAU

Each State Chairman is responsible for the establishment of a State Speakers Bureau to operate within his state.

The selection of speakers should be made with the objective of obtaining the most qualified persons capable of presenting the railroads' problems before the various organizations. To do this, he should call upon the Area Coordinator to assist him, if necessary, in contacts with other railroads. In any event, careful selection of personnel to fill the assignments as speakers is extremely important to the success of this program.

Sufficient photographs and biographical sketches of all speakers should be secured and maintained on file in the State Chairman's office.

As the District Chairman makes contacts with various organizations and secures an invitation for a speaker, he should send the form titled "Request for Speakers" in triplicate to the State Chairman. (A copy of this form is included in Appendix C.)

Upon receipt of a request for a speaker, the State Chairman should evaluate the importance of the organization extending the invitation.

If the State Chairman determines it is sufficiently important for a representative of the National Speakers Bureau, he should consult the Area Coordinator who, if it's determined to request a national speaker, will contact the Executive Director of ASTRO in Washington to fill the engagement.

If the assignment of a speaker is to be made from the state's own Speakers Bureau, the State Chairman should complete Part II of the request form and return it to the District Chairman, sending a copy of the form to the speaker himself. The third copy of the form should be retained in the State Chairman's office. The making of an assignment, of course, must follow a personal contact with the speaker to make certain of his availability.

The State Chairman will provide the necessary press release, as well as a biographical sketch and photograph, to the District Chairman so that maximum coverage can be obtained through the media of all speaking engagements.

The State Chairman will provide the speakers with a complete set of pattern speeches, together with charts to accompany them. He also will have slide presentation sets available, if this type of presentation is preferred. These will be supplied by national headquarters. Each speech will also have pattern releases that can be individually adapted for press coverage on the speech as well as advance news items.

The State Chairman should determine from the assigned speaker which speech he intends to use so that the topic can be made a part of the press release to be transmitted to the District Chairman.

All the materials for the Speakers Bureau are listed in Appendix B.

XV: DUTIES AND RESPONSIBILITIES—DISTRICT CHAIRMAN

Each District Chairman will be responsible for contacting the news media, civic clubs, shippers and local government.

In carrying out these responsibilities, he should secure necessary additional personnel from all railroads operating in his district to insure adequate contacts with all such segments of the public. In the assignment of personnel to contact the local government, he may determine the best contact would be the state railroad association representative or the local counsel of one of the roads. If the latter is the case, he should request his State Chairman to contact the law department of that railroad for the assignment of the individual to be responsible.

His assignment of personnel should be made on the basis of selecting the best qualified individuals from among all railroads serving the district to accomplish the following functions:

1. *Media contacts*—Contacts with newspapers, radio and television should be made to secure news stories, columns and editorials presenting the railroads' situation and emphasizing the need for solutions to their problems. Press kits to assist him in these contacts will be supplied by the State Chairman. In contacting the broadcast media, he should attempt to obtain appearances, either live or taped, providing opportunities to present the railroads' story. In making these contacts, he should keep in mind that the television or radio stations expressing an interest may have programs of sufficient importance to justify the use of the National or State Speakers Bureau. In that event, he should consult with his State Chairman so that an appropriate industry spokesman may be assigned. Suggested interviews of different lengths will be included in the press material. Also being designed are radio tapes for distribution to local stations.

2. *Civic contacts*—Speaking engagements should be sought for presenting this story to all possible groups. Suggested speeches, including charts and slide presentations, will be made available by the State Chairman to assist him to carry out this function. A separate section on the handling of speakers before various organizations is included in this manual. Typical of the organization that should be contacted for speaking occasions

are: Rotary, Kiwanis, Civitan, Jaycees, PTA groups, professional organizations, church groups and women's organizations, including railway business women's associations. Pamphlets will be provided for distribution to members of these organizations when presentations are made. Those responsible for contacts of this type should not overlook the significance of support from such organizations as state and local chambers of commerce, even though they may not provide speaking occasions.

3. *Shippers*—The initial goal is to bring home to shippers and receivers the condition of the railroad industry and to present to them copies of the pamphlet outlining the problems and general solutions.

4. *Local Government*—Mayors, councilmen and county commissioners should be informed of the problems confronting the railroads and of the need for legislation to remove the handicaps under which they must now operate.

It will be noted that the responsibility of the District Chairman for contacting the various "publics" mentioned above is aimed during Phase I at merely advising them of the conditions under which the railroads now operate. The material and supplies to be used in these contacts will not ask for any more than understanding and support. Under Phase II, the contacts should be designed to secure the following:

1. Editorials in favor of definite legislation.
2. Resolutions from organizations where speeches are made.

3. Letters to Congressmen endorsing this legislation from as many shippers and individuals as possible.

The District Chairman will keep in close touch with the State Chairman, rendering weekly reports on activities in each district in accordance with the reporting procedures listed in the manual.

All materials for the use of the District Chairman are described in Appendix B. They should be ordered through the State Chairman.

XVI: REPORTING

Reports covering activities in his district should be submitted by each District Chairman so as to reach the State Chairman by Monday of each week. (A copy of the report form is included in Appendix C for this purpose. These forms will be supplied through the State Chairman.)

The report form is designed to give the State Chairman information on activities which have been carried on in each District Chairman's area. The District Chairman, in making his report, should also advise the State Chairman of any weak spots in his area where reaction from the public may not be favorable to the railroads' position. In some cases, where the situation is particularly unfavorable, the District Chairman should contact the State Chairman by telephone so that immediate steps can be taken to correct such situations.

The District Chairman should promptly furnish to the State Chairman all pertinent newspaper and magazine clippings and all broadcast transcripts. These should be attached to his weekly report.

Upon receipt of the District Chairman's report by the State Chairman, the latter should consolidate such reports, making his own analysis of the conditions that exist in his state, and then forward this report—with clippings and transcripts—by Tuesday of the same week directly to the Area Coordinator, with a copy to the National Coordinator in Washington. (This will expedite reporting and also reduce the amount of work in the reporting procedure.)

The Area Coordinators should analyze the results of contacts made in the areas under their jurisdiction and make a situation report to the National Coordinator in Washington every two weeks. He should forward the

clippings and transcripts he has received with this report. In the event the Area Coordinator runs into special problems between reporting periods, he should make immediate contact with the National Coordinator, who will render whatever assistance may be needed. Close coordination between the Area Coordinators and the National Coordinator should be maintained.

XVII: EMPLOYEE CONTACTS OF INDIVIDUAL RAILROADS

Among the most important groups to the success of the overall program are the employees of the individual railroads. These contacts have not been assigned to the State Chairman or District Chairman since individual railroads can best do the job.

The use of company publications and bulletins can be extremely helpful, not only to inform employees of the program, but also to secure their assistance in carrying out campaign functions.

The AAR Public Relations Department is also developing a pamphlet for employees which will be made available in quantity to individual railroads for mailing to their employees' homes.

It also would be highly desirable for each railroad to call meetings of its employees for the purpose of outlining the objectives of ASTRO and enlisting their help on particular assignments, especially under Phase II, the letter-writing phase.

APPENDIX A Advertising

To provide a bridge between the AAR's established advertising program and a special campaign planned for next year to deal directly with ASTRO objectives, television and radio spots have been used this fall. They will continue through December. The commercial messages, concentrated in sports and high-quality news and dramatic programs, stress the essentiality of railroad services and the need for freedom and equality in transportation.

The schedule:

Television

- October 6, First Tuesday (NBC), 9:00-11:00 PM.
- October 10, NCAA Football (ABC), Texas vs. Oklahoma, 4:00-7:00 PM.
- October 14, Nightly News (NBC) 6:30-7:00 PM.
- October 17, Wide World of Sports (ABC), 1:30-3:30 PM.
- October 23, High Chaparral (NBC), 7:30-8:30 P.M.
- October 24, NCAA Football (ABC), Regional game, Various.
- October 31, NCAA Football (ABC), Regional game, Various.
- November 5, Nightly News (NBC), 6:30-7:00 PM.
- November 7, NCAA Football (ABC), Regional game, Various.
- November 11, The Men from Shiloh (NBC), 7:30-9:00 PM.
- November 21, NCAA Football (ABC), U.C.L.A. vs. Southern California, 8:00-11:00 PM.
- November 24, Tuesday Night at the Movies (NBC), 9:00-11:00 PM.
- November 27, NBA Basketball (ABC), 2:30-4:30 PM.
- December 1, First Tuesday (NBC), 9:00-11:00 PM.
- December 5, NCAA Football (ABC), Regional game, Various.
- December 23, The Men from Shiloh (NBC), 7:30-9:00 PM.
- December 25, NBA Basketball (ABC), 2:30-4:30 PM.
- December 26, Wide World of Sports (ABC), 5:00-6:30 PM.
- December 30, Four-In-One (NBC), 10:00-11:00 PM.
- December 31, Nightly News (NBC), 6:30-7:00 PM.

(Note: All times shown are Eastern Standard Time.)

Radio

The railroads will be a participating sponsor of NBC's popular *News on the Hour*, Monday through Friday. There will be a total of 90 announcements during the 10-week period, October 5-December 11.

(Scripts of these television and radio commercials follow.)

SCHIRRA, V. O.: This glass of water is brought to you by . . . America's railroads. This, and a billion others like it every day. Without railroads, pouring a glass of pure water might become a luxury for most Americans. Without railroads to haul the chemicals to purification plants, a drink of water could be very scarce, and very expensive. We can't do without railroads.

* And if railroads are just allowed to do business like any other business—with up-to-date regulations and fair taxation * then they'll always deliver the goods. And then nobody . . . Will ever get . . . Too *thirsty*. America's railroads. Who needs them? You do. We all do.

SCHIRRA (VO): America's Railroads. Who needs them?
The man who has a special on cantaloupes this week.

The man who builds a house you can buy . . . without going to the poorhouse.

The lady who prices her glassware so it doesn't break *you*.

All the business you do business with. Where would most of them be without railroads to deliver the goods at the lowest cost?

Out of business. America without railroads? We can't afford that. But, if railroads are just allowed to do business like any other business—with up-to-date regulations and fair taxation—then they'll always deliver the goods.

SCHIRRA (VO): America's Railroads Who needs them? You do. We all do.

SCHIRRA: What would happen if . . . there were no more railroads? You might not even be able to read about it. Because a lot of newspapers could be no more.

Without railroads to move it from the mills, paper wouldn't be so cheap any more. We'd all read less. And write less. It could even mean . . . fewer school books and . . . no ticker tape parades. Paper might be so scarce we could use it for money.

America without railroads? We can't afford that. But, if railroads are just allowed to do business like any other business—with up-to-date regulations and fair taxation—then they'll always deliver the goods.

SCHIRRA (VO): America's Railroads Who needs them? You do. We all do.

ANNCR: Speaking for America's Railroads . . . Wally Schirra.

SCHIRRA: A glass of clean, fresh water. SCHIRRA: We take it for granted sometimes. Just as . . . we take America's railroads for granted sometimes. But did you know . . . it's the railroads that help keep America from going thirsty? Because it's the railroads that haul most of the chemicals to water purification plants.

Without railroads, a drink of pure water could be very scarce, and very expensive. We can't do without our railroads.

If railroads are just allowed to do business like any other business—with up-to-date regulations and fair taxation—then they'll always deliver the goods.

And then nobody . . . will ever get . . . too thirsty.

America's railroads. Who needs them? You do. We all do.

ANNCR: Wally Schirra has been brought to you by the Association of American Railroads.

ANNCR: Speaking for America's Railroads . . . Wally Schirra.

SCHIRRA: Take a piece of paper . . . write something on it . . . then tear it up and throw it away.

That's one reason paper is worth so much to us: It's so cheap. But if there were no railroads to move it from the mills . . . paper wouldn't be so cheap any more. And that could mean fewer newspapers and school books . . . shorter love letters . . . no more ticker tape parades. Paper might be so scarce, we could use it for money. America without railroads? We can't afford that. But, if railroads are just allowed to do business like any other business—with up-to-date regulations and fair taxation—then they'll always deliver the goods.

America's Railroads. Who needs them? You do. We all do.

ANNCR: Wally Schirra was brought to you by the Association of American Railroads.

ANNCR: For America's Railroads . . . Wally Schirra.

SCHIRRA: Did you know that . . . it's the railroads who haul most of the chemicals to water purification plants. Without railroads, a drink of pure water could be very scarce and very expensive, and America could be a very thirsty place. But if railroads are just allowed to do business like any other business . . . with up-to-date regulations (and fair taxation) . . . then they'll always deliver the goods . . . America's railroads. Who needs them? You do. We all do.

ANNCR: Brought to you by the Association of American Railroads.

ANNCR: For America's Railroads . . . Wally Schirra.

SCHIRRA: All the businesses you do business with. Where would most of them be without railroads to deliver the goods at the lowest cost? Out of business. America without railroads? We can't afford that. But, with up-to-date regulations and fair taxation, the railroads will always deliver the goods. America's Railroads. Who needs them? You do. We all do.

ANNCR: Brought to you by the Association of American Railroads.

ANNOUNCER: For America's Railroads . . . Wally Schirra.

SCHIRRA: Take a piece of paper then tear it up and throw it away. That's one reason paper is worth so much to us: It's so cheap. But if there were no railroads to move it from mills . . . paper wouldn't be so cheap anymore. We can't afford that. With up-to-date regulations and fair taxation, the railroads will always deliver the goods. America's Railroads. Who needs them? You do. We all do.

ANNOUNCER: Brought to you by the Association of American Railroads.

APPENDIX B

Astro materials for communications program

Now available are: *Press Kits* . . . including a summary of the ASTRO report and these background articles:

1. Who Needs Them?
2. A Future of Staggering Proportions
3. Trouble With a Capital "T"
4. Creative Involvement
5. Needed: An Even Hand
6. Realism About Passenger Trains
7. Another Need: Teamwork
8. The Worst Solution
9. Stop, Look and Require It

Speech Text . . . for use before civic clubs and other general audiences. Other texts for special groups will be available by October 1.

Operations Manual . . . for distribution to all who are actively participating in the campaign.

Report Forms . . . samples of forms to be used for activity reports, for requesting assignment of speakers and for requesting materials are included in the *Operations Manual*. Additional copies may be secured from ASTRO headquarters.

Radio Scripts . . . suggested for use when interviews can be arranged on local stations. Separate scripts are available for 2, 5 or 10 minutes.

To be available by October 1 are:
Pamphlets . . . the first of a series will be designed for the general public. It will be in Q. and A. form. Another—written especially for shippers—will be available by October 15.

News Releases . . . suggested articles for the press that can be used in advance of an ASTRO speaker's appearance before a local club and as coverage of the speech.

To be available by October 25 are:
Slides . . . a 15-minute presentation with accompanying script.

Radio Tapes . . . brief comments by national spokesmen for ASTRO suitable for use on local newscasts.

Charts . . . poster-size visuals suitable for display at meetings.

To be available near the end of the year is:
Pamphlet . . . designed for employee distribution.

APPENDIX C

District Chairman's contact report
For Week Ended (Place).
From: (District Chairman).
To: (State Chairman).
Number of contacts—Total:
General Reaction:
No. of Very Favorable.
No. of Favorable.
No. of Unfavorable.
No. of None.
Number of speeches made:
Total Audience.
General Reaction:
No. of Very Favorable.
No. of Favorable.
No. of Unfavorable.
No. of None.
Number of news media contacts:
Newspaper Interviews.
Radio Appearances.
Television Appearances.
General Reaction:
No. of Very Favorable.
No. of Favorable.
No. of Unfavorable.
No. of None.
Remarks:

Request for speaker (in triplicate)
To: State Chairman: (state).
From: District Chairman: (name), (place).
To Speak To: (Name of Organization), (city), (number of organization).
Date, Time, Place.
Remarks:
To: District Chairman: (name), (place).
From: State Chairman: (state).
Assigned Speaker: (name), (title), (railroad).
Remarks:

Request for Materials, ASTRO Communication Program
To State Chairman—
Please ship the following materials: titles, quantity.
To: name, title, address.
Date: (of request), signature.
cc: (area coordinator), address.
Received: date.
Short Ordered:

COUNTDOWN—FOR AMERICA'S RAILROADS
Time is ticking away in a grim countdown for America's railroads.
They're in deep trouble.

Every American has a pocketbook interest in the "railroad problem" because transportation is an element in the price of just about everything we use or consume—and railroads are the backbone of our transportation system.

They move more ton-miles of intercity freight each year than trucks, barges and airplanes combined.

And the load's getting bigger all the time. The railroad volume increased 33 percent in the last decade. It's expected to show even faster growth in the next—partly under the influence of environmental concerns. For railroads can help solve such critical prob-

lems as urban congestion, air pollution and land utilization, even while expanding their capacity.

So there's no question about the nation's Space Age need for railroads.

But national transportation policy has not kept pace with the times. And the railroads have been the principal victims.

They're still shackled by policies, laws and regulations imposed under a concept that began when railroads had a virtual transportation monopoly. They continue to be hamstrung in their efforts to compete—even though the monopoly situation hasn't existed for almost half a century.

In addition, billions in public funds have long been lavished on facilities used by trucks and buses, airlines and barges, while railroads have paid their own way.

Many railroads have now exhausted their financial resources in an extended struggle to keep pace with progress—and stay in business.

But the situation is not hopeless.

The costly course of nationalization can be avoided—if prompt and bold action is taken.

Laws and regulations must be overhauled. The railroads must be brought "into the family" as part of a balanced national transportation system—based on fair and equal treatment of all modes.

A comprehensive program to achieve this end has been proposed by America's Sound Transportation Review Organization. ASTRO was created by the Association of American Railroads to make a thorough study of present transportation conditions and future needs. Its report calls for creative federal involvement in railroad problems on a basis similar to that which has long benefited other forms of transportation.

To provide the facts you'll need to reach your own conclusion about the course our nation should follow, here are the answers to many questions about the ASTRO program and its alternative—nationalization of the railroads.

Q. What is the most critical railroad problems?

A. Simply put; it's the fact that the industry is rapidly losing its ability to find the money it needs for modernization and growth.

Q. What does this need amount to?

A. ASTRO assessed the industry's capital requirements through 1980 at \$3.6 billion. This is what's needed for modernization and improvement of services. Given the chance that ASTRO proposes, a reviving railroad industry could handle about three-fourths of this.

Q. What would the \$36 billion be used for?

A. Part of this money is required on some railroads to overcome past deficiencies. The bulk of it is to keep pace with present and future needs. About half—\$18.6 billion—is needed for expansion of the freight car fleet. Another \$6 billion should go for new locomotives and the modernizing of others. Rail and tie installations will require \$5.8 billion. And other needed capital expenditures are estimated at \$6 billion.

Q. Why can't the railroads borrow the money they need?

A. Some can, but interest costs are double what they were 10 years ago. Others can't because of their currently depressed financial conditions.

Q. What kind of "federal involvement" is proposed?

A. ASTRO suggested a number of ways in which the government could help. Most don't involve outlays of money at all. Some call for loan guarantees, others for loans and advances requiring repayment. And many concern only changes in regulatory approach and tax policies.

Q. What are some of the specific proposals?

A. It's recommended that the government guarantee loans to buy new equipment; provide low interest loans for those types of

freight cars which are in short supply; restore tax credits on new equipment purchases, and create a non-profit corporation to acquire a "free running" fleet of general purpose freight cars to relieve shortages.

Q. Isn't any public money involved, other than for loans and advances?

A. Yes. But it's a mere drop in the bucket compared to government expenditures on facilities benefiting other modes—like highways, airways and waterways. It's proposed that a single transportation trust fund be established, with the railroads contributing through a user tax. From this fund, ASTRO suggests the railroads receive \$400 million a year for maintenance-of-way and plant improvements—a proposal that seems justified in light of the publicly financed "ways" used by competitors. It's also suggested that the government provide \$100 million a year for cooperative research in both the passenger and freight fields. This would amount to just 12 percent of its transportation research and development funds. The federal government will spend \$290 million in the next 12 months alone on the supersonic transport.

Q. Would a single transportation trust fund be in the public interest?

A. A fund of this type would assure that tax money is spent where it will accomplish the most in solving overall transportation problems. Where rail transportation can be used to ease highway congestion, it becomes a good investment for the motorist—and the general public.

Q. Why does ASTRO suggest using more highway money for grade crossings?

A. Grade crossing safety has long been recognized by federal authorities as essentially a highway problem. States are authorized to spend 10 percent of their trust fund money for crossing separations or protective devices. Most spend only a fraction of available funds for this purpose. ASTRO simply proposes that full use of the available money be required and that part of it be used where most of the hazardous crossings are—on state and local roads.

Q. What kind of regulatory changes are asked?

A. Mostly they're designed to give shippers and the public the benefit of truly competitive transportation—to let railroads operate more like other businesses do. It's recommended that they be given more freedom to eliminate losing freight services; that they be permitted to lower rates on certain commodities to attract new business that would increase their earnings; that state rate regulations be eliminated as an undue burden on interstate commerce; that bars to the development of intermodal transportation companies be removed; that selective removal of minimum rate controls be tried on an experimental basis to see if such controls are really needed, and that a single authority be created to regulate all forms of transportation with an even hand.

Q. If the ASTRO program is adopted, will it lead to lower freight rates?

A. It should on selected commodities. But a lot of factors—not the least of them being inflation—enter into this question. Most other businesses can increase prices at will when inflation hits. The railroads, too, must be able to adapt to changing economic conditions. ASTRO suggested that a general rate increase of up to 6 percent be permitted each year without government interference—until the railroads achieve an adequate rate of return on their investment.

Q. What does ASTRO propose concerning passenger service?

A. It broke this down into three different categories—commuter, corridor and other intercity service. It proposed partnerships between government and industry to operate and improve needed commuter services. It recommended further experiments in corridor service with greater federal assistance.

And it endorsed a plan to put all intercity passenger train operations under a single corporation.

Q. If such a corporation takes over passenger service, why not freight as well?

A. Passenger service can be taken over and improved at much less cost to the public. The railroads themselves will provide the operating facilities—and a large part of the initial financing. The corporation, operating under a completely new set of government ground rules, would be able to tailor passenger services to the public need—and will ingenuity to pay. Government operation of freight service, on the other hand, would necessitate a complete takeover of the railroads—at a tremendous cost.

Q. Since land grants helped build the railroads why can't the government just take the land back?

A. Only 10 percent of the national railway network was built with the help of either federal or state land grants. Where these grants were involved, and in other rare instances where aid was extended to the railroads, repayment was made—usually many times over. Thus most railroad facilities were brought and paid for and are privately owned. Through the years, they've been subject to heavy taxes.

Q. Haven't railroads complained about state and local taxes?

A. They've been glad to pay their share of school and other governmental costs as long as they could. The big complaint has been over the fact they've often been taxed at higher rates—deliberately discriminatory—than other property owners. ASTRO suggests federal tax-sharing with state and local governments to reimburse them for eliminating present property taxes on railroad operating facilities.

Q. Wouldn't nationalization solve most of the railroad problems?

A. It hasn't elsewhere. On the contrary, Luis Armand of France—perhaps the most noted transportation authority in Europe—has said: "Government takeover is pointless. It solves no problems. It merely transfers responsibility for them. Europe's experience shows how badly this can work out in all too many cases." We've had an example of this in our own country. Under government control during World War I, the cost of railroad operations to U.S. taxpayers was \$2 million a day, and plant and quality of service deteriorated badly.

Q. Why do other countries have nationalized railroads?

A. In most cases they were taken over in times of distress because railroads were recognized as essential. Once made, the choice can't readily be undone despite high costs to taxpayers.

Q. Don't the nationalized lines provide better service than U.S. railroads?

A. Comparisons are difficult because of differing circumstances. In our vast land, railroads are freight-oriented, providing twice the ton-miles of service as the national systems of Japan and Western Europe combined. Their railroads—operating in much smaller and more densely populated areas—emphasize passenger service. The bulk of their traffic would correspond to commuter or "corridor" service in this country. The average trip length is 22 to 25 miles in most countries.

Q. How do nationalized lines fare financially?

A. They operate at an average 20 percent deficit in Europe and Japan. A similar deficit by the American railroads would amount to more than \$2 billion a year. The taxpayers would have to pay it.

Q. Are other transport modes nationalized in other countries?

A. In most countries, the airlines are nationalized. Motor carriers are in some. Where they aren't, their operations often are restricted in various ways to make sure they

don't divert too much traffic from the railroads.

Q. What would it cost the government to take over U.S. railroads?

A. Estimates run as high as \$60 billion—based on the market value of property, facilities and equipment. If payment were made in government bonds, interest would add billions of dollars to the cost. And there'd still be the need for capital improvements costing billions more.

Q. What would ASTRO's proposals cost the government?

A. It's anticipated that—in time—the government would recover its investment through taxes resulting from business gains by the revitalized railroad industry. What's needed is a helping hand—not a handout. The railroads can regain their financial health with a reasonable amount of government help during their present crisis and long-range policies that treat all forms of transportation alike.

OUR CONCLUSION

If railroads are to keep pace with the times and achieve their full potential in service to the nation, they must be brought into the transportation system and treated as equal partners.

On this basis they can remain in private hands. They can be modernized and improved—largely at their own expense—and continue as a great national asset.

Nationalization would convert this asset into a public liability. The nation simply can't afford to let that happen.

The switch is in your hands. And time is running out.

SUGGESTED SCRIPTS FOR RADIO INTERVIEWS: 2, 5 AND 10 MINUTES

Suggested Radio Interview Time: 2 Minutes

ANNOUNCER: One of the important problems facing our nation today concerns railroads. A special study group known as America's Sound Transportation Review Organization—ASTRO—recently recommended "creative federal involvement" to help railroads solve their problems. Here to discuss this subject with us is Mr. _____ of (railroad). Mr. _____, exactly what is meant by "creative federal involvement"?

RAILROAD SPOKESMAN: I'd say it means involvement that is positive and helpful. Up to now, most federal involvement in railroad problems has been in a negative or repressive way.

ANNOUNCER: Doesn't it also mean financial help from the government?

RAILROADER: That's part of it, of course. But it's only a small part. The amount of direct aid the railroads need is just a drop in the bucket compared to what the government spends every year on facilities used by our competitors. What the railroads need is a helping hand—not a handout.

ANNOUNCER: What kind of a "helping hand" is proposed?

RAILROADER: ASTRO suggested a program of loan guarantees and government loans requiring repayment. This would help the railroads get the cash they need to modernize facilities, buy new equipment and improve services. Changes in regulatory policies also are suggested to enable the railroads to compete with other forms of transportation on a fair and equal basis. That's something they can't do now.

ANNOUNCER: And why should the government help the railroads?

RAILROADER: I can think of three good reasons—right off the bat:

One—Because railroads are essential to the national economy and the low-cost service they provide affects the pocketbooks of all of us.

Two—Because outdated government policies, laws and regulations are largely responsible for the condition many of our railroads are in today.

And three—As a matter of simple fairness.

Other modes already are benefiting from enormous expenditures of public money every year. This fact alone places the railroads in an extremely unfair competitive position.

The railroads are going to have to be brought "into the family" as equal partners in our national transportation complex if they're to survive as part of our free enterprise system. That's all they're really asking.

ANNOUNCER: Thank you Mr. _____ for your comments on the railroad situation—and what needs to be done about it.

Suggested radio interview

Time: 5 minutes

ANNOUNCER: A special study group known as America's Sound Transportation Review Organization—ASTRO—recently completed a year-long study of national transportation problems and future needs, particularly concerning railroads.

On the basis of this study, ASTRO prepared a prospectus for the railroad industry. It summarized railroad problems. And it spelled out a comprehensive program of "creative federal involvement" which it considered necessary to help the railroads solve their problems.

Here to discuss this with us is Mr. _____ of (railroad).

First, Mr. _____: Is there really a need for railroads in this day and age?

RAILROAD SPOKESMAN: There certainly is. Our urban areas need them to solve such critical problems as traffic congestion, land utilization and air pollution. And the whole country needs them because they're a basic factor in our national economy. Railroads handle more ton miles of intercity freight than trucks, barges and airplanes combined. And the load's getting bigger all the time.

ANNOUNCER: If business is that good, then why can't the railroads pay their own way. Why do they need help?

RAILROADER: They've always paid their own way—up to now. And they could continue to hold their own in fair and equal competition. The trouble is, many railroads have been crippled trying to stay in business against competitors that use facilities built and maintained by the government—at public expense.

ANNOUNCER: You're talking about highways, waterways, airports and such?

RAILROADER: That's right. The railroads not only pay their own way, but they're also shackled by policies, laws and regulations imposed when railroads had a virtual transportation monopoly. They continue to be hamstrung by these regulations, even though the monopoly situation hasn't existed for more than 50 years.

ANNOUNCER: If that's the case, then what should be done to correct it?

RAILROADER: The laws and regulations obviously have to be brought up to date. ASTRO—the organization which made the study you referred to—proposed the creation of a single authority to regulate all forms of transportation on a basis of equality. It also recommended a single transportation trust fund—with the railroads contributing through a new user charge.

ANNOUNCER: Would a single fund of this type be in the public interest—or just railroads' interest?

RAILROADER: A fund of this kind is absolutely essential to the development of a balanced transportation system, and we've got to have that if this country is to solve its current problems and meet future needs for moving more and more people and goods.

Where rail transportation can be used to ease highway congestion, it becomes an investment for the motorist that is just as much in his interest—and the general public's—as it is in the railroads' interest.

ANNOUNCER: Specifically, what do the railroads need money for?

RAILROADER: Well, let's remember that the expenditures railroads have been able to

make in the recent past have been minimal. So not only must these past deficiencies be overcome but the railroads must regain their ability to invest in the future. Money's needed to upgrade roadbeds. To replace rails and ties. To modernize operating facilities. And to buy thousands of new freight cars and locomotives. Funds also are needed for a forward-looking research and development program.

ANNOUNCER: Approximately how much money are we talking about?

RAILROADER: ASTRO assessed the industry's capital needs at \$36 billion over the next 11 years.

ANNOUNCER: And is the government expected to provide all that money?

RAILROADER: Not by any means. In fact the railroads, themselves, are expected to provide at least three-fourths of it.

ASTRO proposed a number of ways the government can help that don't involve cash outlays at all. Some call for loan guarantees. Others for low-interest government loans. And others concern changes in tax policies.

ANNOUNCER: Once the railroads start getting help from the government, would there ever be an end to it?

RAILROADER: Some of the financial aid proposals made by ASTRO are only start-up programs. With this help, the railroads should be able to get back on their feet. They could then remain viable under government policies freeing them to compete with other modes on a fair and equal basis. In time, the government should actually recover its investment through the greater taxes a revitalized railroad industry would pay. What the railroads now need is a helping hand—not a handout.

ANNOUNCER: Now, one final subject, Mr. _____:

What does ASTRO propose concerning passenger service?

RAILROADER: It broke this down into three different categories—commuter, corridor and other intercity service.

It proposed partnerships between government and industry to operate and improve needed commuter services.

It recommended further experiments in corridor service with greater federal assistance. And it endorsed a plan now before Congress to put all intercity passenger train operations under a single corporation.

ANNOUNCER: How would such a corporation operate?

RAILROADER: The railroads would provide the operating facilities and a large part of the starting capital. The corporation would operate under a completely new set of government ground rules. It would be free to tailor passenger services to the public need—and willingness to pay. On this basis, it should have a chance for success.

ANNOUNCER: Thank you, Mr. _____.

Suggested radio interview

Time: 10 minutes

ANNOUNCER: A growing transportation crisis is one of the serious problems confronting our nation today.

A group known as America's Sound Transportation Review Organization—ASTRO—recently completed a year-long study of this problem and the nation's future transportation needs.

The study was primarily concerned with railroads—the historic backbone of our transportation system which some believe to be an anachronism in the Space Age.

ASTRO had some definite recommendations to make as a result of its findings.

Here to discuss this subject with us is Mr. _____ of _____ (railroad). Mr. _____, do you agree that railroads are a thing of the past?

RAILROAD SPOKESMAN: Certainly not. ASTRO found that the railroads still are a national necessity. And the need for them

is actually growing. It also found that many railroads are in deep trouble and must have help if they're to survive.

It proposed a comprehensive program of what is called "creative federal involvement" to help the railroads solve their problems.

ANNOUNCER: Mr. —, what is the most critical single problem facing the railroads?

RAILROADER: Basically, it's the fact that the industry is rapidly losing its ability to find the money it needs for growth.

ANNOUNCER: Then the "federal involvement" we're talking about primarily concerns money. Is that right?

RAILROADER: Not exactly. What the railroads really need is a helping hand—not a handout.

ANNOUNCER: What, specifically, do you mean by a "helping hand"?

RAILROADER: Well, ASTRO suggested a program that's largely designed to help the railroads help themselves. It involves loan guarantees and low-interest government loans to prime the pump for funds the railroads need to modernize facilities and improve service. That should enable them to attract new business and increase their income.

Then, changes in regulatory policies also are needed to enable the railroads to compete with other forms of transportation on a fair and equal basis. That's something they can't do now.

ANNOUNCER: Why not?

RAILROADER: As far as regulations are concerned, they generally stem from government policies or laws that go back to the days when railroads had a virtual transportation monopoly. That hasn't been true for almost 50 years, of course, but still some of the restrictions are punitive and discriminatory.

On top of that, railroads have to build, maintain and pay taxes on their own rights-of-way while their competitors use facilities built and maintained by the government—at public expense. That, alone, puts the railroads at a great disadvantage.

ANNOUNCER: How much help do the railroads need—in dollars and cents?

RAILROADER: ASTRO assessed their capital needs through 1980 at about 36 billion dollars. That's for things like upgrading roadbeds and modernizing structures. For purchasing and rebuilding locomotives. And for acquiring thousands of new freight cars of all types.

ANNOUNCER: Is the government expected to provide all of this 36 billion dollars?

RAILROADER: Not by any means. The railroads themselves can provide about three-fourths of it—if their position is improved in line with the ASTRO proposals.

ANNOUNCER: Hasn't a figure of about 700 million dollars a year been used for this kind of government help?

RAILROADER: That's about right—until the railroads get back on their feet.

ANNOUNCER: Wouldn't government aid of that kind be the first step toward nationalizing the railroads?

RAILROADER: Not at all. Government has spent billions of dollars on facilities used by other forms of transportation without nationalizing them. So why should it nationalize the railroads?

This year alone government transportation budgets—for highways, airways and waterways—run to about 23 billion dollars. By comparison, the railroads need a mere drop in the bucket.

There have been times in the past when the government has helped the railroads. And in every instance the debt has been repaid—with interest.

ANNOUNCER: Getting away from money again—what kind of regulatory changes does ASTRO propose?

RAILROADER: Frankly, they're rather technical. But, for example, it's proposed to ease minimum rate regulations to give shippers

and the public the benefit of true competitive transportation. ASTRO also recommends the elimination of barriers to the development of commonly owned, total transportation companies—such as they have in Canada.

ANNOUNCER: How would "total transportation companies" differ from what we have now?

RAILROADER: Under this kind of setup, a single company could offer rail, barge, truck and air service. That's needed if we're ever to achieve the ultimate in transportation efficiency and economy.

ANNOUNCER: I believe there were a couple of really basic proposals about the government's treatment of the transportation industry. What are they?

RAILROADER: Yes, there were. For one thing, ASTRO recommended the creation of a single authority to regulate all forms of transportation on a basis of equality.

It also proposed establishment of a single transportation trust fund. The railroads would contribute to this through user charges.

ANNOUNCER: Do you think a fund like that would be in the public interest?

RAILROADER: It's absolutely essential to the development of the kind of balanced national transportation system we've got to have—if we're to solve current problems and meet future needs.

Where rail transportation can be used to ease highway congestion, contribute to better land utilization or help curb air pollution—it's certainly in the public interest.

ANNOUNCER: ASTRO also suggested using a certain amount of highway money for grade crossings. How can you justify that?

RAILROADER: Federal authorities have long recognized grade crossing safety as essentially a highway problem. So they've already justified it.

The states are presently authorized to spend up to 10 percent of their allotments from the highway trust fund for crossing projects. But few of them spend that much. ASTRO simply proposed that full usage be required.

ANNOUNCER: What does ASTRO propose concerning passenger service?

RAILROADER: It broke this down into three different categories—commuter, corridor and other intercity service.

It proposed partnerships between government and industry to operate and improve needed commuter services. It recommended further experiments in corridor service with greater federal assistance. And it endorsed a plan now before Congress to put all intercity passenger train operations under a single corporation.

ANNOUNCER: How would such a corporation operate?

RAILROADER: The railroads would provide the operating facilities and a large part of the initial financing.

The corporation would function under a completely new set of government ground rules and would be free to tailor passenger services to the public need—and willingness to pay. The railroads have never been allowed to do that.

ANNOUNCER: If a government-sponsored corporation takes over passenger service, why not freight service as well?

RAILROADER: Passenger service can be taken over, improved and operated at a relatively small cost to the public. Government operation of freight service, on the other hand, would involve a complete takeover of the railroads. In other words—nationalization.

ANNOUNCER: Wouldn't nationalization solve most of the railroad problems?

RAILROADER: It hasn't elsewhere. It merely transfers the problems from private hands to the government—at very high cost to the taxpayers.

ANNOUNCER: Don't the nationalized lines in other countries provide better service than our railroads?

RAILROADER: Not really. But comparisons are difficult because of differing circumstances. In our huge country, railroads are freight-oriented. They provide twice the ton-miles of freight service as the national systems of Japan and Western Europe combined.

Their railroads—operating in much smaller and more densely populated areas—emphasize passenger service. But the bulk of their traffic would correspond to commuter or "corridor" travel in this country.

ANNOUNCER: How do the nationalized lines fare financially?

RAILROADER: They operate at an average deficit of 20 percent in the countries we're talking about. A similar deficit here would amount to more than 2 billion dollars a year. And, of course, the taxpayers would have to pay it.

ANNOUNCER: If the government should take over the railroads, how much would it cost?

RAILROADER: Estimates of the initial cost alone run to about 60 billion dollars. That's based on the current market value of railroad property, facilities and equipment. Courts have held that a fair market value is the standard that should be used where condemnation proceedings precede a government takeover of private property.

If government bonds were used to pay for the railroads, it would add additional billions to the cost in the form of interest. And there'd still be the need for billions more for capital improvements.

ANNOUNCER: Since land grants built the railroads originally, why can't the government just take the land back?

RAILROADER: Only 10 percent of our national railway system was built with the help of either federal or state land grants. Where these grants were involved, the government was repaid—ten times over—through reduced rates on government traffic over a period of about 90 years.

Most of this property was sold by the railroads at an average price of \$2.81 an acre—to encourage settlement. The railroads have paid heavy taxes for years on the property they retained—including their operating rights-of-way.

ANNOUNCER: I believe state and local taxes have been a sore point with railroads for years. Is that true?

RAILROADER: Railroads have never complained about paying their share of school and other government costs—as long as they could afford it. The big complaint has been over the fact that they've often been taxed at much higher rates than other property owners.

ASTRO suggests federal tax-sharing with state and local governments to reimburse them for eliminating present property taxes on railroad operating facilities—since other transport modes aren't similarly taxed.

ANNOUNCER: Now, one final question, Mr. —: Once the railroads start getting help from the government, would there ever be an end to it? Or would it go on forever?

RAILROADER: The direct financial aid proposals made by ASTRO cover only an 11-year period. During that time the railroads should be able to get back on their feet. They could then remain viable under government policies freeing them to compete with other modes on a fair and equal basis.

In time, the government should actually recover its investment through the greater taxes a revitalized railroad industry would pay.

ANNOUNCER: Thank you, Mr. —, for a most enlightening discussion of railroad problems and what should be done to resolve them.

[From the Burlington Northern News, January, 1971]

\$36 BILLION NEEDED THROUGH 1980: RAILWAYS 'SOUNDING THE ALARM' FOR FEDERAL ACTION

A comprehensive "grass roots" effort currently is being conducted by BN and the rest of the rail industry to "sound the alarm" and tell the public about America's Sound Transportation Review Organization (ASTRO).

"It's time for Congress to act," says Anthony Kane, BN's vice president, Law department. Congress must act because time is ticking away a grim countdown for the majority of America's railways.

National transportation policy has not kept pace with the times. And railways have been the principal victims. Railways still are shackled by policies, laws, and regulations imposed under a concept that began when they had a virtual transportation monopoly. We continue to be hamstrung in efforts to compete—even though the monopoly situation hasn't existed for almost a half-century.

In addition, billions in public funds have long been lavished on facilities used by trucks and buses, airlines, and barges while railways have paid their own way.

Many railways have now exhausted their financial resources in an extended struggle to keep pace with progress—and stay in business.

But the situation is not hopeless.

"ASTRO recognizes these problems and has long-term solutions," Kane says. "It's been 14 years since our country has had any comprehensive rail legislation passed by Congress, so new transportation policies are long overdue."

Among the ASTRO proposals is a request for \$36 billion for capital improvements through 1980.

"Railways can no longer function without substantial Federal assistance," Kane says. Many railways currently are operating in deficit conditions. The Penn Central bankruptcy and the failure of the Central of New Jersey and Reading railroads are prime examples of the economic starvation experienced by railways.

Other transportation modes also are facing severe financial problems despite their benefiting from Federal subsidies and less government regulations than railways.

In asking for Federal funds, railways basically are requesting to be treated equally with all other forms of transportation.

"We want our fair share from Uncle (Sam)," Kane says emphatically.

Many Burlington Northernites are taking part in the grass roots program of carrying the ASTRO story to the general public. State and district chairmen have been appointed to give the ASTRO message via speeches, slide and film presentations, and television appearances.

To give employees a better idea of the problems facing the industry and what ASTRO is all about, BN News provides the following answers to some important questions:

Q. What is the most critical railway problem?

A. Simply put, it's the fact that the industry is rapidly losing its ability to find the money it needs for modernization and growth.

Q. How much money is needed?

A. ASTRO assessed the industry's capital requirements through 1980 at \$36 billion. This is what's needed for modernization and improvement of service.

Q. What would the \$36 billion be used for?

A. Part of this money is required on some railways to overcome past deficiencies. The bulk of it is to keep pace with present and future needs. About half—\$18.6 billion—is needed for expansion of the freight car fleet. Another \$6 billion should go for new locomotives and the modernization of others. Rail and tie installations will require \$5.8 billion.

Other needed capital expenditures are estimated at \$6 billion.

Q. Why can't railways borrow the money they need?

A. Some can, but interest costs are double what they were 10 years ago. Other railways can't because of their currently depressed financial conditions.

Q. What can government do to help?

A. ASTRO suggested a number of ways, most of which don't involve outlays of money. Some call for loan guarantees, others for loans and advances requiring repayment. And many concern only changes in regulatory approach and tax policies.

Q. What are some of the specific proposals?

A. It's recommended that the government guarantee loans to buy new equipment; provide low interest loans for those types of freight cars which are in short supply; restore tax credits on new equipment purchases; and create a nonprofit corporation to acquire a "free-running" fleet of general purpose freight cars to relieve shortages. It's proposed that a single transportation trust fund be established with the railways contributing through a user tax. From this fund, ASTRO suggests the railways receive \$400 million a year for maintenance-of-way and plant improvements—a proposal that seems justified in light of the publicly-financed "ways" used by competitors. It's also suggested that the government provide \$100 million per year for cooperative research. This would amount to just 12 percent of its transportation research and development funds. It's interesting to note that the Federal government is contemplating spending approximately \$290 million on the SST (supersonic air transport), an unnecessary and uneconomic monument to pollution and technological chauvinism.

Q. What kind of regulatory changes are the railways asking?

A. Mostly they're designed to give shippers and the public the benefit of truly competitive transportation—to let the railways operate more like other businesses do. It's recommended that we be given more freedom to eliminate losing freight services; that we be permitted to lower rates on certain commodities to attract new business that would increase earnings; that state rate regulations be eliminated as an undue burden on interstate commerce; that barriers to the development of intermodal transportation companies be removed; that selective removal of minimum rate controls be tried on an experimental basis to see if such controls are really needed; and that a single authority be created to regulate all forms of transportation with an even hand.

Q. Railways are forever talking about spiraling labor costs. Where do railways rank in terms of employee compensation?

A. The average American rail worker was compensated to the tune of \$10,583 last year, according to the U.S. Department of Commerce. That placed him on a higher income level than employees in other transportation industries as well as those in communications and utilities, manufacturing, and mining. Last year, Class I railways paid \$6,164,000,000 in employee wages, payroll taxes, and health and welfare benefits. Although rail workers rank first in wages and supplemental payments, the ratio of employee compensation to corporate sales is 52 percent, compared to only 25 percent for communications and utilities employees, and 26 percent for manufacturing employees. The ratio for other modes of transportation is 47 percent. What this all means is that although the railway industry is the most generous in terms of compensation, it currently is in a position where it is least able to afford the cost of maintaining that status.

Q. Wouldn't nationalization solve most of the railroad problems?

A. Because of the very high cost of na-

tionization, in the neighborhood of \$60 billion to buy out the railways, that course of action is unlikely. In addition, nationalization would result in a tremendous tax loss. Last year, railways paid Federal, state, and local taxes in excess of a billion dollars. The tremendous investment to nationalize railways provides no assurance of improved operations—and certainly not of profitable operations. Japan's well publicized railroads operate at a deficit of 20 percent. The same is true of nationalized railroads in western Europe. A similar deficit by American railways would amount to more than \$2 billion per year. U.S. taxpayers would have to foot the bill.

Q. What would ASTRO's proposals cost the government?

A. It's anticipated that—in time—the government would recover its investment through taxes resulting from business gains by the revitalized railway industry. What's needed is a helping hand—not a handout. The railways can regain their financial health with a reasonable amount of government help during the present crisis and long-range policies that treat all forms of transportation alike.

[From the Railway Age, Mar. 8, 1971]

WATCHING WASHINGTON

By March 30 Congress must decide whether to continue funding the supersonic transport plane. A vote up or down for SST will clear the way for Senate Commerce Committee consideration of ASTRO, so ASTRO General Counsel George Smathers already is polishing his lead-off testimony.

Meanwhile, the first ASTRO legislation has been introduced—H.R. 28, to provide for 50-year amortization of railroad grading and tunnel bores. The bill's sponsor is Rep. Wilbur Mills (D-Ark.), chairman of the House Ways and Means Committee, to which the measure has been assigned.

At the AAR, meanwhile, the staff of ASTRO is expanding: D. Michael Murray, former Norfolk & Western lawyer and one-time assistant Postmaster General, has been appointed legislative affairs counsel; Tom White of AAR's news service has signed on as a writer, and Seaboard Coast Line Assistant Vice President Emory F. Waldrop, Jr., is director of legislative affairs, a new title. Waldrop will serve under AAR Legislative Affairs Vice President Patrick H. Mathews, Mathews and Waldrop, of course, handle many matters besides ASTRO, but Waldrop's appointment does mean there will be another hand at the oars.

OTHER SIGNS AND PORTENTS

Ready for introduction in Congress is an alternative proposal to car-equipment bills drawn up by both the NIT League and the AAR.

The alternative, vastly more ambitious, was drawn up by four railroad brotherhoods, the United Mine Workers, two shippers described as "very large" but not otherwise identified, and electric power interests.

The two earlier bills would (1) create a modest, quasipublic National Freight Car Corporation with non-dividend stockholders and no direct Federal expenditure required and (2) provide a plan whereby individual railroads might qualify for government insurance of \$3 billion of equipment trust certificates.

The labor alternative seemingly combines the objectives but would simply establish a government-owned corporation, "Fastcorp," (for Fast Freight Systems), which would be eligible to acquire up to \$3 billion in car and motive-power equipment through government-guaranteed loans.

Although both proposed corporations would initially raise revenues (\$10 million to \$30 million) through a 50-cent per diem surcharge on use of equipment, to be cut off after a certain date, Fastcorp would receive

\$20 million in direct U.S. aid for start-up costs.

Fastcorp would be run by a 13-man board composed of the secretaries of the Treasury and Transportation, the chairman of the ICC, four railroad officers, and representatives of shippers, labor, public, consumer, financial and state regulatory interests.

REALISM ABOUT PASSENGER TRAINS

It's becoming increasingly clear that certain types of rail passenger service may be required in the public interest.

Alone of all modes of transportation, railroads can move large numbers of people swiftly and efficiently—without adding to the problems of pollution and congestion.

But the fact is that, even where rail service attracts substantial patronage, it seldom pays its way.

For America's railroads, passenger trains have been a losing proposition since the end of World War II.

And this happened despite the fact that they spent more than \$1 billion in the ten years after the war on new passenger equipment and millions more on advertising. Service was of the highest quality.

But traffic constantly declined, resulting in losses that are now running at a level above \$200 million a year on an out-of-pocket basis alone.

Partly because of this, U.S. railroads are now experiencing a financial crisis.

As a recent study of rail industry problems by America's Sound Transportation Review Organization (ASTRO) found: "Railroads should be relieved of continuing and severe losses on unprofitable service required in the public interest."

Three main types of passenger service were identified by ASTRO—commuter, corridor and long-haul. And, "since each of the three types of service is different, the solution must be different in each case," the ASTRO report said.

By far the most necessary service, ASTRO added, is commutation.

The "economic and social costs" of eliminating commuter service "are simply too great" for the communities to bear.

But ASTRO also pointed out that forcing a railroad to operate necessary, but unprofitable, commuter service "at its sole risk" could easily jeopardize its financial health. This was described as "particularly critical in the East, where the large commuting carriers have grave financial problems."

ASTRO called for adoption of joint federal-state assistance programs to insure that needed commuter service continues.

"Regional planning commissions should be encouraged to develop concrete programs to place the responsibility for continuing commutation service under public sponsorship," the report said. "Federal funds should be appropriated for planning efforts as well as for the acquisition of equipment and the upgrading, where necessary, of fixed plant."

Turning to service in densely populated corridors of up to 300 miles, ASTRO said: "This is clearly an area for further experimentation rather than preconceptions. If corridors are to be preserved, cooperation will be required among federal and local agencies and the railroad industry."

Pointing out that the popularity of the Metroliners between Washington and New York "suggests the existence of a definite market," ASTRO added that the "profitability of such service is not yet known, nor has it been determined whether significant markets for high-speed rail service exist in other, less densely populated areas."

Because "their limited financial resources prevent them from being able to fund the experiments," it was recommended that railroads should receive reimbursement for any operating deficits incurred.

Regarding long-haul service—trips of over

300 miles—ASTRO noted that "the service has been in an irreversible decline for years."

It recommended that a new, federally chartered public corporation be established as "the overdue vehicle for rationalizing the intercity rail passenger structure."

By doing this, its report explained, "a rail passenger network can be preserved where patronage and potential so warrant. At the same time, operating contracts with railroads serving points within the network can relieve these roads of the heavy losses they are now incurring."

Thus railroads could be relieved of their "largest single burden" and the hundreds of millions of dollars lost in passenger service could be used by the industry to meet growing demands for the transportation of freight.

At the same time, passengers could hope for a better deal, with money becoming available from government sources to continue and improve passenger services.

WHO NEEDS THEM?

America lives by its transportation system.

Food must move from the farms to the cities. Coal must move from the mines to the power companies and steel mills. Steel must move from the mills to factories. And finished products must move from factories to consumers.

Without the smooth functioning of its transportation system, American commerce would soon cease. Millions would be thrown out of work.

America needs all of its transportation. But there is one mode it depends on above all others—the railroads.

Transportation Secretary John A. Volpe underscored this recently when he said: "No other modes of transportation singly or in combination could conceivably fulfill the role of the railroads."

It has been estimated that, even with 30 days' preparation in the event of a nationwide rail shutdown, the other modes would be able to absorb only a small fraction of the railroads' freight business.

The railroads move a fleet of 1.8 million freight cars, with a carrying capacity of 118 million tons.

In 1969, they hauled 780 billion ton-miles of freight—or nearly 4,000 ton-miles for every man, woman and child in the country.

Thus, the railroads were responsible for transporting about 41 percent of the country's intercity tonnage—nearly twice as much as any other mode.

As important—and revealing—as these statistics are, they don't show the country's true dependence on railroads.

For ordinary necessities like water, electricity, paper, canned and frozen foods and bread, we depend on the railroads.

It's no exaggeration to say that your next glass of pure water may be brought to you by train—for it's the railroads that move most of the chemicals used in water purification.

In a sense, electricity, too, is brought by the railroads. They move hundreds of millions of tons of coal every year—coal that's used to provide electric lights to 80 million Americans.

And for food—that, too, is probably brought to you by train. Almost all the canned and frozen foods moves by railroad, and so does much of the wheat needed for bread. Almost half of our meat and dairy products comes by train as well.

Besides these necessities, railroads deliver something else to America—jobs, and a lot of them.

Not alone for the nearly 600,000 people who work on the railroads.

But also for thousands of employees in allied industries.

And the jobs of millions of others depend on efficient distribution of their products by railroads.

These include miners—more of whose coal, metallic ores and other minerals move by rail than by any other mode.

And cotton producers—who depend on trains to move over 73 percent of their crop to textile mills.

As recently found by America's Sound Transportation Review Organization (ASTRO), railroads move:

71 percent of household appliances.
76 percent of automobiles and automobile parts.

78 percent of lumber and wood.
40 percent of furniture.
63 percent of chemicals.

and 68 percent of primary metal products. Railroads are also an essential component of the national defense system, moving nearly 40 percent of the Defense Department's freight—one third of which its impossible to transport any other way.

America's railroads. Who needs them? You do. We all do.

A FUTURE OF STAGGERING PROPORTIONS

America's dependence on its railroads is great. And it will grow.

By 1980, according to a recent study by America's Sound Transportation Review Organization (ASTRO), railroads will have to move about 46 percent more freight than they do now—their total then exceeding an incredible one trillion ton-miles annually.

And railroads may once again become a prime mover of people.

As ASTRO put it: "Our cities are in the throes of air and highway congestion; access to the metropolitan cores is already difficult and, in peak periods, nigh impossible. Air pollution has reached intolerably dangerous levels."

There is one mode of transportation, however, that can move more goods and more people more efficiently without contributing substantially to the problems of pollution and congestion. That mode is the steel wheel on the steel rail.

But U.S. railroads aren't now in a position to meet this challenge fully. Capital improvement programs have lagged behind needs in recent years, leading to inadequate supplies of equipment and deferral of work on roadway and structures.

To make up for these past deficiencies and to meet the requirements of the future, ASTRO found that America's railroads must invest a "staggering" \$36 billion by 1980.

The entire net investment of the industry today is only \$27.7 billion.

ASTRO found that about half the new investment—\$18.6 billion—should go toward a 24 percent expansion of the railroad freight car fleet by 1980. This would increase Class I railroad ownership from the current 1.4 million cars to 1.8 million.

Although the railroads were able to move 34 percent more revenue ton-miles of freight with a fleet that dropped from 1.7 million cars to 1.4 million during the last 10 years, ASTRO said expansion is now necessary because "it is improbable that the railroads can duplicate the gain of 50 percent in freight car utilization" obtained during the 1960s.

ASTRO also recommended that the private freight car fleet, which currently numbers over 300,000 cars, be increased at the rate of 2 percent a year. Private cars include those owned by shippers and leasing companies.

Just as they must add freight cars, ASTRO reported, the railroads also will need to acquire new locomotives—nearly 22,000 by 1980, at a cost of \$6 billion.

And rail and tie replacements and other roadway needs are estimated to require another \$11.9 billion.

Noting that certain types of freight movements are already restricted because of the "low rate of rail and tie insertions in the

past," ASTRO said that new rail installations should be at a level three times that of the past decade and new tie installations should be at a level 50 percent greater than in the period from 1959 through 1968.

"To increase the efficiency of the freight car fleet and to improve the reliability and quality of service," ASTRO also called for extensive programs of yard modernization, communications and computer expansion and intermodal transfer facility construction.

But, this report continued, the difficulty is the railroad industry "is rapidly losing its ability to find the money it needs for growth."

TROUBLE WITH A CAPITAL "T"

America's railroads are in deep trouble—financial trouble that is rapidly becoming deeper.

Four of them are now in bankruptcy—including the biggest of all, Penn Central.

Together, these four railroads operate more than 10 percent of the total rail mileage in the United States. They account for more than 15 percent of the industry's revenues. And they employ more than 15 percent of its workers.

At the same time, other railroads—though not in bankruptcy—find their operations threatened by continued poor financial results. On most lines, increased revenues are being outpaced by increased expenses.

Twenty-two major railroads were in the red during the first six months of 1970.

And of the nation's 71 Class I railroads, 38 showed poorer financial results than during the first half of 1969.

As an industry, the railroads reported only \$74 million in net income for the first half of 1970—down 71 percent from the \$259 million reported during the same period last year.

In terms of rate of return (operating income as a percentage of net investment), the industry hit a rock-bottom 1.88 percent for the 12 months ended June 30.

That's one of the lowest levels recorded since the depression years of the 1930s and comes at a time when the railroads are paying anywhere from 9 to 11 percent interest on money needed to finance improvements.

Another indication of the industry's financial trouble can be seen in its net working capital position.

At the end of last year, the railroads had net working capital of \$56 million, compared with a deficit of more than \$320 million as of June 30, 1970.

They must find the means not only of financing about \$1.5 billion in capital improvements, but also of paying off the \$879 million in long-term debt that will come due before June 30, 1971.

Ironically, the railroads' crisis has arisen at a time of record-breaking business and growing demand for rail services.

In 1969, railroads moved a record of 780 billion ton-miles of freight and received a record \$11.5 billion in operating revenues.

And both traffic and revenues have continued to show increases in 1970.

It was in the fall of 1969 that the Association of American Railroads established a group called America's Sound Transportation Review Organization (ASTRO) to study the nation's transportation problems and future needs.

While ASTRO concluded that railroads are in no position to solve their own problems in a way the future will require, its report laid out a saving course of action for the nation to follow. Principally, it was a call for "creative involvement" of the federal government.

CREATIVE INVOLVEMENT

The ability of America's railroads to carry their share of the nation's future transportation load centers on a question of money.

Can they find the money needed for new equipment and facilities?

The recently released report of America's Sound Transportation Review Organization (ASTRO) puts the industry's capital needs at \$36 billion between now and 1980.

The money can be found, ASTRO said, if the federal government undertakes a program of "creative involvement" in the railroad industry. But that doesn't mean solving the whole problem with federal funds, although a limited amount of such assistance is recommended. What's needed, ASTRO concluded, is equal treatment of the railroads as part of a balanced transportation system—with the scales also requiring regulatory and tax reforms.

The cost is now fixed in the report but it has been estimated at less than \$700 million a year—far less than the \$23 billion all levels of government currently spend each year on other forms of transportation.

What's more, the outlay could be expected to come back to the government eventually through the higher taxes that a healthy railroad industry would pay.

The money would be used to help railroads modernize their plant, augment their supply of freight cars and locomotives and benefit from research.

The ASTRO recommendations for financial help fall into three categories. One of these involves rights-of-way and structures.

Only the railroads, of all forms of transportation, are required to pay the entire cost of constructing and maintaining the "ways" they use and at the same time pay taxes on them.

To put railroads on the same footing as other modes, ASTRO urged Congress to:

Establish a single transportation trust fund, from which railroad needs for road modernization would not be expected to exceed \$400 million a year under present conditions. The railroads will be expected to make an appropriate contribution to the fund.

Guarantee up to \$400 million annually in loans for similar improvements to rights-of-way. This would involve no government expenditure, unless a railroad defaulted.

Eliminate state and local property taxes on railroad property used for transportation since there are none on competitors' facilities. ASTRO also recommended tax-sharing with state and local governments to provide reimbursement for an estimated \$230 million annually they receive from these taxes on a non-discriminatory basis.

Another major set of proposals concerns equipment. To help railroads step up their acquisitions, ASTRO made four recommendations:

Government guarantees of loans for equipment purchases. No government expenditure would be involved unless a railroad defaulted.

Government advancement of the 20 percent down payment required for the most advantageous financing and reimbursement to the railroads for interest payments above 4 percent. This is estimated to amount to about \$60 million annually.

Creation of a non-profit corporation to acquire a "free-running" fleet of general purpose unassigned freight cars. Financing would come from railroads.

Reinstitution of the investment tax credit on railroad equipment.

The third major area of federal involvement urged by ASTRO is in the field of research.

ASTRO noted that "practically all the railroads' competitors are the beneficiaries of huge government expenditures for research, development, testing and engineering programs."

The Federal Railroad Administration, however, receives less than 4 percent of the government's transport research funds.

Recommended was a federal research program that would gradually build up to \$100 million annually over the next ten years. It would cover all aspects of freight and passenger service.

With this kind of creative federal involvement, ASTRO expressed confidence that the railroad industry can regain its financial health, increase its expenditures for capital improvements and meet the demands of the future. This, it said, is the alternative to nationalization.

NEEDED: AN EVEN HAND

There's an industry in this country that can't readily raise its prices—even when this is necessary to cover expenses.

And, it can't freely lower prices either—even when this would allow it to meet competition and gain new business.

Nor can it easily begin new services that would allow it to make money.

Or automatically drop old services that cause it to lose money.

In fact, there's very little this industry can do—without government permission.

This industry is the railroads.

The rails—faced with severe government restrictions on their operations, while their competitors receive far more financial assistance with considerably less regulation—are finding it difficult to keep pace with the present and grow for the future.

This was the conclusion of America's Sound Transportation Review Organization (ASTRO), which recently studied current transportation problems and future needs.

A new look in regulation was among its recommendations.

It would free railroads from restraints of the past—when the railroads were a virtual monopoly—and, at the same time, treat all forms of transportation with an even hand.

Existing regulations attempt to treat each mode separately and not as part of a balanced transportation system, ASTRO's report pointed out.

As a result, one product may be regulated when moved by rail, regulated when moved by common carrier truck, unregulated when moved by contract truck, unregulated when moved by barge and regulated when moved by airplane.

To end this confusion and imbalance, ASTRO recommended that the existing separate regulatory agencies be abolished and a single new agency be established—one that would regulate all modes fairly and efficiently.

And, instead of prohibiting the establishment of single transportation companies combining rail, motor, water and air services, laws and regulations should permit them, ASTRO said.

It also urged greater rate-making freedom for railroads—to permit them to lower rates to any level increasing earnings and, while their financial crisis continues, to institute an automatic rate increase of up to 6 percent annually.

Also in the area of rates, ASTRO recommended that regulation of minimum rates be eliminated on a selective, experimental basis, to see if it is really needed; that state rate regulation be abolished, because it constitutes "an undue burden on interstate commerce," and that rates on all commodities, except for certain agricultural products, be published by all modes. Presently only railroads have to do this.

Other recommendations include a speedup of the procedure for abandonment of little-used branch lines that don't meet avoidable costs and expeditious handling of merger proposals so that full savings can be realized.

Any program of financial help for the railroads, ASTRO said, "will only be a short-lived palliative without a change in the deep-seated irrationalities of the present legal and regulatory structure governing all of transportation."

ANOTHER NEED: TEAMWORK

The progress of any industry depends upon its people—both labor and management.

Certainly it's recognized that the railroad industry must work within itself for improvements.

And any program to attack the problems of the railroads must have the support of both management and labor if it is to become a reality.

Thus it is significant that both labor and management are joining in support of the wide-ranging proposals made in the recently released report of America's Sound Transportation Review Organization (ASTRO).

Support came from management through unanimous adoption of the ASTRO report by the Board of Directors of the Association of American Railroads—the organization which represents all of the country's major roads.

Agreements in principle with the ASTRO report came from railway labor leaders at a July meeting with management officials in Chicago.

Said George E. Leighty, chairman of the Cooperating Railway Labor Organization and head of the labor team at the meeting: "We're glad to be able to lend our support to the Astro recommendations, which we feel represent a giant stride toward solving many of the problems of mutual concern to both labor and management."

In addition to Mr. Leighty, labor officials present at the meeting included Charles Luna, president of the United Transportation Union; C. L. Dennis, president of the Brotherhood of Railway, Airline and Steamship Clerks; Harold C. Crotty, president of the Brotherhood of Maintenance of Way Employees, and James Yost, president of the Railway Employees Department, AFL-CIO.

The common interest which management and labor share was recognized in the ASTRO report. It called on both sides to show "statesmanship" in their mutual dealings.

"Over half of every railroad dollar earned goes into labor costs," the ASTRO report said. "For that reason, no real solution to the railroad problem can be devised without labor-management teamwork."

But the report noted that, even with wage increases and improved benefits, there has been little change over the past 15 years in the proportion of rail revenues required for labor costs.

ASTRO also declared that the railroad industry must itself do more toward eliminating its own disagreements and disputes.

"The railroads have suffered greatly from their inability to agree on basic matters . . . in such elemental areas as car ownership, rates and divisions," the report added.

Recommended was creation of arbitration machinery for intra-industry disputes as "a necessary first step" that "should be exploited at every possible opportunity."

ASTRO also urged the industry to make greater efforts at improving its services, noting that "reliability and speed of service are competitive tools just as important as price in the movement of many products."

The report also called on the industry to improve its marketing research, noting that railroads not only must "constantly adapt to the changing service needs of their present customers, but they must also mold transportation products which meet the needs of many shippers who do not now use the rails."

"Railroad managers cannot expect Federal relief, however fair and necessary in the public interest, without adopting those basic changes in direction which result from a thorough self-assessment," ASTRO said.

"Admittedly, the chilling effects of a negative environment have heavily deterred management enterprise and the fullest measure of self-help cannot alone resolve present prob-

lems. Nevertheless, the industry must reckon with its own shortcomings."

THE WORST SOLUTION

With America's railroads in financial trouble, nationalization is one way of going. But, according to a recent report by America's Sound Transportation Review Organization (ASTRO), it "would be the worst of all solutions."

In fact, said ASTRO, "it would be the most costly, the most disruptive and the least efficacious program possible."

The report cited non-industry sources that have put the cost of nationalization "as high as \$60 billion merely to acquire privately owned railroad facilities."

And, it was added, this would leave "untouched the great capital needs of the industry," which ASTRO put at \$36 billion between now and 1980.

Then, too, that could be just the beginning, based on experience here and abroad. The United States has gone that route.

In World War I, the government took over the railroads.

They lost about \$2 million a day.

In World War II, railroads remained in private hands. With the same basic system as in World War I—but with fewer locomotives and cars—railroads hauled more than twice the freight load, handled 95 percent of all organized military traffic in the United States, served both the freight and passenger needs of the civilian population—and paid the government more than \$3 million a day in taxes.

In foreign countries, nationalization—the usual route—has taught a similar lesson.

Luis Armand of France, perhaps the most noted transportation authority in Europe, has said:

"Government takeover is pointless. It solves no problems. It merely transfers responsibility for them. Europe's experience showed how badly this can work out in all too many cases."

The national railroads of Western Europe and Japan operate at an average 20 percent deficit—despite the fact that frequently they receive interest-free financing and pay no taxes.

The Japanese Tokaido line between Tokyo and Osaka is often cited as an example of an efficient nationalized operation.

It's true that the Tokaido line—which runs through one of the most densely populated regions in the world—showed a \$96 million operating profit in 1968.

But overall the 12,000-mile Japanese National Railway system lost \$373.3 million, with only 10 of 244 lines recording a profit.

Other large deficits are annually recorded by nationalized systems in France, West Germany and Italy, among others.

And in Great Britain it took some unusual bookkeeping to come up with black ink in 1969.

First the British wrote off \$3 billion in capital debt—reducing annual fixed charges by hundreds of millions of dollars.

Then the government paid a subsidy of more than \$158 million for continued operation of uneconomic services.

After all that, they recorded a \$36 million "profit."

Canada also provides a good illustration of the results of nationalization.

Two nationwide rail systems exist side-by-side—the privately owned Canadian Pacific and the government-owned Canadian National.

In 1969, Canadian Pacific recorded a profit of \$35 million. Canadian National—because it has been required to operate many uneconomic operations—recorded a \$24.6 million deficit.

Canada has drawn the obvious conclusion. Through the Transportation Act of 1967, it is giving both rail systems more freedom to manage their own affairs.

The law gives them broad authority to set rates without through regulatory procedures and to abandon lines and services that are uneconomical. Where these are required by the public interest, the railroads are compensated for their losses by the government.

There's another reason that foreign experiences are valuable. Where railroads are nationalized, the tendency is to nationalize or greatly restrict competing modes as well. In most countries, the airlines also are nationalized. Competing private carriers are either prohibited or controlled.

Motor carriers also can be operated by the government, as in the case of South Africa.

And even when they aren't, as in Britain, frequently they are restricted in their operations to make sure they don't divert too much traffic from the railroads.

These restrictions may include limiting the number of trucking companies in the field, the number of trucks a single company may operate and the operating radius of trucks and buses to specified distances from home base.

So, as ASTRO concluded, nationalization is no panacea. But time is running out on the alternative—balanced treatment of the nation's transportation facilities in a realistic statutory and regulatory atmosphere.

It's a "Countdown for America's Railroads."

STOP, LOOK AND REQUIRE IT

The familiar admonition—Stop, Look and Listen—is not enough to remove tragedy from the places where highways and railways cross.

Needed as well, it would seem, is money. Last year grade crossing accidents caused nearly 1,500 deaths and resulted in injuries to an additional 3,700 persons.

The problem is caused primarily by motorists who fail to exercise sufficient care, the Interstate Commerce Commission has found.

The answer is improved grade crossing protection, and the ICC concluded that the cost of installing and maintaining separations and protective devices is a public responsibility that "should be financed with public funds the same as highway traffic devices."

A more recent report by America's Sound Transportation Review Organization (ASTRO) noted there are now about 30,000 grade crossings that "call for immediate improvement."

Implementation of such a program could reduce the accident rate at these crossings by 50 percent, ASTRO estimated.

The real tragedy, it added, is that much more money is available to combat the problem than is being spent.

More than \$530 million a year may be used from highway trust funds on projects for which the federal contribution can range between 90 and 100 percent, but it's not now required that this be spent. In fact, from 1963 through 1967, ASTRO reported, less than \$85 million a year was actually used on this basis.

In addition, about \$77 million a year in other federal money—available on a matching-fund basis for highway projects—was used, but ASTRO pointed out:

"Taking these sources together, government spent less than one-third of the permissible expenditures that could have been made with almost total federal support."

As a result, it was recommended that states be required to spend, for grade crossing projects, 10 percent of the highway trust funds allocated to them.

ASTRO also cited another limitation of existing programs. Only crossings on federal-aid highways qualify.

"This results in less than 45,000 of the 225,000 public crossings at grade in the nation being eligible for federal help," ASTRO said.

"Since few crossings on non-federal roads have protective devices, 85 percent of those crossings which should be immediately protected are ineligible for federal highway aid."

ASTRO thus urged that federal funds "be made generally available" to all types of highways where grade crossing protection is needed.

It also proposed establishment of federal standards for handling grade crossing safety projects across the country.

COUNTDOWN FOR AMERICA'S RAILROADS

America has arrived at a crossroads where a hard choice must be made about its transportation system.

You might say we're well into a "Countdown for America's Railroads."

Railroads can look back on a glorious past and forward to a promising future. It's the present that's killing us.

And this is ironic, indeed.

More and more observers—in and out of the transportation business—now see railroads as the answer to serious problems confronting the nation. Problems like:

Pollution—of which railroads do far less than other modes.

Congestion—which railroads can relieve better than highways.

And growth—which railroads alone can efficiently accommodate by moving the massive volumes of freight that an expanding economy and population will generate.

Prospects for the railroad industry have never been so great—nor its financial position so precarious.

Every known standard for testing the health of an industry points to a chronic and spreading illness among the railroads. In 1969, one-third of them lost money.

There's no question about it: America's railroads are in very deep trouble.

For years, it's been assumed the railroads could take care of themselves.

And for a long time they did.

They took care of themselves in the face of rising labor and material costs. In the face of expanding government help for the competition. In the face of discriminatory taxes. In the face of rate regulation that kept the profit margin thin. And in the face of policies that forced the continuation of uneconomic services.

But the years have taken their toll and brought the industry low.

Even as the need for them grows, railroads are losing their ability to build for the future. If a business can't earn money above and beyond its current expenses, it has no resources to invest in future growth, to repay debt or to attract new money. That's the central crisis in the railroad industry today.

Industry-wide return on investment was 2.4 percent in 1969—the lowest of all U.S. industries. And the down-trend has continued.

This is particularly critical at a time when railroads need new equipment, improved roadbeds, new rail and ties—all the things that are basic to their operations.

In short, they need to modernize—for greater capacity and improved performance.

Because of a lack of money, improvement and maintenance programs have fallen badly behind. This means deficient service, lost business—a vicious cycle.

And the cycle continues. It is not merely a localized crisis—involving one region or one railroad. And, because of the interrelation of railroads in the nationwide movement of traffic, the crippling of any major railroad affects all railroads.

The health and growth of our economy depends on the smooth functioning of this network. Railroads now carry 41 percent of all intercity freight traffic. Their volume has increased 40 percent in the last decade, and it is expected to grow another 35 percent in the next 10 years.

By 1980, more than \$36 billion must be spent on plant and equipment. That's more than the present net investment.

But how can an impoverished industry spend \$36 billion if it hasn't got?

Essential improvement programs are clearly beyond the means of today's railroads under existing circumstances. And yet, the question is not whether we will continue to have a rail network. The question is what kind.

The federal government can nationalize railroads or allow them to operate privately. Either way, money will be needed to buy equipment and improve operating facilities.

That's the grim but realistic conclusion reached by a study group created in 1969 by the Association of American Railroads.

The group was called America's Sound Transportation Review Organization. By the strangest of coincidences, the first letters of that title spell out ASTRO—which ties in nicely with an effort to move transportation policy into the space age.

This group—headed up by former United States Senator George A. Smathers—was asked to take a close and objective look at current transportation problems and future needs.

The problems obviously were not unknown within the railroad industry, but when they suddenly made headlines—including bankruptcy declarations in late June—ASTRO released its report in a hurry. Even so, it was a solid and thoughtful index of railroad ills and suggested remedies.

The ASTRO team did its homework. They talked with people—all kinds of people. They dug into the facts and the figures. And, of course, they read all the reports—numerous and voluminous—of previous studies. This new report is more than words. It's a call for action—action that offers an alternative to nationalization.

Simple fairness is one cornerstone of the ASTRO recommendations.

Take rights-of-way, for example.

Trucks operate on a highway system paid for and maintained by federal and state governments at a cost of hundreds of billions of dollars. User charges are paid, but not enough to offset all the costs.

Airlines benefit from government investment in an array of airway and airport facilities, provided at a cost of \$21.6 billion. They, too, pay user charges. But, again, the full cost is not recovered.

Water carriers do even better. Total public investment in the nation's waterways comes to \$14.6 billion. The barge lines pay no user charges.

This is said without rancor but simply to reflect the facts of life in this transportation business.

In contrast, the railroads acquired and developed their own rights-of-way. And they now maintain them—at a cost of about \$1.3 billion annually.

Let's remember that the often-cited land grants some railroads received in the last century were a factor in only one of every 10 miles of track in the nation. Furthermore, a Congressional committee long ago reported repayment had been made for these lands many times over.

So it's clear that, because of differences in government treatment, only the railroads bear the full cost of doing business in the transportation field.

To place all models on a more even footing where rights-of-way are concerned, the ASTRO report makes a number of recommendations.

One of these calls for eliminating the burden of discriminatory state and local property taxes on railroad property used in transportation. The justification for this is that our competitors don't pay similar taxes. But, recognizing that railroad property tax payments have been an important source of school and other local government financing, ASTRO suggests federal tax-sharing with

state and local governments to reimburse them for the nondiscriminatory part of their losses.

Discrimination does enter into this. Through the years, in some localities, railroads have been deliberately taxed at higher levels than other property. The United States Senate has passed a bill to stop this, and its final enactment will be helpful—but not enough to generate needed changes in the railroads' fixed plant.

Another major ASTRO proposal would merge the present highway trust fund into a general surface transportation fund.

This idea is not without controversy. But it seems absolutely essential—if really significant steps are to be taken toward restoring balance in transportation and toward solving transportation problems. It simply means that the tax dollars involved can be spent where they will do the most public good.

And the railroads would contribute to the new fund—through a user tax. From it, they would be authorized to receive \$400 million a year—less than 5 percent of the highway expenditures by all levels of government in 1970.

Funds made available to railroads would have to be used for improvement or replacement of right-of-way and structures—over and above what they've been doing.

In addition, it's proposed that the federal government guarantee up to \$400 million annually in private loans for similar purposes.

ASTRO also urges assistance for railroads in acquiring locomotives and cars they're unable to provide on their own.

Briefly, it recommends that the government guarantee low-interest loans to buy new equipment; advance money for down payments on rolling stock and offset excessive borrowing costs—at least for the next five years; restore tax credits on new equipment purchases, and create a non-profit corporation to acquire a "free-running" fleet of general purpose freight cars to relieve shortages.

These are among the dollars-and-cents proposals of the ASTRO program.

It does cost money.

But it's still a bargain, as we shall see—even adding in \$100 million a year for research that would cover both freight and passenger service.

That, it's true, would be quite a jump in federal spending for rail research. But it would still be very little when stacked against the vast sums railroad competitors have been receiving for research, development, testing and engineering.

For example, the federal government is putting up \$290 million for next year's work on developing the supersonic transport. A Congressional committee has estimated that total federal costs for this one project will reach \$1.3 billion—even though few significant public benefits appear likely to result.

But even if the railroads are given the financial means and the technological ways to modernize, success will not be assured without bold action on another front.

The philosophy under which railroads are still regulated evolved during the last century—when railroads, indeed, were a powerful near-monopoly. They're obviously no longer that. But the regulatory philosophy remains the same.

The problems of railroads are compounded by the fact that their competitors are not equally handicapped. Much of their barge and truck competition is not regulated at all.

In fact, a good deal of the regulation which railroads oppose seems to be little more than a mechanism to protect other modes from the realities of free competition.

So the first thing government could do to help the railroads in this area is to forget about the 1800s. This is the 1970s, and it's time to set the railroads free.

Railroads need the freedom to make day-to-day decisions and act upon them quickly—not six months—or years—later, when the opportunity to benefit may have been lost.

Railroads need the freedom to combine with other modes to provide the best possible "mix" of service to shippers. Transportation is intermodal; transportation companies should be, too.

Rate freedom should be encouraged—both up and down—to allow railroads to meet changing competitive and cost conditions.

These aims could best be realized by the creation of a single agency to regulate all modes with equality.

The ASTRO study, let me emphasize, did not overlook the segment of railroad operations that has been the most consistently controversial in the present era—passenger service.

It is now time for realism and fairness to govern the policies that affect this.

As a means of alleviating automobile and, in some cases, airway congestion, the rail mode can be a valuable instrument in present and future transportation planning.

But, make no mistake about it, the railroads can no longer absorb the severe losses of passenger operations. To impose large-scale deficits on them on the ground that they have obligations as "common carriers" uses a label to conceal an unfairness which could not otherwise be defended.

Railroaders aren't blind to the public interest. They recognize the need—to cite an example—for commuter operations in metropolitan areas. They see the advantages of high-speed, medium-distance service in densely populated corridors. And they realize that there are some people who like to ride long-distance passenger trains.

But railroaders aren't blind to the figures they see in their accounting books either. They know—as does just about everyone else—that commuter operations usually lose money. And that the initial investment required for high-speed corridor service is beyond their means. And that the number of people who want to ride a long-distance train at any given time is seldom large enough to make it pay.

Since each of these three types of service is different, the solution must be different in each case.

So ASTRO suggests that state and regional commissions develop concrete programs for placing essential, but unprofitable commuter service under public sponsorship.

It believes the market for "corridor" service must be more extensively explored—with the federal government financing the research as well as the cost of preserving service pending further study.

And it supports the concept of a federally chartered corporation to run intercity passenger trains found to be in the public interest.

Up to now, we've been concerned with proposals of ASTRO that are directed outward—to government, mainly. This is because, whatever the cause of some of the problems, government is seen as the only source of meaningful solutions.

But it would be a bit silly—and not very persuasive—to say that all railroad problems come from forces beyond the control of railroad management.

When ASTRO looked inward—upon railroads and their employees—it found a number of areas where there are things to be done. For example, it's realized that railroads must improve their record for working together on internal problems, using arbitration machinery where necessary to iron out industry disputes.

Railroad labor also has a stake in all this. Over one-half of every railroad dollar goes to labor costs. Thus, the ASTRO report notes, there's an urgent need to achieve better utilization of manpower and to realize the bene-

fits that can result from technological advances.

To be sure, it's unlikely that all railroaders agree on what's most important among the various recommendations contained in this report.

But the industry—including large segments of railroad labor—is very much united in support of the principles involved.

This unity—which may well be unprecedented in the history of the industry—should testify to the seriousness of the situation.

It's reasonable to ask how much these remedies—that constitute an alternative to nationalization—will cost.

One good answer would be: Not much—not in comparison with the cost of nationalization.

Another might be: A drop in the bucket—compared with expenditures on other forms of transportation.

And a third: Nothing at all—because a railroad industry, with restored health, would pay more than enough in taxes to offset the outlays proposed.

A more precise answer depends on how you figure it. Even if all of ASTRO's recommendations for financial aid to the railroads were eventually to be adopted, the total would contribute only about \$700 million a year toward the railroads' capital requirements.

This even takes into account money that would be required to replace state and local revenue losses.

But how much would nationalization cost? That, too, is a question without an easy answer—unless one is satisfied with words like "tremendous" or "exorbitant."

It could cost as much as \$60 billion just to transfer ownership. And that would still leave unmet the industry's need for capital improvements.

Neither does it allow anything for potential—almost certain—operating losses.

A New York brokerage firm, in its 1969 review of the railroad industry, observed that railroad service can deteriorate rapidly and costs skyrocket "once the discipline of private ownership is removed."

And we know that, under government control during World War I, the cost of railroad operations to U.S. taxpayers was \$2 million a day, while plant and service deteriorated badly.

Speaking of service may well remind you to ask about other countries where nationalization is the rule.

Well, comparisons are difficult because of differing circumstances. In our vast land, railroads are freight-oriented. They provide twice the ton-miles of service as the national systems of Japan and Western Europe combined. Those railroads—operating in much smaller and more densely populated areas—emphasize passenger service. The bulk of their traffic would correspond to commuter travel in this country.

And they operate at an average deficit of 20 percent. A similar deficit in this country would amount to more than \$2 billion a year.

By every possible yardstick—the cost of acquisition, the effect on customers and competitors, the experience of foreign nationalization—it is clear that a government takeover of U.S. railroads would be no favor to the American taxpayers and economy.

Transportation, in America, is a vast and essential complex. It involves highways, country roads and city streets . . . always and airports . . . canals and rivers . . . even pipelines . . . and, of course, railroads.

It moves not only people but also ever-increasing volumes of goods and materials.

Each part of the complex must carry its own weight—doing that part of the job it can do best. Since transportation is an element in the price of just about everything we buy or use, this kind of efficiency is vital.

Railroads handle the biggest share of the load—more ton-miles of intercity freight each year than trucks, barges and airplanes combined.

If railroads are to keep pace with the times and achieve their full potential in service to the nation, they must be brought into the transportation system as "part of the family."

Given fair and equal treatment with other modes, railroads can remain in private hands. They can be modernized and improved—largely at their own expense—and continue as a great national asset.

Nationalization would convert this asset into a public liability. The nation simply can't afford that.

America's railroads. Who needs them? You do. We all do.

And they need you.

THE FEDERAL JUDICIARY—
50 YEARS OF PROGRESS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. HUNGATE. Mr. Speaker, knowing of your and our colleague's interest in the judicial branch of our Government, I wish to invite attention to a very illuminating article entitled "The Federal Judiciary—50 Years of Progress," written by the Honorable Tom C. Clark, which appeared in the fall 1970 issue of the Federal Bar Journal. That issue commemorates the 50th anniversary of the Federal Bar Association.

The author of that article, as we all know, served with great distinction as an Associate Justice of the U.S. Supreme Court, after having been a member of the President's Cabinet as Attorney General of the United States. The American Bar Association conferred its Gold Medal on this learned governmental official and jurist in 1962.

Inasmuch as I have the honor of being the president of the Capitol Hill Chapter of the Federal Bar Association, I take particular pride in the fact that former Justice Clark was the national president of the Federal Bar Association from 1944 to 1945.

The Federal Bar Association, established in Washington in 1920, is an association of members of the Federal judiciary and of lawyers who are or have been in the employ of the U.S. Government in legal capacities. The association has chapters throughout the United States and in several European cities.

The objects of the Federal Bar Association are:

To advance the science of jurisprudence; to promote the administration of justice; to uphold a high standard for the Federal Judiciary, attorneys representing the Government of the United States, and attorneys appearing before courts, departments and agencies of the United States; to encourage cordial and friendly relations among the members of the legal profession; and to promote the welfare of attorneys employed by the Government of the United States.

Because of the importance of the article I referred to, I am inserting it in the RECORD:

THE FEDERAL JUDICIARY—50 YEARS OF
PROGRESS

(By Tom C. Clark)

As the Federal Bar Association celebrates its 50th year, it brings home to the minds

of us old-timers its many accomplishments. As an active member for thirty-two years I am proud of its record. It has been my good fortune to see the Association grow from a small group of a few hundred government lawyers to a distinguished association of thousands of members. But in my first few years as a member I learned from my work in the Association that in a fight strength counts more than size. The Federal Bar proved to be a fighter back in the early forties when it was the first bar association to integrate its membership. It had the courage and the will to fight for the right. Another reason for its phenomenal success is that it always looked to the opportunities offered by a difficult problem rather than the roadblocks that stood in the way of its solution. At times this led to the building of castles in the air, but the Federal Bar always put foundations under them. Although, of course, it could not overcome the inevitable, the Association did not permit the inevitable to overcome it. The one lesson it taught its members was that the grandest life was the one that was spent for something that would outlast life itself. These are the things that make up its greatness. These are the reasons why every member always walks as if he had a flower in his lapel buttonhole or a corsage on her dress. On this golden anniversary we dedicate ourselves to a continuance of these principles.

When the Federal Bar Association was founded, the uncertainty of the times was often tagged as "the winter of our discontent," a phrase that Shakespeare used in *Richard III* to describe the savage period of civil war in England. Now—fifty years later—we are disturbed by the disruption and violence that recurrently erupts in our communities; of the galloping crime rate, the disrespect and distrust of constituted authority and the permissiveness of our society. As lawyers and judges, we are especially disturbed by the increasing disrespect, disorder and turbulence that has recently marked the sessions of our courts. If the rules of decorum and the orderly procedure of the judicial process is permitted to be disrupted at the whim of a litigant or his counsel, then our free society will come to a sad and disappointing end. Likewise, the brutal and bizarre effort to free a defendant on trial in a California court points up the sad state of security in our courtrooms which resulted in the bloody toll of four dead, including the judge and the defendant himself.

No clearer picture of the State of the Judiciary has been painted than that of our distinguished fellow FBAer, Chief Justice Burger, in his monumental address to the nation last month. Speaking of the federal courts he pointed out that they operate in a supermarket age like a cracker barrel grocery store with the methods and equipment of 1900. And he pointed to the sad commentary that one C-5A military plane cost almost twice as much money as the entire expense of the federal court system for a whole year. Still the country continues to build C-5A's by the dozen, but fails to properly staff the courts and afford its judges minimum protection from marauders. Only a few weeks ago while in the trial of a case in the United States District Court in San Francisco, a man in the rear of my courtroom arose and in loud voice screamed blasphemy at the witness on the stand and ran from the courtroom. The jury was disturbed as was the counsel in the case, but there was no bailiff or marshal in the courtroom and by the time I had dispatched the Clerk to fetch the intruder, he had disappeared. During the three weeks I have been on trial no bailiff or marshal has been assigned to my court. The clerk acts as crier, bailiff, clerk, law clerk, secretary and shepherd for the jury.

It is true that the courts are, as the Chief Justice said, reeling under the impact of a

rising population, new statutory offenses and causes of actions as well as a tremendous increase in case filings. And, as he further said, procedural methods are archaic and must be drastically changed. Since his effective statement of the situation and his strong voice for improvement, I am more encouraged than ever before that we will overcome these difficulties. But it cannot be done without the help that he has so forcefully outlined and requested. And that is where you come in. The Federal Bar must put its strong shoulder to the judicial wheels.

This is not to say that the courts—both state and federal—have not made great progress in the last fifty years, especially during the last decade. Indeed, the Chief Justice himself has contributed greatly to these improvements for over a score of years. Let me mention only two programs. The first, which he chaired when he became Chief Justice, is the greatest advance in criminal law in this century—the ABA Standards for Criminal Justice. He had worked diligently on them for over five years. The other, founded only last year, is the Institute for Court Management. It should give to the courts what they have long needed, i.e., capably trained administrators. The news media has failed to give these and other projects sufficient notice for the public to be aware of them. And the politicians have been so busy deriding the courts that they have not had time to give much assistance. The Congress did create the Law Enforcement Assistance Administration (LEAA) and we are hopeful that this year it will focus on court problems, as it has in the past on the constabulary, and give us a lift. This would afford opportunity for extending the existing programs, such as the organic reorganization of the state courts systems and procedures in the federal District Courts and the Courts of Appeals; the standardization of paper work and filing systems; the improvement of the procedures and techniques incident to trial; the expedition of trials and appeals of criminal cases; the education and training of judges and their staffs; and the complete overhaul of our corrections system. All of these projects have been in progress for many years—especially during the last decade—but the funds have all come from private financing and are wholly inadequate. The only exception is the Federal Judicial Center, and its appropriation, over its three years of existence, has run under a million dollars. Let us outline in short form some of the major accomplishments.

The first dates back to the time of the founding of the Federal Bar Association. It is the Conference of Senior Circuit Judges organized in 1922 by Chief Justice Taft. It brought the Senior Judges of the Circuit into conference and gave opportunity to exchange ideas and improve procedures. Indeed, the Federal Bar worked with the Conference in this regard and one of its accomplishments was the creation of additional circuits and the adoption of the *certiorari* system presently in use by the Supreme Court of the United States. This Conference developed into the Judicial Conference of the United States. In 1937 it sponsored the first compilation of federal civil rules, which became effective in 1938 as the Federal Rules of Civil Procedure. A few years later it secured the adoption of the first Federal Rules of Criminal Procedure. In the meanwhile at its instance the Congress created the Administrative Office of the United States Courts in 1939. All of these things were momentous steps in the right direction.

Men of vision—such as Arthur Vanderbilt, John J. Parker and Orle L. Phillips—began the extension of those improvements to the state courts. During the American Bar Association presidency of Vanderbilt, the Section of Judicial Administration published a series of monographs on judicial administration. Judge Parker began sponsoring them

among the states. Vanderbilt organized the Institute of Judicial Administration at New York University where he was once Dean. Thereafter he edited and the Institute published the Minimum Standards of Judicial Administration, the only recognized work in the field. New Jersey, Vanderbilt's state, adopted a new Constitution in 1948 which streamlined its judicial structure and encompassed the standards previously developed by the Section. The Institute of Judicial Administration has been one of the most potent forces in judicial modernization, having established the first school for judges over fourteen years ago.

Two other organizations have been very active in their respective fields. The American Judicature Society was organized in 1913 as a progressive movement to secure the adoption of the recommendations Roscoe Pound made in his famous speech on the present public dissatisfaction with the courts back in 1906. It founded a semimonthly legal publication originally known as the *American Judicature Society Journal* and now called *Judicature*. This magazine has had a tremendous influence on court improvement. And no association has done more in the field of organic court structure; selection, tenure and compensation of judges; and judicial discipline and removal than the American Judicature Society. Today, almost half of the states have a unified court structure, thanks to its efforts, and the nonpolitical selection of judges in over one-third of the states is largely due to it. Likewise, in recent years, it has been the catalyst in the adoption of procedures for the discipline and removal of judges for cause and for disability. The second agency is that of the National Council on Crime and Delinquency. It has taken the lead in the area of corrections. Considering its financing problems, this group has worked wonders in sentencing, parole and probation and related problems.

The American Bar Association has also been active, especially during the past decade, through its Section of Judicial Administration. At the beginning of the sixties, it sponsored the Joint Committee for the Effective Administration of Justice, a group of some twenty national organizations working in the field of judicial administration. It was funded by the Kellogg Foundation and conducted seminars for the judges of all the state courts of general jurisdiction. After three years of work the Committee organized the National College of State Trial Judges at the University of Colorado, likewise financed by Kellogg. Its first session was held in 1964 and accommodated one hundred judges from all of the states for a month of training. The next year the Fleischmann Foundation awarded a three million dollar, ten-year grant to the College, but terms of the Fleischmann Foundation trust require that all recipients of grants be based in Nevada, so the National College was moved to the University of Nevada. Fleischmann has since granted a million dollar additional fund for a building for the College on the University of Nevada campus. The College has enlarged its activity to two thirty-day sessions each year with some 150 judges in attendance at each. In addition, 20 three-day seminars are yearly conducted in various parts of the country. The College is now being organized into a national state court center that will service the judiciaries of all the states.

In addition, the last decade has seen the development of the National Conference of State Trial Judges, the Appellate Judges' Conference, the National Conference of Special Court Judges, and the North American Judges Association. These groups are carrying on intensive programs in their respective fields. The North American group only this year, in association with the Judicature Society, organized the American Academy of Judicial Education and held its first twelve-

day training session last month. The National Conference of Special Court Judges also began a series of three-day conferences for its members. And the Institute for Court Management is presently conducting its first six-month session in Colorado. There, thirty carefully selected students are receiving intensive training in court management.

Still another outgrowth of the Joint Committee is the Conference of Metropolitan Court Judges which deals with special problems of the heavy docket courts in the urban communities. Through this Conference the problems of congestion receive special attention and new techniques are being developed to solve them.

Returning to the federal system, the establishment of the Federal Judicial Center was announced in late 1967 and started functioning in 1968. It was conceived by Chief Justice Warren and was promoted by the Judicial Conference of the United States. In the Congress, it was sponsored by Senator Joseph Tydings and Chairman Emanuel Celler. The Federal Bar Association took an active part in its organization. Indeed a number of persons in attendance here can take pride in its creation and present accomplishment. No one has been more dedicated and diligent on behalf of the Center than Miss Alice O'Donnell, who likewise has been active in the Federal Bar. And Miss Betty Baker, a former member of the Association staff, has been most helpful to the Center. Without these two stalwart supporters, neither the Federal Bar nor the Center would be where they are today.

The Center is less than three years old. Still it has induced more improvements in the federal judiciary than any agency in its history. During this short period the heavy dockets of six of the metropolitan courts have been switched from a central to an individual calendar; two United States Courts of Appeals carrying the heaviest dockets have inaugurated screening processes; a model United States District Court paperwork form and procedure system has been perfected and is now being tested; an official Judge's Bench Book has been circulated; a data processing mechanism for metropolitan courts is being organized and a continuing program of education for judges, magistrates, clerks, probation officers and referees in bankruptcy is in operation. There are hundreds of other accomplishments. Time will not permit attention to all of them, but I must mention one other. It is the reduction of backlogs and the accelerated disposition of cases, both civil and criminal. I am happy to say that we are making progress. A good example is the District Court for the District of Columbia. Recently, their entire criminal calendar was divided among nine judges who, during a three-month test period, disposed of 725 cases, leaving a backlog of 1,277 cases (of which 320 were cases involving fugitives or those mentally committed). Dispositions were over twice as high as filings and the result was a reduction of 40.9 percent of the backlog.

There is also a side benefit from the Center's accomplishment. It is a movement in the states to try out these new procedures. In both New York and Illinois, experiments are now being conducted in the state courts leading to a change in procedures. Indeed, in the Civil Court of the City of New York, tremendous progress has been made in recent months. This movement will soon spread to California, Texas and other states.

In an address before the Federal Bar Association at San Francisco on April 25, 1968, Mr. Justice Burke of the Supreme Court of California asked "Why . . . should not a National State Courts Center be organized for the states along the lines that the Federal Judicial Center serves in the federal system?" This sparked conversations that have now led to Resolutions by the various Judges Conferences requesting the establishment of

such a Center. It would have offices in Reno and Chicago as well as in Washington, D.C., thus affording close proximity to all of the states and affording it access and cooperation with all organizations operating in the field of judicial administration. Its function would be to serve the states in a manner similar to that of the Federal Judicial Center in the federal area. In addition, the two Centers would cooperate in operations of mutual interest such as state prisoner habeas corpus applications in federal courts, etc.

It would be most helpful if the Federal Bar Association would offer its cooperation in this endeavor. If you and others join in the effort the prediction of Mr. Justice Burke will come true—that it will be but a short time until we have these two national judicial centers jointly attacking our seemingly endless common problems to achieve the goal of rendering effective justice in both federal and state courts and in every state in the Union. Until that goal is reached, our work will remain unfinished.

Let us hasten; lest it be too late. I seem to feel death plucking at my ear and whispering, "Hurry, I am coming." Let us remember life is not a goblet to be emptied, but a measure to be filled. I know that together ours will be filled to overflowing!

MATERNITY CARE FOR WIVES OF SERVICEMEN

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. JAMES V. STANTON. Mr. Speaker, the bill I have introduced today would provide maternity care for the wives of servicemen who are pregnant when their husbands are discharged.

This legislation fills a need that has left many former servicemen deeply in debt, often while they are still looking for a job. Under my bill, a couple would pay only \$25 for complete maternity care at the hospital of their choice. The Federal Government would pay the balance, approximately \$14 million annually.

This bill has the bipartisan support of 38 Congressmen, including many legislative leaders. About 18,000 of the 900,000 servicemen discharged each year have wives who would qualify for these benefits, according to the Department of Defense.

Under present laws, once a man leaves the service, there is no way he can get immediate maternity benefits. Veterans hospitals are usually too crowded to handle maternity patients. Private health insurance will not cover a woman who is already pregnant.

As a result, an ex-serviceman faces a hospital bill of \$800 or more at a time when he can least afford it. I believe the men who fought for our country deserve better than this.

I introduced this bill after receiving a letter from the father of a Parma, Ohio, GI. Thomas M. Burke, 3995 W. 146th Street, Cleveland, wrote that his son, Steve, could not get insurance with maternity coverage when he was discharged from the Army 3 months ago.

Steve was still looking for a job when he was told the hospital would not reserve a room for his wife without a \$500

deposit. When a baby girl was born to the couple last Saturday, Steve said:

I just hope Congress passes Mr. Stanton's bill so other guys won't have to go through the headaches I had.

PLIGHT OF JEWISH CITIZENS OF THE SOVIET UNION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. RODINO. Mr. Speaker, I am introducing today a resolution to bring to the attention of the American public the horrifying plight of Jewish people in the Soviet Union.

The increasing number of anti-Semitic practices by Soviet officials has generated great dismay and outrage in this Nation and should be the concern of all people in the free world. It is a well-known fact that Soviet Jews have been subjected to religious, educational, and employment discrimination and have been severely restricted in their cultural endeavors by the Soviet Government, which thereby violates the Soviet Union's own code of behavior relative to nationality groups. Therefore, it is the moral responsibility of this Nation to exert diplomatic pressures on the Soviet Union in an effort to persuade them to cease their educational, religious, employment and cultural persecution of Soviet Jewry.

In an attempt to acquire a human existence, free from totalitarian oppression, many of the 3.5 million Jews living in Russia have applied for visas to emigrate from the Soviet Union. Their actions, however, have been met with various forms of invidious conduct, ranging from outright denial of their applications to imprisonment.

It is, therefore, the purpose of this resolution to express the concern of this Nation about the grim future facing Russian Jews, by making it the sense of Congress that the President, through the proper diplomatic channels, shall encourage and attempt to persuade the Soviet Union to permit persons of the Jewish faith to migrate to countries where they would be accepted and welcomed in the name of humanity and decency.

Earlier this month, 27 nations attending the World Conference on Soviet Jewry in Brussels heard testimony to the effect that instances of anti-Semitism in the Soviet Union were greatly increasing. Jewish citizens of Russia are continuously being harassed in the exercise of their religious and cultural freedoms, which are guaranteed to them under Russian law. In addition, despite the conservative estimate that 300,000 Jews would depart from Russia if they were so permitted, the Soviet authorities reluctantly allow only 2,000 to emigrate annually.

Recently, however, as a result of adverse world opinion concerning these harsh limitations on the number of Jewish emigrants, Moscow, albeit unwillingly, allowed 800 Jews to leave the country. This demonstrates that Moscow

is not totally immune to world pressures and emphasizes the need for passage of this resolution as a means of expressing United States public outrage at the mistreatment of Jews in Russia.

The United States, from its very inception, has strictly adhered to the principle that freedom of access or movement is a fundamental human right. Since this right is the cornerstone of liberty, it is essential to a free human existence. Likewise, freedom from religious persecution represents not only a constitutional principle of our democratic society, but a basic humanitarian doctrine which should be observed by all nations, regardless of their structure. These two fundamental freedoms, which are basic to our system of government, are often taken for granted by many Americans. As a result, many of the people of the free world have remained indifferent and unconcerned about the problems of Jews in Russia. We, as a nation that cherishes the free exercise of basic human rights, can no longer remain apathetic with respect to the serious problems confronting Russian Jews. We must not allow ourselves to be stirred only occasionally by thoughts of 6 million Jews executed in Nazi concentration camps or by newspaper accounts of 689 U.S. citizens arrested in peaceful protest against Soviet actions.

As Americans, and not as members of a particular creed, racial or ethnic group, we must do all in our power to preserve man's basic rights and should publicly condemn any attempt by totalitarian governments to curtail these rights.

It is for this reason that I have introduced this legislation. By requesting the President to exert diplomatic pressure on the Soviet Union to permit Jews to emigrate from the U.S.S.R. to Israel or other countries willing to receive them, we will have taken a determined step forward in freeing the second largest Jewish community in the world from the scourge of Soviet oppression.

CLERGYMEN AND CONGRESSMEN
MEET TO PLAN GRASSROOTS
CAMPAIGN AGAINST CONTINUED
U.S. INVOLVEMENT IN SOUTH-
EAST ASIA

HON. JOHN G. DOW

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. DOW. Mr. Speaker, across the Nation there is a frustration which is growing like a cancerous sore. The people are confused and concerned about national policies which dictate an expansion of a senseless war while ignoring domestic issues.

When I first came to Congress in 1965, I was one of seven who opposed the U.S. involvement in Southeast Asia. That opposition is spreading rapidly.

Now we need an increased effort at the grassroots level. As Members of Congress we should take a lead in bringing our convictions to the people. We should restore leadership to this body.

This morning the gentleman from Tennessee (Mr. ANDERSON) helped to organize a joint breakfast for Congressmen and clergymen opposed to the war. We hope this will be the start of similar meetings across the country to bring together a concerted effort.

At the conclusion of this morning's meeting the following resolution was adopted:

Considering the many reasons why the United States should withdraw from Vietnam, and especially the moral reason, this joint gathering of clergymen and Congressmen advocates U.S. military withdrawal from Vietnam before December 31, 1971. We offer ourselves to go into the countryside carrying our convictions on this critical subject to the American people.

One of the highlights of the breakfast meeting at the Church of the Reformation on East Capitol Street near the Capitol Building was a report by the Reverend William A. Banfield, elected head of the Presbyterian Church of the United States, who led a 50-member delegation of clergymen and laymen to Paris last week.

Reverend Banfield met with all the delegations to the Paris peace talks and returned with definite recommendations. I would like to share his remarks with my colleagues and ask that each of you study them carefully:

REMARKS BY THE REVEREND WILLIAM A.
BANFIELD

We are a group of 50 United States church men and women from nine denominations and two interdenominational groups, and from twenty states and the District of Columbia. We went to Paris to listen and learn. We brought only our concerns and questions, no petitions or proposals.

We were in Paris as members of the Christian community, not as professional negotiators. While many in our group have expertise in international affairs, that which binds us together as a group is not professional competence in such matters but certain religious and moral commitments. We share a loyalty to the God of justice, judgment, and mercy who demands that we love all our neighbors; commitment to our nation and concern for its integrity; anguish over what the war in Indochina is doing to our neighbors, our nation, and ourselves. Moreover, we share responsibility for all our nation has done and is doing: We are involved in the killing of every man, woman and child. Finally, we share a firm determination to do all we can to stop the killing, work for peace and minister to the suffering.

In Paris we had lengthy conversations with leaders of the official delegations to the Paris Conference on Vietnam from the four parties involved—the United States, the Republic of Vietnam (South Vietnam), the Democratic Republic of Vietnam (North Vietnam), and the Provisional Revolutionary Government of South Vietnam (PRG). We also had conversations with Vietnamese Catholic priests, Buddhist monks, and former government officials as well as with representatives of the Sihanouk government, French scholars and journalists, and other parties. We want to convey to our fellow Americans some of our convictions formed or intensified as a result of our conversations.

FIVE CONVICTIONS

1. *The brutal war in Indochina must be stopped now.* Millions have been killed or wounded. Millions more have been uprooted. Homes, fields, and forests have been destroyed. Societal structures have been un-

dermined. A whole generation has known nothing but war. People have suffered enough! From all groups with whom we talked—regardless of their political stance—came the same agonizing cry: "Stop the killing!" This cry must be heeded.

2. *No acceptable military solution to this conflict—including "Vietnamization"—is possible.* Each side firmly believes that its cause is just. Thus, despite war-weariness, each side is prepared to fight as long as necessary. "Vietnamization"—the provision of arms for Asians to kill other Asians—will not resolve the political conflict that underlies the war. Moreover, "changing the color of the corpses" is morally repugnant to us. If this brutal conflict, which began more than a quarter of a century ago, is not resolved through political negotiations, it could continue indefinitely.

3. *Attitudes and methods of negotiation must change if a political solution is to be possible.* Just as each side to the conflict believes that its cause is just and the others unjust, so each side in the negotiations feels that its offer is reasonable and the other's unreasonable. Moreover, the very style of the negotiation talks—with no chairman, no mediator, no exchange of notes, and no private meetings—severely limits the possibility of genuine dialogue. It is our feeling that because the United States is the only party who at the present time is willing to talk to all delegations, it should give the peace talks a much higher priority, and authorize its delegation to take initiative in facilitating negotiations.

4. *A pledge by the United States to withdraw all of its troops from Indochina by a certain date would be a highly significant contribution to the negotiations.* Both the date and manner of withdrawal ought to be negotiated. We have concluded that the basic concern of the PRG, North Vietnam, and many other Vietnamese with whom we talked is that the U.S. military forces agree to leave their land. Our government has already contributed hundreds of thousands of men and billions of dollars over a ten-year period in fulfillment of whatever commitment it may have made to the Saigon government. The demand that our government now declare its intention to withdraw does not seem to be unreasonable.

5. *The only way to secure the release of prisoners of war is through a political settlement.* The only way to secure that political settlement is to pledge to withdraw U.S. forces. The PRG and North Vietnam have expressed their willingness to discuss the release of all prisoners as soon as the United States sets a date for the withdrawal of U.S. forces. While the opposing parties to the negotiations have strong reasons based on history to doubt the veracity of each other, the historical precedent on the release of prisoners is clear. Within thirty days after the signing of the armistice between the French and the "Viet Minh" in 1954, the French soldiers held by the Viet Minh forces were released. We share with many others a profound concern for the prisoners being held by all sides in the war and for their families. It is our firm conviction that the President's intention to leave a U.S. military force in Vietnam so long as U.S. prisoners are held is inevitably self-defeating.

APPEALS FOR ACTION

In light of our moral commitments and these convictions, we make these appeals:

1. We appeal to the President and to the Congress to declare immediately their *pledge* to withdraw *unconditionally* all U.S. military forces from Indochina in the immediate future.
2. We appeal to the President to add credibility to this *pledge* and to bring a major part of the killing to an end by directing all United States air, naval and ground forces in Indochina not to drop bombs or to fire

weapons except in response to direct attack.

3. We appeal to our government to initiate immediately at the Paris Conference negotiations on the timetable for the pledged withdrawal of all United States military forces.

4. We appeal to all of our fellow church men and women to join us in calling on the President and the Congress to take these steps immediately.

Tomorrow, Mr. Speaker, the caucus of Democratic Members of the House is scheduled to meet and vote on a resolution giving our support to a "sense of Congress" resolution to withdraw all American troops from Vietnam by the end of this year.

While I and many others would prefer an early deadline, this is one that has gathering support. Such a pledge would move the Paris negotiations off dead center.

The fact that this resolution is being seriously considered for action on the floor is strong evidence that the American people generally believe we have more important problems to solve at home than we have in Southeast Asia.

Once again, I would like to say that I and many of our colleagues here are ready and willing to go out and meet with the people at the grassroots level and I would strongly urge other Members to do so. Such action would be a step in restoring the faith and trust of the people in our legislative branch.

SHORTAGE OF MEDICAL FACILITIES

HON. JOE SKUBITZ

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. SKUBITZ. Mr. Speaker, we are rapidly approaching a crisis in medical education in the United States. School facilities to educate and train future doctors are totally inadequate. Hundreds of dedicated young men and women, anxious to become physicians and alleviate the sufferings of a large part of our population that requires more and more care, are denied the opportunity to at-

tend medical schools of their choice, or indeed any medical schools in this country.

In my own State of Kansas, sharp restrictions on enrollment in the State university medical school have deprived a substantial number of Kansas young people of an advanced professional education. Indeed, it is a sad commentary on this great and rich Nation that scores of young people have found it necessary to go to foreign countries to gain a medical education. For example, in a medical college in Mexico, more than 80 percent of the medical students are from the United States. I regard this as deplorable.

I am, therefore, today introducing a joint resolution which would require the Veterans' Administration to establish a pilot program to assist in the establishment of new State medical schools. In so doing I am joining the distinguished chairman of the Committee on Veterans' Affairs, who proposed an identical bill a few days ago. It is an honor to follow the gentleman from Texas. I sincerely hope that his committee will promptly move our resolution forward to enactment.

PROPOSED AMENDMENT TO H.R. 6531

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1971

Mr. GIBBONS. Mr. Speaker, in accordance with clause 6 of rule XXIII of the Rules of the House of Representatives as amended by the Legislative Reorganization Act of 1970, I am inserting at this point in the CONGRESSIONAL RECORD an amendment to H.R. 6531, the Military Selective Service Act Amendments of 1971. It is my understanding that under this rule, I will be entitled to 5 minutes in which to explain my amendment even if the Committee of the Whole agrees to a limitation on debate time.

The text of the amendment follows:

AMENDMENT TO H.R. 6531, AS REPORTED OFFERED BY MR. GIBBONS

Page 11, between lines 22 and 23, insert the following:

"(25) By adding immediately before section 17 the following new section:

"Sec. 16a. No person who is inducted after June 30, 1971, for training and service under this title may be used in combat or deployed to a combat zone outside the United States unless at least one of the following shall have occurred:

"(1) The President has declared that an armed attack has been made upon the United States.

"(2) The President has declared that an armed attack on the United States is so imminent that full mobilization of the armed forces is required.

"(3) The Congress by concurrent resolution authorizes such use and deployment of persons inducted under this title and directs that a full mobilization of the armed forces be effected.

"(4) The President has requested that Congress declare war, but the authority to so use and deploy inducted personnel pursuant to this clause shall expire at the close of the 30th day after such request was made if the Congress has not declared war on or before such 30th day.

"(5) The Congress has declared war.

"(6) Such person consents to such use and deployment in such written form as shall be prescribed by the Secretary of the military department concerned."

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 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?

HOUSE OF REPRESENTATIVES—Wednesday, March 31, 1971

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Acquaint now thyself with God, and be at peace: Thereby good shall come unto thee.—Job 22: 21.

Eternal Father, without whom we can do nothing wisely and with whom we can do all things worthily, unite these leaders of our people in the true way to achieve justice in our Nation and peace in our world.

During these Lenten days we renew our prayer for our President, our Speaker, these men and women who represent our Nation, and all who work with them. May Thy providence watch over them, Thy spirit sustain them, and Thy wisdom guide them that with a high integrity of purpose they may meet the difficult demands of these troubled times.

Help each one of us to live this day without sin, and may Thy mercy be upon us as we trust in Thee. In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT

Mr. NATCHER. Mr. Speaker, on behalf of the gentleman from Pennsylvania (Mr.

FLOOD) I ask unanimous consent that the Committee on Appropriations have until midnight tonight to file a privileged report on the appropriation bill for the Office of Education and related agencies for the fiscal year ending June 30, 1972.

Mr. JONAS reserved all points of order on the bill.

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

There was no objection.

CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.