

sons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. MILLS (for himself, Mr. ALBERT, Mr. ALEXANDER, Mr. BELCHER, Mr. CAMP, Mr. EDMONDSON, Mr. HAMMERSCHMIDT, Mr. JARMAN, Mr. PRYOR of Arkansas, and Mr. STEED):

H.R. 12464. A bill to provide that U.S. district courts shall have jurisdiction of certain cases involving interstate compacts relating to the apportionment of the waters of interstate river systems; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 12465. A bill to permit State agreements for coverage under the hospital insurance program for the aged; to the Committee on Ways and Means.

By Mr. ROBISON:

H.R. 12466. A bill to provide for orderly trade in footwear; to the Committee on Ways and Means.

By Mr. STOKES:

H.R. 12467. A bill relating to withholding, for purposes of the income tax imposed by certain cities, on the compensation of Federal employees; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. BROWN

of California, Mr. BINGHAM, Mr. FRASER, Mr. HALPERN, Mr. MIKVA, Mr. MOORHEAD, Mr. MOSHER, Mr. PEPPER, Mr. PODELL, Mr. ROSENTHAL, Mr. RYAN, Mr. SCHEUER, and Mr. CHARLES H. WILSON):

H.J. Res. 798. Joint resolution to establish a Joint Commission of the United States, the Republic of South Vietnam, and the International Commission for Supervision and Control in Vietnam to study the ecological effects of chemical warfare in Vietnam; to the Committee on Foreign Affairs.

By Mr. MCCARTHY (for himself, Mr. ANDERSON of California, Mr. ASHLEY, Mr. CAREY, Mr. COHELAN, Mr.

DULSKI, Mr. FARSTEIN, Mr. GILBERT, Mr. HORTON, Mr. HOWARD, Mr. HUNGATE, Mr. JOELSON, Mr. LEGGETT, Mr. MACDONALD of Massachusetts, Mr. MATSUNAGA, Mr. MORSE, Mr. MOSHER, Mr. OBEY, Mr. OLSEN, Mr. POWELL, Mr. PREYER of North Carolina, Mr. RIEGLE, Mr. THOMPSON of New Jersey, and Mr. TUNNEY):

H. Res. 457. Resolution urging the President to resubmit for ratification the Geneva Protocol of 1925 banning the first use of gas and bacteriological warfare; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII,

230. The SPEAKER presented a memorial of the Legislature of the State of Connecticut, relative to welfare assistance, which was referred to the Committee on Ways and Means.

## SENATE—Thursday, June 26, 1969

The Senate met at 12 o'clock noon and was called to order by the Vice President.

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

O Lord, who knowest how busy we must be this day, if we forget Thee, do not forget us. Enable us to walk and talk and work mindful of Him who under heavy burdens and in the midst of controversy kept a tranquil heart. When the evening comes, and we pillow our heads and sleep, nature's great restorer, comes over us, may we hear Thy gentle voice saying, "Well done, good and faithful servant." Amen.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Leonard, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 790) making continuing appropriations for the fiscal year 1970, and for other purposes, and it was signed by the Vice President.

## THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of

the Journal of the proceedings of Wednesday, June 25, 1969, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

## TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

## COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

## EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the executive calendar.

There being no objection, the Senate proceeded to consider executive business.

## DEPARTMENT OF THE INTERIOR

The bill clerk read the nomination of Charles H. Meacham, of Alaska, to be Commissioner of Fish and Wildlife, Department of the Interior.

Mr. STEVENS. Mr. President, Charles H. Meacham is 43 years old, married and has two sons. He is an Alaskan and has been nominated to be Commissioner of Fish and Wildlife in the Department of the Interior.

The Commerce Committee has reported favorably on his nomination and he now awaits the action of this body.

Chuck Meacham is uniquely qualified for this important Federal position.

Raised in the Sierra Nevada Mountains, he is a former marine raider in the South Pacific theater. He will bring to this position 19 years of varied experience in fish, wildlife, research, and management, both in California and Alaska. He has served as the Alaska Director of International Fisheries, and is an adviser to the Commissioners of the International North Pacific Fisheries Commission, a member of the U.S. Fishing Industry Advisory Committee of the U.S. State Department and Alaska's senior member of the Alaska-Japan Fisheries Panel Joint Research Venture.

Mr. President, the fact that we are acting on this nomination is an historical accident. When the Division of Fish and Wildlife was elevated to the secretarial level, and the position of Assistant Secretary for Fish and Wildlife was created, the position of Commissioner of Fish and Wildlife still remained subject to confirmation.

This fact does not diminish the duty we have. I mention this only to indicate that Mr. Meacham's major duties will be in the area of international conferences, and that he has demonstrated his ability in this area to an unquestionable degree.

An objection was raised prior to the hearings on Chuck Meacham. The objection is based on his role during an incident on the Kuskokwim River.

Mr. President, approximately 1 year ago a group of fishermen in the Bethel area formed a cooperative and invited a Japanese freezer ship to the area to purchase and process their catch. The Japanese said they would come to Alaska if the Governor approved. The Governor of Alaska, Walter Hickel, after considering the long-range aspects of the North Pacific Treaty arrangements with Japan, and after consultation with his director of international fisheries, Stanton Patty, did not consent to the proposed transaction.

Mr. Meacham was sent to the area to carry out the Governor's directions. He made no policy. His sole role was that of an able junior officer responding to his superior's orders.

The Kuskokwim incident had two

sides. On one hand were the members of the cooperative, who wanted the highest price their fish could bring and the processing of those fish before they spoiled. On the other hand was the work force of on-shore canneries. The entire history of the background to the North Pacific Treaty was also involved. Feelings were running high, as indicated by the following telegrams received by Governor Hickel during this period of time:

In general meeting of Kuskokwim Fishermen Association June 2, 1968, 108 members in attendance at Napakiak, Alaska, it was the expression of the group that under no circumstances should the Japanese freezer ship be allowed to come into the Kuskokwim River to purchase and process salmon.

That was signed by the business agent and by the Secretary. At the same time this petition signed by over 100 fishermen was sent to the Secretary:

DEAR GOVERNOR: In order to clarify the false reports that all the fishermen on the Kuskokwim River are in favor of the Japanese processing ship coming to Bethel, we the following fishermen would like to state that we are not in favor of this and take this opportunity to thank you for taking the stand you have on this controversial issue.

That was signed by 100 fishermen.

At the same time the Democratic State senator from that area, Ray Christianson, sent a telegram to Governor Hickel as follows:

On June 9th a meeting of fishermen was held at Napakiak, Alaska, with a delegation from all villages of the Lower Kuskokwim represented. The selling of fish to the Japanese freezer ship was discussed. The delegation unanimously voted against selling to the Japanese freezer ship. I ask you to support them in their decision.

I would point out, Mr. President, it said, "unanimously voted against selling to the Japanese freezer ship."

The point then is that Meacham went to Kuskokwim to carry out a policy already decided. The hearings held by the Commerce Committee showed that while he was at Bethel he did everything he could to prevent fish from spoiling, including the pledge of \$900 of his own money for tubs to be used by the cooperative to store the fish. Only 450 out of 160,000 fish taken that year spoiled.

It is my opinion that this body should not concern itself with the correctness of the decision made by Governor Hickel. This incident is over, but the controversy still exists, as evidenced by a telegram recently received which states in pertinent part:

The action of the Secretary and Mr. Meacham in preventing the Japanese from purchasing unprocessed fish here, met and still meets with the approval of over 95 percent of the 600 Commercial Eskimo Fishermen. I think it is about time that someone be told how the people feel and not what the imported poverty worker thinks they should feel concerning the Japanese and the Kuskokwim River. Andy Edge Business Representative Association of Kuskokwim Fishermen.

Stanton Patty, who served as Alaska director of international fisheries, prior to Meacham, has written that:

It appears that the main "beef" against Chuck is his involvement in the Kuskokwim fisheries affair last year . . . I made the recommendation for that action . . . Chuck at

that time was a State of Alaska Department of Fish and Game employee in Anchorage. I designated him to lead our team to Bethel, with the Governor's approval, and either gave him or directed to him all instructions he carried out. What I'm saying is that Chuck did what we told him. I don't know how he felt about the matter, but he did the job we told him to do. He had no part in the policy-making end of it.

I had to return to the Seattle Times staff last July 1 when my leave expired. Chuck then succeeded me in Alaska as Director of International Fisheries. I think he has done an excellent job.

Mr. President, since the nomination of Chuck has been announced, the reaction I have received has been all favorable. I have not received one unfavorable piece of mail regarding Meacham.

On March 20, 1969, I received the following telegram from Gov. Keith Miller, of Alaska:

I have today signed S.J.R. 29 titled-recommending the confirmation of Charles Meacham as Commissioner of the Fish and Wildlife Service, Department of the Interior. The 19 years of over-all experience in National and International Fisheries matters has proved that Mr. Meacham is more than qualified to represent all the Fisheries of the United States. This resolution passed both the Senate and the House without a dissenting vote from either side of the aisle. I personally recommend his confirmation by the U.S. Senate. Keith H. Miller, Governor.

Mr. President, I ask unanimous consent that Senate Joint Resolution 29 and related communications be included in full at the conclusion of my remarks.

THE VICE PRESIDENT. There being no objection the material is ordered to be printed in the RECORD.

(See exhibit 1.)

MR. STEVENS. Mr. President, I think that the above, as well as the hearings so ably conducted by Chairman MAGNUSON, clearly show that the sole concern of this body is whether or not Chuck Meacham has the ability, character, and integrity to fill the position for which he has been nominated. To determine this, we need look to his accomplishments already set forth in the hearing record, and the opinion others hold of him.

The support for Meacham has not been solely from Alaska. Communications have been received from other States, from individuals who know and admire him.

Edward and Leilemi Keough, of Alexandria, Va., telegraphed me the following message:

Have worked with Meacham and know him as a man of integrity with proven leadership and administrative ability.

The response has come from biologists, conservationists, fishermen, Congressmen, and businessmen.

On May 27, 1969, the executive committee of the Pacific Marine Fisheries Commission unanimously endorsed the confirmation of Charles Meacham as Commissioner of Fish and Wildlife.

A fishery biologist from Cordova, Alaska, wired the following message:

Charges against Meacham's integrity by political opponents completely unfounded. Comments by professional co-workers unsolicited statement of facts concerning Meacham's ability and performance as Administrator Professional career biologist. Have known Meacham for 22 years as friend and co-

worker. Integrity professional ability unquestionable. Past records of performance demonstrate ability. Ralph B. Pirtle, Fishery Biologist.

Robert Rausch, of Fairbanks, Alaska, has written that:

I am a professional conservationist who has had the pleasure and privilege of working with Mr. Meacham for nearly 15 years, though not in the same division of the Fish and Game Department. His ability and integrity is widely known and respected among professional conservationists.

Congressman HOWARD POLLOCK, the Congressman for Alaska, has written:

Mr. Meacham is extremely well qualified by training and experience in both national and international fishery matters to represent the United States as Commissioner of Fish and Wildlife Service. In my view, his integrity and professional competence are above reproach. It is my earnest hope and fervent wish that the appointment of Charles Meacham as Commissioner of Fish and Wildlife Service in the Department of Interior will receive overwhelming endorsement in the Commerce Committee and almost unanimous confirmation in the United States Senate.

Twenty-five employees of the State's fish and game department wired:

March 13, 1969—Strongly support appointment of C. H. Meacham as Commissioner of Fish and Wildlife Service. Meacham widely recognized as outstanding administrator with exceptional leadership ability by professional association with Alaska and International Fisheries. Meacham was regional supervisor for commercial and subsistence fisheries, management and research, in an area larger than the combined areas of Washington, Oregon, California and Idaho, which produces a major share of Alaska's fishery products. Average annual value of this region's commercial fisheries is \$42 million, and these fisheries have been administered with an annual budget of less than \$1 million. Criticism of Meacham's role in the Kuskokwim incident is unjustified as issue and policy was largely developed before his appointment to the Director of International Fisheries for the State. Signed by 25 State Fish and Game employees.

State Senator Ray Christiansen, the representative of the Bethel area wired:

March 14, 1969—I should like to be on record as unequivocally endorsing the appointment of Charles Meacham to be Commissioner of Fish and Wildlife Service for the U.S. Department of Interior. As a member of Alaska legislature for nine years, as a member of the Kuskokwim Valley Native Association and as a citizen with a vital interest in the fisheries of our State and Nation. I have known Mr. Meacham for eight years and have been intimately acquainted with his professional accomplishments. From this acquaintance I feel personally confident that he is well suited to the position and urge your efforts on behalf of his appointment.

RAY CHRISTIANSEN.

Editorials have appeared in several of my State's newspapers concerning this nomination. The Kodiak Mirror strongly endorsed Meacham. The Fairbanks Daily News-Miner wrote that:

It is important for Alaska and Alaskans to have a United States Commissioner of Fish and Wildlife in office who understands Alaska's problems, and not inconsistent with our national best interests because such a large portion of our national wildlife resources are encompassed within Alaska. We were of the opinion, shared, we believe, by most Alaskans,



that the appointment of Mr. Meacham, a veteran of our Alaska Fish and Game program, was consistent with both Alaska and National best interests.

The Chamber of Commerce of Petersburg, Alaska, a community in which Chuck lived and worked for several years has unanimously endorsed him. The deputy commissioner of the State department of revenue has written in his support.

Mr. President, the litany of spontaneous, unsolicited support for Chuck Meacham is virtually endless. He is a good and decent man. His education and experience in the field of fish and wildlife and his experience and ability in international treaty negotiations are assets which should greatly benefit the people of our Nation. He has responded to the challenge posed by the naked grandeur of my State. He has responded to the challenge of war in the South Pacific theater, he has responded to the challenge of every position he has held, and in the process has ably demonstrated his administrative talents, and more importantly his honesty and integrity.

I support Chuck Meacham without qualification. On the basis of the record before this body, I urge that my colleagues join in this support, and confirm Chuck Meacham, so that the people of our Nation will have the benefit of his talents as soon as possible.

#### EXHIBIT 1

#### SENATE JOINT RESOLUTION 29

Recommending the confirmation of Charles Meacham as Commissioner of the Fish and Wildlife Service, Department of the Interior

Whereas Charles Meacham has been nominated by Secretary of Interior Walter J. Hickel to be Commissioner of the Fish and Wildlife Service of the United States; and

Whereas this office involves responsibility for the care and management of all fish and wildlife under joint or exclusive United States control; and

Whereas Charles Meacham has previously served in the Alaska Department of Fish and Game which manages one of the largest fisheries in the United States; and

Whereas the State of Alaska has more fish and game resources than any other state in the United States; and

Whereas Charles Meacham has been connected with the management of those resources as an employee of the Territory and then the State of Alaska for 12 years; and

Whereas Charles Meacham has been active in International Fisheries negotiations since 1960, and since 1968 has served as the Advisor to the Governor of Alaska on International Fisheries matters; and

Whereas Charles Meacham has 19 years of over-all experience in the field of fish and game management;

Be it resolved that the Legislature of the State of Alaska commends Secretary of Interior Walter J. Hickel for his nomination of Charles Meacham as Commissioner of the Fish and Wildlife Service, and respectfully urges the Interior and Insular Affairs Committee of the United States Senate and the Senate as a whole to approve the nomination of Charles Meacham.

Copies of this Resolution shall be sent to the Honorable Walter J. Hickel, Secretary of the Department of the Interior; the Honorable Richard B. Russell, President Pro Tempore of the Senate; the Honorable Henry M. Jackson, Chairman of the Interior and Insular Affairs Committee; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable

Howard W. Pollock, U.S. Representative, members of the Alaska delegation in Congress.

PORTLAND, OREG.,  
May 27, 1969.

HON. THEODORE STEVENS,  
U.S. Senate,  
Washington, D.C.

PMFC executive committee from Alaska, California, Idaho, Oregon, Washington, unanimously favors confirmation Charles Meacham Commissioner Fish and Wild Life.

LEON A. VERHOEVEN,  
Pacific Marine Fisheries Commission.

PETERSBURG, ALASKA,  
March 18, 1969.

HON. WARREN G. MAGNUSON,  
Chairman, Commerce Committee,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR MAGNUSON: Our members unanimously endorse the appointment of Charles H. Meacham as Commissioner of Fish and Wildlife.

We therefore respectfully urge your support of confirmation of Mr. Hickel's appointment. Thank you.

Sincerely,

LARS EIDE,  
President,  
Petersburg Chamber of Commerce.

The VICE PRESIDENT. Without objection, the nomination is considered and confirmed.

#### DEPARTMENT OF JUSTICE

The bill clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations in the Department of Justice be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Department of Justice are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask that the President be notified of the confirmation of the nominations.

The VICE PRESIDENT. Without objection, it is so ordered.

#### LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

#### THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 260, S. 1790; Calendar 261, S. 1076; and Calendar 266, Senate Joint Resolution 122.

The VICE PRESIDENT. Without objection, it is so ordered.

#### GREAT PLAINS CONSERVATION PROGRAM

The Senate proceeded to consider the bill (S. 1790) to amend the act of August 7, 1956 (70 Stat. 1115), as amended, providing for a Great Plains conservation

program which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, line 3, after the word "That" strike out "the Act of August 7, 1956 (70 Stat. 1115), as amended, is hereby further amended as follows:

"Subparagraph (b) (1) of said Act is amended to read: and insert 'section 16(b) (1) of the Soil Conservation and Domestic Allotment Act, as amended, is amended to read as follows:'; on page 2, at the beginning of line 1, strike out 'thereof' and insert 'therefor'; in line 4, after the word 'needed' strike out 'for the contract period'; in line 5, after the word 'thereby', insert a semicolon and 'but such contracts shall be entered into with respect to lands, other than farms or ranches, only where erosion is so serious as to make such contracts necessary for the protection of farm or ranch lands.'; in line 19, after the date '1981,' strike out 'on' and insert 'with respect to'; on page 3, line 12, after the word 'measures,' strike out 'for' and insert 'for (a)'; in line 13, after the word 'resources,' strike out 'for' and insert '(b)'; in line 14, after the word 'and' strike out 'for' and insert '(c)'; in line 15, after the word 'related' strike out 'pollutants harmful to soil and water resources' and insert 'pollution. Inclusion in the farm plan of these practices shall be the exclusive decision of the land owner or operator.'; on page 4, line 9, after the word 'Secretary,' insert 'after considering the recommendations of the soil and water conservation district board,'; on page 5, line 17, after 'Sec. 2.' strike out 'Subparagraph (b) (2)' and insert 'Section 16(b) (2) of said Act'; on page 6, line 6, after 'Sec. 3.' strike out 'Subparagraph (b) (7)' and insert 'Section 16(b) (7)'; at the beginning of line 11, insert '(A) during the period ending December 31, 1971, (i)'; in line 13, after the word 'exceed' strike out '\$300,000,000, and' and insert '\$150,000,000, and (ii)'; and in line 15, after the figure '\$25,000,000,' insert a semicolon and 'and (B) during the period beginning January 1, 1972, (i) the total cost of the program (including administrative costs) shall not exceed \$250,000,000, and (ii) the cost of the program for any year (including administrative costs) shall not exceed \$25,000,000.'; so as to make the bill read:

S. 1790

A bill to amend the Act of August 7, 1956 (70 Stat. 1115), as amended, providing for a Great Plains conservation program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 16(b) (1) of the Soil Conservation and Domestic Allotment Act, as amended, is amended to read as follows:

"(1) the Secretary is authorized, within the amounts of such appropriations as may be provided therefor, to enter into contracts of not to exceed ten years with owners and operators of land in the Great Plains area having such control as the Secretary determines to be needed of the farms, ranches, or other lands covered thereby; but such contracts shall be entered into with respect to lands, other than farms or ranches, only where erosion is so serious as to make such contracts necessary for the protection of farm or ranch lands. Such contracts shall be designed to assist farm, ranch, or other land

owners or operators to make, in orderly progression over a period of years, changes in their cropping systems or land uses which are needed to conserve, develop, protect, and utilize the soil and water resources of their farms, ranches, and other lands and to install the soil and water conservation measures and carry out the practices needed under such changed systems and uses. Such contracts may be entered into during the period ending not later than December 31, 1981, with respect to farms, ranches, and other lands in counties in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, designated by the Secretary as susceptible to serious wind erosion by reason of their soil types, terrain, and climatic and other factors. The land owner or operator shall furnish to the Secretary a plan of farming operations or land use which incorporates such soil and water conservation practices and principles as may be determined by him to be practicable for maximum mitigation of climatic hazards of the area in which such land is located, and which outlines a schedule of proposed changes in cropping systems or land use and of the conservation measures which are to be carried out on the farm, ranch, or other land during the contract period to protect the farm, ranch, or other land from erosion and deterioration by natural causes. Such plan may also include practices and measures for (a) enhancing fish and wildlife and recreation resources, (b) promoting the economic use of land, and (c) reducing or controlling agricultural related pollution. Inclusion in the farm plan of these practices shall be the exclusive decision of the land owner or operator. Approved conservation plans of land owners and operators developed in cooperation with the soil and water conservation district in which their lands are situated shall form a basis for contracts. Under the contract the land owner or operator shall agree—

"(i) to effectuate the plan for his farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to paragraph (3) of this subsection;

"(ii) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of the contract;

"(iii) upon transfer of his right and interest in the farm, ranch, or other land during the contract period to forfeit all rights, to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract;

"(iv) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

"(v) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program.

In return for such agreement by the landowner or operator the Secretary shall agree to share the cost of carrying out those conservation practices and measures set forth

in the contract for which he determines that cost sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation practices and measures under the contract."

SEC. 2. Section 16(b)(2) of said Act is amended to read:

"(2) the Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest, and may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to other similar conservation, land use, or commodity programs administered by the Secretary."

SEC. 3. Section 16(b)(7) of said Act is amended to read:

"(7) there is hereby authorized to be appropriated without fiscal year limitations, such sums as may be necessary to carry out this subsection: *Provided*, That (A) during the period ending December 31, 1971, (i) the total cost of the program (excluding administrative costs) shall not exceed \$150,000,000, and (ii) for any program year payments shall not exceed \$25,000,000; and (B) during the period beginning January 1, 1972, (i) the total cost of the program (including administrative costs) shall not exceed \$250,000,000, and (ii) the cost of the program for any year (including administrative costs) shall not exceed \$25,000,000. The funds made available for the program under this subsection may be expended without regard to the maximum payment limitation and small payment increases required under section 8(e) of this Act, and may be distributed among States without regard to distribution of funds formulas of section 15 of this Act. The program authorized under this subsection shall be in addition to, and not in substitution of, other programs in such area authorized by this or any other Act."

Mr. PEARSON. Mr. President, at the request of the Senator from North Dakota (Mr. YOUNG), I ask unanimous consent that the names of the Senator from New Mexico (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Oklahoma (Mr. HARRIS), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. MANSFIELD), the Senator from Montana (Mr. METCALF), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Wisconsin (Mr. NELSON) be added as cosponsors of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. YOUNG of North Dakota. Mr. President, this bill would extend the time within which the Great Plains conservation program contracts can be entered into for 10 years; that is, until December 31, 1981. Since the contracts may run as long as 10 years, this would permit some contracts to continue until December 31, 1991.

The program has been a very necessary and successful one. It applies only to those counties in the Great Plains which are susceptible to wind erosion; and its purpose is to provide conservation measures to hold the soil down and keep it from blowing away. The purpose is to keep this area a great productive reservoir and prevent it from ever re-

turning to the dust bowl conditions of the thirties.

The cost of the program during the period of the extension would be limited to \$250 million, and the cost for any year would be limited to \$25 million.

The bill makes a number of improvements in the program. These would, first, permit contracts covering nonagricultural land where necessary to prevent the soil from blowing onto neighboring agricultural land; second, permit contracts covering lands under annual lease where control of the land appears adequate for contract purposes; third, provide for assistance in enhancing fish and wildlife, recreation, and other resources, and in pollution control, and fourth, provide for broader contract amendment authority and a greater voice for the local soil and water conservation districts.

The Committee on Agriculture and Forestry was unanimous in its approval of the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91-269), explaining the purposes of the bill.

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

#### SHORT EXPLANATION

This bill would extend the Great Plains conservation program for 10 years and enlarge its scope in a number of minor respects.

The program is one under which the Secretary enters into conservation cost sharing contracts of up to 10 years with producers in counties susceptible to wind erosion in the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming.

#### DETAILS

The bill would—

(1) extend the time within which new Great Plains program contracts could be entered into to December 31, 1981 (now December 31, 1971).

(2) limit the total cost of the program (including administrative costs) during the 10 year period covered by the extension to \$250 million.

(3) limit the annual cost of the program (including administrative expenses) during the period of the extension to \$25 million.

(4) extend the program to nonfarm lands to the extent necessary to protect farm or ranch lands and to owners and operators who are not producers.

(5) give the Secretary of Agriculture discretion to determine whether the landowner or operator has the necessary amount of control of the land, instead of requiring absolute control for the contract period. This would make possible, where conditions warrant, contracts on operating units where customary control is through annual leasing arrangements.

(6) provide for Federal assistance, at the exclusive decision of the landowner or operator, in measures to—

(a) enhance fish and wildlife and recreation resources,

(b) promote economic use of the land, and

(c) reduce or control agricultural related pollution;

(7) Provide that conservation plans must be developed in cooperation with the appropriate soil and water conservation district in order to form the basis for contracts.

(8) Permit modification of contracts by mutual agreement to "accomplish equitable treatment with respect to other similar conservation, land use, or commodity program."



(9) require the Secretary to consider recommendations of the soil and water conservation district board before requiring a contract forfeiture.

#### COMMITTEE AMENDMENTS

The committee amendments are of a minor and generally technical nature. They would—

(1) Correct references to the statute being amended,

(2) Correct a typographical error,

(3) Make it clear that contracts can be entered into with persons in possession under circumstances which provide adequate but not absolute assurance that they will control the land for the contract period.

(4) Restrict contracts on lands, other than farm or ranch lands, to cases where erosion is so serious as to make such contracts necessary for the protection of farm or ranch lands,

(5) Make it clear that contracts are to be entered into "with respect to", rather than "on", farms,

(6) conform the provisions of the bill dealing with (i) fish and wildlife, economic use, and anti-pollution practices, and (ii) soil and water conservation district board contract forfeiture recommendations, to those adopted by the House of Representatives in H.R. 10595, and

(7) keep the present limits on program expenditures through December 31, 1972, and impose a limit of \$250 million on total program costs and a limit of \$25 million on annual program costs (including administrative expenses in each case) for the period beginning January 1, 1972.

With the foregoing amendments the bill will be substantially identical to H.R. 10595, as passed by the House of Representatives. The only substantive difference (not counting those intended to require that the bill be carried out in accordance with intentions expressed in the House report, and the report of the Department of Agriculture) is the fund limitation described in item (7) above.

#### NEED FOR THE LEGISLATION

The Great Plains region is a vast, productive, agricultural region which has problems peculiar to its environment. This area, commonly referred to as the "Dust Bowl" in the 1930's, can, through programs such as the one under consideration, continue to be a great productive reservoir if its productive capacity is safeguarded. The potential of the Great Plains area as a supplier of our Nation's foodstuffs can only be fully realized by putting into effect those practices and procedures which will more completely control the effects of weather hazards. Drought, destructive winds, floods, and other natural disasters cannot be prevented, but their damaging effects can be minimized. The Great Plains conservation program is an integral key to this need.

The region is subject to severe climatic variations that periodically bring wide suffering and serious economic losses. Because of the character of some soils in the region, and the normal low rainfall pattern, continuous cultivation of the entire area creates serious problems of wind erosion and resultant economic distress occur and recur.

In the 10-State area covered by the program there are approximately 110,500,000 acres of cropland and 215 million acres of range and pastureland. About 43 million acres of cropland and 91 million acres of range and pastureland now have treatment adequate to meet the conservation needs of the land. Thus, more than half the cropland, range, and pastureland still need conservation treatment. These acreages include about 5,500,000 acres of cropland that are not suited for sustained cropland production and should be converted to permanent vegetation, and about 12,500,000 acres of range and pasture-

land that need reestablishment of vegetative cover.

Conservation treatment of cropland, range-land, and pastures produces substantial community and national benefits. Proper land use and treatment materially reduce the sediment polluting our Nation's streams and reduces soil dust in the air. Dust contamination of the air causes, among other things, serious respiratory ailments.

#### ACRES OF LAND DAMAGED

Great Plains States	Number of counties reporting	Land damaged			Total land damaged	
		Crop-land	Range-land	Other land	Feb. 28, 1969	Feb. 29, 1968
Northern:						
Montana	15	20,650		500	21,150	22,100
Nebraska	6	28,000	790	150	28,940	10,600
North Dakota	19	129,970	1,450	250	131,670	303,150
South Dakota	22	19,300			19,300	25,350
Wyoming	10	11,150	7,000	1,530	19,680	20,550
Subtotal	72	209,070	9,420	2,430	220,740	381,750
Southern:						
Colorado	10	16,125	20	5	16,150	6,160
Kansas	39	5,900			5,900	10,000
New Mexico	10	20,600	3,600	1,600	25,800	3,900
Oklahoma	17	34,531	47	102	34,680	1,200
Texas	56	365,510	8,600	13,710	387,820	56,020
Subtotal	132	442,666	12,267	15,417	470,350	77,280
Grand total	204	651,736	21,507	17,847	691,090	459,030

#### BACKGROUND

##### A. Developments culminating in passage of the 1956 legislation

In early 1956 the Great Plains Agricultural Council with assistance from the U.S. Department of Agriculture recommended a program for the Great Plains which was transmitted to the Congress by President Eisenhower. Public Law 84-1021 establishing the Great Plains conservation program was enacted in August of that year.

U.S. Department of Agriculture agency representatives at State levels, along with directors of extension and experiment stations, State agricultural agencies, governing bodies of soil and water conservation districts, and other agricultural leaders jointly reviewed the hazardous wind erosion areas in each of the 10 States. They made recommendations to the Secretary of Agriculture as to the boundaries that should be established for program participation and recommended the initial counties in each State to be eligible to participate. After the initial designation, other counties within the area were required to request designation by the Secretary, based on criteria established for program participation.

The recommendations for action, along with testimony during the hearings, made clear that a strong effort must be made to stabilize the resources of the Plains. In addition to the critical need to establish protective cover on large acreages of unstable land, the program was designed to achieve a more stable agriculture, more dependable source of income, and a more satisfactory livelihood for the people of the region.

It was recognized that emergency treatment measures would not bring about this stability. A program to obtain complete conservation treatment on entire operating units as rapidly as possible was needed. The program, as developed under Public Law 84-1021, provides for technical as well as long-term cost-sharing assistance to help farmers and ranchers who are willing to install and maintain complete conservation on their units. Cost-share contracts range from not less than 3 years to not more than 10.

##### B. Operation of the program to date

In establishing the operating policies of the program, it was determined that priority should be given to those farmers and ranchers

The fact that contracts covering less than one-half of the acreage in the designated counties have been executed is in itself conclusive evidence that much remains to be done under the program. The most recent report of the Soil Conservation Service of wind erosion damage, covering the calendar quarter ending on February 28, 1969, starkly reveals the continuing severity of the problem.

who desired to change the use of their land in an effort to minimize the hazards of wind and water erosion. A plan of operations, including a time schedule of treatment installation, is a prerequisite for program participation. Conservation plans, developed in cooperation with soil and water conservation districts, serve adequately as a basis for contracts.

The Great Plains conservation program is not a land retirement program. No rental payments are included. It is aimed at obtaining shifts and improvement in land use based on the varying capability of land, rather than crop reduction. This permits the units under contract to continue operation as viable farms and ranches contributing to the economic stability of rural communities. The program provides opportunities for participants to stabilize their operations by insuring carryover feed for livestock to avoid untimely sales during drought or other emergencies. Through application of needed conservation treatment, more dependable production and more stable income is assured.

In order to allow as many farmers and ranchers as possible to get started on complete conservation plans, a limit of \$25,000 for any one unit was established. Experience has shown that contracts average about \$3,500 in Federal cost sharing spread over about 5½ years. This means about \$630 a year in Federal cost sharing is used by individuals on the average in carrying his conservation plan through to completion.

As of June 30, 1968, a total of 31,122 contracts covering 56,601,700 acres had been executed. The effect of the program in bringing about needed land-use adjustments is evidenced by the fact that producers have contracted to convert about 21 percent of their cropland to permanent cover. Nearly 15 percent of the cumulative cost-share payments paid to producers through June 30, 1968, was for the establishment of permanent grass on land previously used for cropland, and about 22 percent was for practices connected with the reestablishment of vegetative cover on range and pasturelands.

The average contract executed in fiscal year 1968 covered 1,604 acres with an average Federal cost-share obligation of \$3,471, as depicted on the following table:

PROGRESS REPORT OF THE GREAT PLAINS CONSERVATION PROGRAM, FISCAL YEAR 1968 AND CUMULATIVE TO JUNE 30, 1968

State	Number of designated counties	Great Plains contracts signed				Total, cost-share obligations				Unserviced application
		Number		Acres						
		Fiscal year	To date	Fiscal year	To date	Fiscal year	To date	Fiscal year	To date	
Colorado.....	36	263	2,198	519,008	6,831,684	\$1,266,970	\$12,238,197		317	
Kansas.....	62	347	3,291	191,441	2,404,799	938,685	8,684,239		473	
Montana.....	37	115	1,336	990,169	6,401,144	749,794	7,211,919		387	
Nebraska.....	58	461	4,213	580,531	5,179,766	1,280,495	12,780,985		657	
New Mexico.....	18	114	1,376	682,379	8,712,090	662,148	7,984,779		263	
North Dakota.....	30	314	3,449	467,486	4,613,593	618,027	7,008,089		494	
Oklahoma.....	30	568	3,294	304,757	3,052,331	1,351,067	8,584,191		908	
South Dakota.....	39	197	1,509	480,116	4,581,300	684,779	6,657,893		348	
Texas.....	99	803	10,075	721,431	12,746,546	2,793,238	33,984,772		1,073	
Wyoming.....	11	45	381	238,966	2,078,447	259,163	2,794,801		99	
Total.....	420	3,227	31,122	5,176,284	56,601,700	10,604,366	108,019,865		5,019	
Average per contract.....				1,604	1,819	3,286	3,471			

<sup>1</sup> Cumulative expenditures are about \$80,000,000, leaving a balance of \$28,000,000 unpaid cost-share obligations.

Mr. METCALF. Mr. President, on behalf of the Senator from Texas (Mr. YARBOROUGH), I ask unanimous consent to have printed in the RECORD a statement he has prepared on the bill.

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

Mr. YARBOROUGH. Mr. President, in my life I have seen too many severe extended droughts for them ever to be erased from my memory. Others of you here can also remember the looks of despair on the faces of those good people who were trying to farm or raise cattle on the highly erodible soils of the plains country, but were facing foreclosure, and in some cases starvation, as the land dried up and blew away in drought days.

Those dust bowl days of the 1930's shocked the entire Nation. History books have accurate accounts of mass exodus of good people from the plains states.

In the late 1930's we began to develop programs to help stabilize this vast area, and typically we experienced a number of good moisture years which gave us encouragement that those dark days of the 1930's would not appear again.

Another extended drought which eventually laid bare much of the plains again in the mid-1950's jolted us out of our complacency. High winds again whipped the bare soil, and people again were aroused and alarmed over the prospect of another dust bowl. Strong measures were necessary if we were to stabilize our farms and ranches and to reclaim our land, much of which should never have been plowed or grazed to begin with.

In 1956, Congress set into motion the Great Plains Conservation Program. For the first time we provided for a contractual partnership between the government and the farmers and ranchers to accelerate the planning and application of needed conservation treatment on entire farms or ranches over a specified period of years. This gave them assurance of continuous cost sharing until the job was completed—and helped them do it at a pace they could afford.

The area covered by this program is roughly that between the Mississippi/Missouri river systems on the east and the Rocky Mountains on the west, between the Canadian border on the north, and central West Texas on the south. This land was once the domain of the Indian and the buffalo, a vast treeless open area covered by a grassy sea. It is a harsh land, prey to great extremes of weather—drought and flood, cold and heat. And as the settlers came, the grass disappeared along with the Indians and the buffalo and with the grass went the limited ability of the hard, dry earth to hold water and the condition of the 1930's came about.

There are now 421 counties covered by this program, in ten Great Plains States.

Nearly a fourth of them are in my home state. The population of this area is now in the vicinity of 20 million people.

We should consider too that the Federal cost sharing has been Society's cost of keeping the dust out of the air, silt from the streams, and assurance that this vast agricultural area will always be available to feed and clothe our population.

The Great Plains Conservation Program in Texas is a real success story. A recent survey conducted by the Soil Conservation Service showed that of the 4,050 farms and ranches visited, the owners of more than 9 out of 10 were keeping their conservation work at a satisfactory level. A fourth of this number had invested in further improvements.

Looking back over their experience in the Program, some landowners reported that they had gained in the process a clear understanding of the needs of their land. Others commented that their conservation work had given economic stability to their enterprises. Some of the smaller operators said that the added economic stability in their enterprises had enabled them to stay on their farms.

But, Mr. President, the job is not yet done. The Texas survey indicated that the work accomplished under the program in the 98 counties in the 11 years of activity amounts only to from 10 to 15 percent of the conservation work needed in the area. Achievements would have been even greater had the funds been sufficient to meet the requests of all of the applicants.

The current authority for the Great Plains Conservation Program expires on December 31, 1971. The strong beginning that we have made must be continued. We need at least a 10-year extension of this Program to ensure the conservation of the Great Plains.

S. 1790, as reported out of the Committee on Agriculture and Forestry, provides for the extension of the Great Plains Conservation Program to December 31, 1981. It authorizes up to \$250 million to carry out this Program, nearly twice as much as was provided in the Act of August 7, 1956.

Mr. President, this legislation has my strongest support. I am hopeful that this distinguished body will consider it favorably and provide a new lease on life to one of this Country's most valuable conservation programs.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "An Act to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program."

Mr. HRUSKA. Mr. President, the Sen-

ate has passed S. 1790, a bill to extend the Great Plains conservation program for 10 years and to enlarge its scope in a number of minor respects.

It was my privilege on April 15 of this year to join Senator YOUNG of North Dakota and several other colleagues as a cosponsor of S. 1790. The bill was referred to the Senate Agriculture and Forestry Committee from where it was reported favorably with certain amendments. The committee amendments are of a minor and generally technical nature, and the bill will still be substantially identical to the measure passed by the House of Representatives.

I have heartily supported the extension of the Great Plains conservation program and commend the Senate for its unanimous enactment of S. 1790.

The Great Plains conservation program was authorized in 1956 by the 84th Congress after being proposed and actively supported by the Eisenhower administration. This program represented a major step toward protecting and preserving the vast agricultural area of the Great Plains. It provided farmers and ranchers in the critically erodible areas with long-range, cost-sharing, and technical assistance, and contributed greatly to establishing well-planned conservation programs throughout this region. As of June 30, 1968, 31,122 cost-share contracts had been signed in the Great Plains area covering 56,601,700 acres, of which 18,732 contracts are still active on 37,449,169 acres.

In the 10-State area of the Midwest where the Great Plains conservation program has been authorized there are approximately 110 million acres of cropland and 215 million acres of range and pastureland. About 43 million acres of cropland and 91 million acres of range and pastureland now have treatment adequate to meet the conservation needs of the area. It is apparent from these figures that more than half the cropland, range, and pastureland still needs conservation treatment.

Concentrated efforts have been and must continue to be made under this program to help the landowners and operators make needed land use changes. Much of the Great Plains area is suitable for production of cultivated crops when needed conservation measures are properly applied. There are other areas of the Great Plains, however, that are not suited for cropland.

Of the acreage that has not yet been treated, about 5,500,000 acres of cropland and about 12,500,000 acres of range and pastureland are in great need of vegetative cover.

The Great Plains conservation program is helping participants convert these lands to permanent vegetative cover and to reseed denuded rangelands. Nearly 15 percent of the cumulative cost-share payments paid to producers through June 30, 1968, was for the establishment of permanent grass on land previously used for cropland, and about 22 percent was for practices connected with the reestablishment of vegetative cover on range and pasturelands.

The Great Plains conservation program is of substantial benefit to my



State of Nebraska. Sixty counties in Nebraska are presently designated to receive assistance; many of these counties were subject to serious drought last year and will require extensive land treatment to prevent rapid erosion. As of January 1969, about 4,429 individual contracts had been entered into in Nebraska for cost-share assistance since the beginning of the program. These contracts cover about 5.5 million acres of Nebraska grassland. The amount expended for cost-share by the Federal Government in Nebraska has been about \$13.4 million since 1956.

In addition, there are now more than 600 applications pending from farmers and ranchers of Nebraska seeking assistance. Many thousands of acres were damaged last year in Nebraska, and other Midwest States, by wind erosion; crops or cover were destroyed by wind last year in this region on 351,280 acres where the land itself was not reported as being damaged; hundreds of thousands of acres being used for cropland at the time initial contracts were signed still need to be converted to permanent vegetative cover or to be reseeded.

Passage of S. 1790 will extend the life of this vital program for a sufficient period of time to accomplish more adequately the conservation of our land resources in the Midwest. It is on this land that a substantial portion of our national grain and livestock production takes place.

For these reasons, I joined as a cosponsor of S. 1790.

On behalf of the farmers and ranchers of the Great Plains area, I want to express my appreciation to my colleagues in the Senate for extending this vital program.

#### YOUTH CONSERVATION CORPS

The Senate proceeded to consider the bill (S. 1076) to establish in the Departments of the Interior and Agriculture Youth Conservation Corps, and for other purposes which had been reported from the Committee on Interior and Insular Affairs, with an amendment, strike out all after the enacting clause and insert:

##### POLICY AND PURPOSE

SECTION 1. The Congress finds that the gainful employment of American youth during the summer months in the healthful outdoor atmosphere afforded in the national park system, the national forest system, the national wildlife refuge system, and other public land and water areas administered by the Secretary of the Interior and the Secretary of Agriculture creates an opportunity for understanding and appreciation of the Nation's natural environment and heritage. Accordingly, it is the purpose of this Act to further the development and maintenance of the natural resources of the United States by the youth upon whom will fall the ultimate responsibility for maintaining and managing these resources for the American people.

##### YOUTH CONSERVATION CORPS

SEC. 2. (a) To carry out the purposes of this Act, there is hereby established in the Department of the Interior and the Department of Agriculture a three-year pilot program designated as the Youth Conservation Corps (hereinafter referred to as the "Corps"). The Corps shall consist of young

men and women who are permanent residents of the United States, its territories, or possessions, who have attained age fourteen but have not attained age nineteen, and whom the Secretary of the Interior or the Secretary of Agriculture may employ without regard to the civil service or classification laws, rules, or regulations, for the purpose of developing, preserving, or maintaining lands and waters of the United States under the jurisdiction of the appropriate Secretary. The Corps shall be open to youth of all social, economic, and racial classifications: *Provided, however*, That preference shall be given to disadvantaged youth. Employment preference for temporary supervisory personnel shall be given to primary, secondary, and university teachers and administrators, and university students pursuing studies in the education and natural resources disciplines.

(b) The Secretary of the Interior and the Secretary of Agriculture shall determine the areas under their administrative jurisdictions which are appropriate for carrying out programs using employees of the Corps. The rates and hours and other conditions of employment in the Corps shall be as jointly determined by the two Secretaries: *Provided*, That members of the Corps shall not be deemed to be Federal employees other than for the purposes of the Act of June 25, 1948, as amended (28 U.S.C. 2671 et seq.), and the Act of September 6, 1966 (5 U.S.C. 8102 et seq.). The Secretary of the Interior and the Secretary of Agriculture shall promulgate regulations to insure the safety, health, and welfare of Corps members. No member of the Corps may be employed for a term in excess of ninety days during any single year.

(c) The Secretary of the Interior and the Secretary of Agriculture may provide for such transportation, lodging, subsistence, and other services and equipment as they may deem necessary or appropriate for the needs of members of the Corps in their duties. To minimize transportation costs, Corps members shall, insofar as is feasible, be employed on conservation projects nearest to their place of residence.

(d) Wherever feasible and appropriate, vacated Civilian Conservation Centers and other unoccupied facilities maintained and operated by the Departments of the Interior and Agriculture shall be utilized for the purposes of this program. Unoccupied military facilities shall also be utilized where appropriate and necessary, and upon approval by the Secretary of Defense.

(e) The provisions of title II of the Revenue and Expenditure Control Act of 1968 (82 Stat. 251, 270) shall not apply to appointments made to the Corps, to temporary supervisory personnel, or to other temporary program support staff.

SEC. 3. (a) Upon completion of each year's pilot program, the Secretaries of the Interior and Agriculture shall prepare a joint report detailing the contribution of the program toward achieving the purposes of the Act and providing recommendations. Each report shall be submitted to the President not later than one hundred and eighty days following completion of that year's pilot program. The President shall further transmit the report to the Congress for review and appropriate action.

(b) The Secretaries of the Interior and Agriculture shall prepare a joint report, indicating the feasibility of initiating a cost-sharing youth conservation program with State natural resource conservation or outdoor recreation agencies. This report shall be submitted to the President not later than one year following enactment of this Act. The President shall further transmit the report to the Congress for review and appropriate action.

SEC. 4. For three years following enactment of this Act, there are hereby authorized to

be appropriated not to exceed \$3,500,000 annually to be made available to the Departments of the Interior and Agriculture to carry out the purposes of this Act.

Mr. JACKSON. Mr. President, on February 18 I introduced S. 1076, a bill to establish a pilot Youth Conservation Corps program for young men and women, 14 to 18 years of age. These young Americans would participate in summer work and educational projects in our national parks, forests, recreation areas, wildlife refuges, and other public lands administered by the Departments of the Interior and Agriculture for periods up to 90 days. This program is seen as a step toward developing a valuable public resource—our lands—while at the same time benefiting our greatest national asset—our youth.

At a time when there is great national concern for the maintenance of the natural environment and for meeting the burgeoning demands for outdoor recreation, measures need to be taken to intensify resource management programs. If the future leaders of our Nation are to be expected to understand that the great out-of-doors has a relevant role in their lives, they must experience the sense of accomplishment in completing a difficult task, of understanding the intricacies of land and water conservation and management, and of working in programs to assure that future generations of Americans will enjoy life in a quality environment.

These young men and women would be employed in a variety of conservation duties. They would help to reduce the tremendous backlog of maintenance and development work necessary in our park and recreation lands. The Corps members would be expected to perform a variety of projects including timber stand improvement, trail maintenance, wildlife habitat improvement, basic soil and water conservation duties, and maintenance and construction of campgrounds and picnic facilities.

I want to emphasize that this bill authorizes appropriations to support a 3-year pilot program for approximately 3,000 youth each year. The pilot program is authorized to minimize the program costs and to provide data for an annual program analysis report to determine if the Corps is fulfilling the intended objectives of the act. Before the life of the program can be extended, or its size increased beyond the third year of the program, the program would be reviewed and new legislation would be required.

If the pilot program is successful, as I hope it will be, it can be continued and expanded into a permanent program.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91-270), explaining the purposes of the bill.

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

##### PURPOSE OF THE MEASURE

The purpose of this legislation, which was introduced by Senator Jackson for himself and 26 cosponsors, is to establish a pilot

Youth Conservation Corps program for young men and women, 14-18 years of age, who would participate in summer work and educational projects in our national parks, forests, recreation areas, wildlife refuges, and other public lands administered by the Departments of the Interior and Agriculture for periods up to 90 days. Corps members would be employed by the Department of Interior or Agriculture, without regard to the civil service or classification laws, rules, or regulations for the purpose of developing, preserving, or maintaining lands and waters of the United States under the jurisdiction of the appropriate Secretary. This program is seen as a step toward developing a valuable public resource—our lands—while at the same time benefiting our greatest national asset—our youth.

In addition to providing work experience, the program is envisioned as an opportunity to benefit the young enrollees by—

(1) Enhancing their understanding of the natural environment and its relationship to them;

(2) Stimulating high school youth who are capable of attaining greater goals, but presently lack motivation or direction in school, and

(3) Providing a forum for discussion and mutual understanding between youth of all socioeconomic and racial origins.

The bill authorizes appropriations to support a 3-year pilot program for approximately 3000 youth each year. If the pilot program is successful, it can be continued and expanded into a permanent program.

#### COMMITTEE AMENDMENTS

The committee amended the bill by deleting all after the enacting clause, and substituting language to adopt, in substance, suggestions made by the Departments of Interior, Agriculture, and Labor, as well as the Office of Economic Opportunity and the Bureau of the Budget.

The effect of the committee amendments are as follows:

1. The title of the bill was changed to reflect the fact that the Youth Conservation Corps is initially to be operated as a pilot program.

2. Specific language was added stating that membership in the Corps shall be open to youth of all social, economic, and racial classifications; however, a preference is to be extended to disadvantaged youngsters.

3. A second preference clause was added to indicate that the preference source of temporary staff personnel is to be primary, secondary, and university teachers and administrators, and university students in the field of education and natural resources.

4. A provision was included which charges the Secretaries of Interior and Agriculture with the responsibility of promulgating regulations to insure the safety, health, and welfare of Corps members.

5. Language was added to provide that, insofar as is feasible, Corps members will be employed on conservation projects nearest their place of residence.

6. Language was added to authorize the use of existing Federal facilities, wherever feasible, for operation of the program.

7. A provision was added to exclude temporary supervisory personnel and program support staff from consideration under the provisions of title II of the Revenue and Expenditures Control Act of 1968.

8. A new section 3 was added directing the preparation of an annual program review report to the President and the Congress by the Secretaries of Interior and Agriculture.

9. Section 3 further directs the preparation of a report by the Secretaries of Interior and Agriculture, indicating the feasibility of initiating a cost-sharing youth conservation program with State natural resource conservation or other outdoor recreation agencies.

10. A new section 4 was added which authorizes appropriations for the pilot Youth Conservation Corps for a 3-year period, with the appropriation level not to exceed \$3,500,000 annually.

#### BACKGROUND

Several bills have been introduced in Congress during the past 10 years to establish youth conservation programs, although they differed in either scope or objective from S. 1076. This also applies to the civilian conservation centers operated under the Job Corps program which offer full-time employment for disadvantaged, out-of-school youth.

Section 101 of the Economic Opportunity Act of 1964, as amended by Public Law 90-222, authorizes the creation of the Job Corps in which unemployed, out-of-school, 14- to 22-year-old men and women could enroll for up to 2 years. According to section 106 of this act, no less than 40 percent of the male Job Corps enrollees were to be engaged in natural resource management work at civilian conservation centers. As of March 31, 1969, the capacity for civilian conservation center enrollees totaled 14,371. This number is to be reduced to 5,896, effective June 30, 1969.

Section 120 of the Economic Opportunity Act of 1964, as amended, authorizes the creation of a work-training program: the Neighborhood Youth Corps. Enrollees of this program conduct such duties as beautification projects and improvements and maintenance of school buildings, parks, and recreation facilities. Of the 364,000 youth enrolled in the 1968 summer Neighborhood Youth Corps program, approximately 600 conducted conservation work in connection with the Departments of Interior and Agriculture.

#### NEED

S. 1076 is designed to provide summer employment opportunities for youth, primarily those from urban areas, who have varying economic, social and racial backgrounds. Far too many young Americans never have an opportunity to receive meaningful work experiences. Because of the summer employment problems in urban areas, young men and women often turn from walking the streets seeking job to roaming the streets in pursuit of mischief.

More than a year ago, the President's National Advisory Commission on Civil Disorders reported that the lack of substantial employment opportunities for the youth trapped in urban ghettos was one of the principal causes of riots. The youth of these areas were characterized as encountering a life of despair and hopelessness. The Commission recommended greatly expanded training and employment opportunities for ghetto youth as the primary component of an attack on the causes of urban poverty. The Youth Conservation Corps would reach many of these young men and women and demonstrate to them that they can play a significant role in the functioning of our society.

At a time when there is great national concern for the maintenance of the natural environment and for meeting the burgeoning demands for outdoor recreation, measures need to be taken to intensify resource management programs. If the future leaders of our Nation are to be expected to understand that the great out-of-doors has a relevant role in their lives, they must experience the sense of accomplishment in completing a difficult task, of understanding the intricacies of land and water conservation and management, and of working in programs to assure that future generations of Americans will enjoy life in a quality environment.

These young men and women would be employed in a variety of conservation duties. They would help to reduce the tremendous backlog of maintenance and development

work necessary in our park and recreation lands. The Corps members would be expected to perform a variety of projects including timber stand improvement, trail maintenance, wildlife habitat improvement, basic soil and water conservation duties, and maintenance and construction of campgrounds and picnic facilities.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "An Act to establish a pilot program in the Departments of the Interior and Agriculture designated as the Youth Conservation Corps, and for other purposes."

#### EXTENSION OF THE EXPORT CONTROL ACT, 1949

The joint resolution (S.J. Res. 122) to provide for a temporary extension of the authority conferred by the Export Control Act of 1949 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 12 of the Export Control Act of 1949, as amended (50 U.S.C. App. 2032), is amended by striking out "June 30, 1969" and inserting in lieu thereof "August 30, 1969."*

#### ARTHUR RIKE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 229, S. 1932.

The VICE PRESIDENT. The bill will be stated by title.

The BILL CLERK. A bill (S. 1932) for the relief of Arthur Rike.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SCOTT. Mr. President, I ask unanimous consent, on behalf of the Senator from Arizona (Mr. FANNIN), the chairman of the minority calendar committee, to have printed in the RECORD a statement and an insertion concerning the bill.

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

Mr. FANNIN. When a bill identical to S. 1932 was being considered by the Senate last year on September 18, I had some comments to make regarding it.

I include my statement in the RECORD on S. 2214 in the 90th Congress, on September 18, 1968, together with a copy of the deposition of a postal inspector to which I referred in that statement, in the RECORD at this point. (See exhibit 1.)

#### EXHIBIT 1

Mr. FANNIN. Mr. President, this bill, sponsored by Senator BURDICK, would confer jurisdiction upon the U.S. District Court for the District of North Dakota to hear, determine, and render judgment upon a claim by Arthur Rike. It would waive the defenses of the United States based on the statute of limitations, laches, or any previous proceedings in said district court.



The report of the Post Office Department on this bill to the Committee on the Judiciary states in part as follows:

"Our records disclose that on February 23, 1967, Arthur Rike filed a civil tort action in the District Court, First Judicial District, Grand Forks, N. Dak., against David John Mersey a postal employee. The suit demanded damages of \$37,905 for alleged injuries sustained by Mr. Rike as a result of a collision on December 24, 1964, between Mr. Rike's automobile and that of Mr. Mersey, who was acting within the scope of his Federal employment. At the request of the assistant U.S. attorney the action was removed to the U.S. District Court for the District of North Dakota pursuant to 28 U.S.C. 2679(d), and the United States was substituted as a party defendant in place of Mr. Mersey. The Government then moved to dismiss the suit on the ground that plaintiff's cause of action was barred by the 2-year Federal statute of limitations, 28 U.S.C. 2401(b). The court granted the Government's motion, dismissing the suit on November 19, 1967.

"The Department opposes enactment of S. 2214. This bill would, in effect, nullify the above court proceedings and allow Mr. Rike an additional year within which to bring suit. In the 82d Congress this committee, in its report on Senate Joint Resolution 23, declared that it "would not relieve a claimant of a statute of limitations except for 'good cause' shown \* \* \*." We see no evidence of "good cause" in this case to grant the relief which would be afforded by S. 2214."

The sponsor of the bill takes exception to the position of the Post Office Department that there was no showing of a "good cause" for extending the statute of limitations. He states:

"I feel that I must take exception to this. Mr. Rike was lulled into believing that the U.S. Government was not a party to claims arising out of an automobile accident in which he and David John Mersey were the drivers. The only reason that action was not filed within the statute of limitations is a belief on the part of Mr. Rike and his attorney, supported by statements made by representatives of the insurance company and the U.S. Post Office, that the Government was not a party to this suit. In a deposition taken by Mr. Rike's attorney, the postal inspector did not deny that he had made such a statement.

"I firmly believe that this is a good and sufficient cause for the Judiciary Committee to favorably report S. 2214. The only thing this bill would do is to give Arthur Rike the day in court which he has so far been denied."

The statement that Mr. Rike "was lulled into believing the U.S. Government was not a party to claims arising out of" this accident has been noted. However, a copy of the deposition of the postal inspector referred to by the sponsor of the bill has been made available by the Post Office Department. Its contents are relevant to this question. Therefore, I ask unanimous consent that the text of the deposition be printed at this point in the RECORD.

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

"IN THE U.S. DISTRICT COURT FOR THE NORTHEASTERN DISTRICT OF NORTH DAKOTA, NORTHEASTERN DIVISION, ARTHUR RIKE, PLAINTIFF, v. DAVID J. MERSEY, DEFENDANT

"Deposition of Paul E. VanRossum, taken by and for the Plaintiff, pursuant to notice served upon the attorneys, under the Federal Rules of Civil Procedure for the United States District Court, District of North Dakota, Northeastern Division. The deposition was taken in the Grand Forks County Court House at Grand Forks, North Dakota on Monday, May 8th, 1967.

"Appearances: Mr. Byron L. Edwards, On behalf of the Plaintiff, Mr. Timothy Davies, On behalf of the defendant, Mr. Richard V. Boulger, Assistant U.S. Attorney, On behalf of the Government.

#### "STIPULATION

"It is stipulated by and between counsel for the parties that the notice of filing of the deposition is waived, that the reporter may transcribe his notes out of the presence of the said deponent, Paul E. VanRossum, that the signature of the said deponent to the transcript of his deposition is expressly waived, and that said deposition is to have the same force and effect as though signed by the said deponent.

"[Monday afternoon session, May 8, 1967]

"Paul E. VanRossum being by the Notary first duly sworn, as hereinafter certified, deposes and says as follows:

#### "DIRECT EXAMINATION

"Mr. EDWARDS. Let the record show that the deposition of Mr. VanRossum is taken pursuant to notice, under the Federal Rules of Civil Procedure, and that notice of filing of the deposition is hereby waived.

"Mr. DAVIES. That is agreeable to me.

"Mr. BOULGER. Agreeable to the Government.

"By Mr. EDWARDS:

"Q. Will you state your name please?

"A. Paul E. VanRossum.

"Q. What is your age?

"A. My age is 40.

"Q. Where do you live?

"A. 2528 Eighth Avenue North, Grand Forks, North Dakota.

"Q. What is your occupation?

"A. I am employed by the postoffice department as a postal inspector.

"Q. How long have you been so employed?

"A. By the postoffice department, or as an inspector?

"Q. Well, first by the postoffice department.

"A. Since January 1948, and since around the first of or middle of April of 1964 as a postal inspector.

"Q. And you are employed at the Grand Forks, North Dakota postoffice.

"A. Well, my domicile is located in the Grand Forks Postoffice Building.

"Q. And do you work out of some district or division?

"A. Division headquarters at Saint Paul, Minnesota.

"Q. How long have you been assigned at Grand Forks?

"A. I believe I arrived here on December 27 or 28, around that period, in 1964.

"Q. And was there a postal inspector at Grand Forks prior to your arriving here?

"A. C. D. Ellington was here approximately eighteen months prior to that. The domicile had been vacant for about a year and a half.

"Q. Where had you worked prior to coming to Grand Forks?

"A. This was my first assignment as postal inspector.

"Q. What was the nature of your postal work prior to being a postal inspector?

"A. I started out as a city clerk and carrier, and then I went to assistant postmaster, in a town in Wisconsin.

"Q. After arriving at Grand Forks, did you have occasion to investigate an accident involving David Mersey and an Arthur Rike?

"A. Yes.

"Q. When did you commence your investigation of this accident?

"A. January 26 was the first day, 1965.

"Q. And what did your investigation consist of at that time?

"A. Well, the actual investigation is based upon a memorandum submitted by the postmaster advising the inspection service of the accident—when I receive the case—then I would make the investigation to determine that the employee involved in the accident

was in his official capacity. And I attempt to obtain statements from any of the parties involved or any witnesses.

"Q. To whom do you report?

"A. My report goes to division headquarters.

"Q. And that is located where?

"A. In Saint Paul, Minnesota.

"Q. And when you started this investigation on January 26, did you take statements from the parties involved at that time?

"A. I took a statement from David J. Mersey on May 8, 1965; and also a statement from Thomas M. Gilmour on the 6th of May '65.

"Q. So was that the first part of your active investigation in this case?

"A. No, not—I wouldn't say it would be the first part of it. To begin with, really, when you're informed of an accident a month after it happens, you're going to have to go to the police department to obtain some of their records because you have nothing yourself. I talked to the police department; and I talked to the supervisors at the postoffice, who made an investigation of the accident at the time.

"Q. Did you take statements from the supervisors?

"A. No, I did not.

"Q. I show you what has been marked as Plaintiff's Exhibit 9 and will ask you if you can identify this?

"A. Yes, I would say that is the statement that I took from David J. Mersey on May 8th of '65.

"A. And this is a photocopy that you're examining at this time?

"A. Yes, it was.

"Q. And do you have a carbon copy of this statement in your files at this time?

"A. Yes, I have.

"Q. Is the photocopy which you have examined as Plaintiff's No. 9 a true and correct copy of the carbon copy that you have in your possession?

"A. I would say it would be, without reading the whole thing altogether, but it appears to me it would be the same. It would be an exact copy of my statement that I took.

"Mr. EDWARDS. At this time we will offer into evidence Plaintiff's Exhibit No. 9.

"Mr. BOULGER. No objection by the Government.

"Mr. DAVIES. No objection.

"Q. (By Mr. EDWARDS) Now with reference to Plaintiff's Exhibit No. 9, Mr. VanRossum, I notice this is typewritten. Did you do the typing yourself?

"A. I couldn't answer that for sure. Either I did it, or my stenographer did it.

"Q. And then after it was typed, did you have Mr. Mersey read and sign this statement?

"A. Yes.

"Q. And I notice this is in the form of a sworn statement or affidavit, is that correct?

"A. It is.

"Q. And you took the acknowledgment?

"A. Right.

"Q. And does this statement contain all of the information which Mr. Mersey gave to you relative to the facts of the accident and relative to his employment at the time of the accident?

"A. I would say it does.

"Q. Had you questioned Mr. Mersey at all regarding the delivery of mail that he was making at the time of the accident, as to where he had come from immediately prior thereto, and where he was going, outside of what is in this statement?

"A. Let's see—Yes, I would say I questioned him. And the answer he gave me, according to the statement, he said that, "I had finished delivering the items on the south side of the town and he was going to the north side, as I had some items to deliver there."

"Q. Did you question Mr. Mersy at all as to where his last stop was prior to the accident?

"A. I don't recall.

"Q. At any time did Mr. Mersy tell you that he had just been at his father-in-law's house on Maple Avenue?

"A. No.

"Q. Had you uncovered that information at all during the course of investigation?

"A. No.

"Q. Did you personally interview Mr. Mersy before preparing the affidavit-statement that is in evidence here?

"A. Yes, I interviewed him, and he gave me a copy of the statement that he had either furnished his insurance company or your firm, and with the information that he gave me and a copy of this—this is where the statement actually came from. In other words, I reviewed the—

"Q. From that—

"A. —I reviewed the statement that he had made to the insurance company, item for item, and then this is where this one was drawn from—what he said in this statement here (indicating Plaintiff's Exhibit No. 9).

"Q. Then, Mr. VanRossum, I will show you Plaintiff's Exhibit No. 10 and ask you if you can identify that?

"A. This would appear to be an identical copy of the affidavit that I took, or statement that I took from Thomas M. Gilmour on the 6th day of May at Grand Forks.

"Q. And do you have a carbon copy of this statement in your file?

"A. Yes, I have.

"Q. And is the exhibit, which is a photocopy, a true and correct copy of the carbon which you have?

"A. I would say it is.

"Q. Was this statement taken in the normal course of your business pursuits in connection with your employment?

"A. Yes; this was taken in the normal course of the investigation of an accident.

"Mr. EDWARDS. At this time we offer into evidence Plaintiff's Exhibit No. 10.

"Mr. DAVIES. No objection.

"Mr. BOULGER. No objection.

"Q. (By Mr. EDWARDS) Mr. VanRossum, with reference to Plaintiff's Exhibit No. 10, was this affidavit-statement taken in the same manner in which the previous affidavit-statement was taken?

"A. I think this statement was taken in my office. If I am not mistaken, I think that I typed this one out myself—I wouldn't say for sure—but I had Thomas Gilmour up in my office after school this 6th day of May, I think it was—unless it was in the afternoon or Saturday or something like that—I am not really sure.

"Q. And in connection with your investigation herewith, did you at any time make personal contact with Mr. Rike?

"A. I attempted to make contact with Mr. Rike through his attorney.

"Q. So you had no personal conversation or contact with Mr. Rike?

"A. No, I did not talk to Mr. Rike, I don't believe, at all. I talked to his wife at one time.

"Q. Then was that conversation by telephone or personally?

"A. This conversation was by telephone.

"Q. And what was the date of that conversation?

"A. I couldn't say.

"Q. Was it through Mrs. Rike that you learned that Mr. Rike had employed an attorney?

"A. Yes.

"Q. And did she advise you as to who the attorneys were?

"A. Yes.

"Q. And after that you then made contact with the attorneys, is that correct?

"A. Right.

"Q. And in making that contact, you made that with myself?

"A. Right.

"Q. And you made that contact on May 7, 1965 at about 10:15 a.m.?

"A. My records show May 5th, 1965.

"Q. Do they show a time?

"A. No, they do not.

"Q. Was that a personal contact on your part?

"A. Yes.

"Q. At my office?

"A. Yes, it was.

"Q. And at that time it was when my office was located in the Red River National Bank Building at Grand Forks?

"A. Right.

"Q. And I believe you were at my office for a period of about 30 to 45 minutes, is that correct?

"A. I would say that's about the length of time, yes.

"Q. And at that time you made inquiry of me relative to the injuries sustained by Mr. Rike?

"A. Yes. Our instructions contemplate that we will attempt to obtain a statement from any person involved in an accident with a driver of a vehicle employed by the post office department, and through—we're supposed to get it through the attorney, if we know that he's represented by an attorney.

"Q. And at that time did you ask me if I had a statement from Mr. Rike?

"A. I believe that I asked you if you would obtain one for me, and you stated that there would be a possibility of you getting a statement from Mr. Rike so that I could transmit it to the department.

"Q. Mr. VanRossum, isn't it correct that, with reference to the matter of a statement from Mr. Rike, that I advised you that I had been contacted by his insurance company and that—because of their being involved in the matter—that I did not have a statement from Mr. Rike, nor did I contemplate giving any statements relative to his version of the accident and his personal statement as to what injuries he may have sustained as a result thereof?

"A. I think you're going to have to repeat that one over for me.

"(Question read by the Reporter).

"A. I'm afraid I can't answer that. I can't remember, really. It's quite a ways back, and my records show that you had said that you would attempt to obtain a statement from him.

"Q. Well, isn't it correct that we also further discussed the matter of medical reports, as to the injuries sustained by Mr. Rike?

"A. That's correct.

"Q. And I believe it's correct that I advised you that I did not have medical reports at that time, but that—if and when I should receive them—that I had no objection to medical reports in connection therewith?

"A. According to my records, the medical bills from Doctor Helm and Doctor Gustafson, at the Fargo Hospital, were not available at the time that I talked to you.

"Q. And that would be bills and also reports as to—

"A. I would—

"Q. —to the nature and extent of the injuries, treatment, and any prognosis?

"A. I would imagine so, yes.

"Q. I believe I further advised you that Mr. Rike had been hospitalized twice in Fargo up to the time that you made the contact with me, is that correct?

"A. Yes.

"Q. And that's what your records of that contact so indicate?

"A. My records indicate that Mr. Rike had two such injuries in previous automobile accidents.

"Q. Well, as a result of this accident, did I advise you that he had been hospitalized

twice in Fargo during the course of treatment?

"A. I don't recall. I first knew of this hospitalization from his wife. And I would imagine that, if he was hospitalized in January when I talked to her—I don't recall whether he was hospitalized in May when I was talking to you.

"Q. With reference to the date on which you contacted me, my daily office records indicate it to be May 7. Is it possible, Mr. VanRossum, that May 7 is the correct date on your contact of my office?

"A. I would have to check my daily record at the office in order to find out if that was the correct date—which I could do.

"Q. It is possible, is that correct?

"A. There's a possibility, yes.

"Q. Well, at the time that you contacted me, do you recall my talking to you about having been contacted by Mr. Mersy's insurance company?

"A. I don't recall.

"Q. Then you don't recall whether or not I had stated that Mr. Mersy's insurance company wanted medical reports as soon as I was able to obtain them from the doctors, in connection with Mr. Rike's injuries?

"A. This seems like I can remember something like that, but I wouldn't want to say that I definitely do recall this.

"Q. All right. Do your records as such indicate anything of that nature?

"A. Repeat that question again, please.

"(The last two questions were read by the Reporter)

"A. My record does not show anything on that order. My records show that, if and when the medical statements are received, they will be forwarded along with any other information, as a separate report.

"Q. And at the time that you made contact with me at my office, you and I had not met prior to that time, is that correct?

"A. That's correct.

"Q. And when you came into my office, you exhibited your credentials as a postal inspector and introduced yourself?

"A. That's correct.

"Q. And you further advised me as to the nature of your contact with me at my office, that being the Mersy-Rike accident?

"A. That's correct.

"Q. I believe you also inquired about the passenger in the Rike vehicle being—

"Mr. DAVIES. Mrs. Rike—that's his mother, isn't it?

"Q. (By Mr. EDWARDS)—yes—being Mrs. Rike, the mother of the driver?

"A. Mrs. Charles Rike?

"Q. That's correct.

"A. Yes.

"Q. And you also inquired as to whether or not I knew if she was injured in any way as a result of the accident?

"A. Yes.

"Q. And I told you that I did not know for sure, because I was not representing her, but I did not think so from what I knew about the accident, isn't that correct?

"A. I believe that's correct.

"Q. And isn't it further correct Mr. VanRossum, in making contact with me at this time, that you did advise that—as part of your investigation and in making your reports—that you wanted to get information relative to the nature and extent of injuries sustained?

"A. Right.

"Q. And isn't it further correct, Mr. VanRossum in mentioning to you that I had been contacted by Mr. Mersy's insurance company that I had stated that there was insurance on the vehicle, and I inquired of you as to whether or not the Government was involved?

"A. As to the first part—let's just repeat that.

"(The last question was read by the Reporter.)



"A. Well, I'm not sure about what you said about his insurance company. But I would imagine that you did ask me if we were interested in, in the investigation of the accident, because he was—as we determined—an employee of the department at that time.

"Q. And had you made that determination at the time that you talked to me?

"A. I would say—if I talked to you on May 5th and did not take a sworn statement from Mr. Mersy until the 8th—the determination possibly could not have been made; although the records at the postoffice would indicate that he was employed at the time.

"Q. But it is possible that you had not made any such determination at the time that you talked to me, in view of the status of your investigation?

"A. I don't recall whether I had talked to Mr. Mersy prior to my talking to you.

"Q. Do you remember—in response to my inquiry to you, after stating that Mr. Mersy had insurance, and I inquired about the Government being involved—that you replied to the effect that you did not know if the Government was involved, and further to the effect that the Government was not involved?

"A. I would say that—if I had a case bearing on an accident that was reported by the postmaster, and division headquarters jacketed such case—that I would automatically consider that I was investigating an accident because the Government was involved.

"Q. But do you recall whether or not you made that statement to me in my office at that time?

"A. No. I do not recall that.

"Q. After this contact on May 7, 1965, did you have one additional contact with me on June 7, 1965?

"A. I believe I did, but my records do not show the date I contacted you the second time. I would have to again refer to my daily worksheet.

"Q. And was that second contact by telephone?

"A. I don't recall. I thought it was a personal visit.

"Q. And it could be that it was a telephone conversation?

"A. It could be, yes.

"Q. And at that time you inquired if I had any further information on the Rike matter, and I advised you that I did not, that we had not received any further medical information, and I had no additional file information than from the time you first contacted me, is that correct?

"A. I would say that I contacted you to obtain any information or any statements that you might have received from the Rikes. And they aren't in here, so I would say that you said you didn't have any.

"Q. I believe the only other contact that we have had, then, Mr. VanRossum, was in the Fall of 1966 on a matter in my office which concerned other postal affairs outside of this Rike case, isn't that correct?

"A. I believe it did have something to do with a member of the armed forces from the Grand Forks Air Force Base.

"Q. Right. And that had no contact with the Mersy-Rike case at all?

"A. No, it had nothing to do with the Mersy-Rike case.

"Q. And in fact at that time we did not go into the Mersy-Rike case?

"A. I don't believe we did.

"Q. And outside of that then—having become acquainted with each other—the only other contact we have had is seeing each other a couple of times socially and meeting on the street to say hello, is that correct?

"A. That's correct, and a couple of times in the lobby of the postoffice.

"Q. Right. And during those times we have not entered into discussion or conversations relative to the Mersy-Rike case?

"A. Not that I can recall at all.

"Mr. EDWARDS. I have no further questions.

#### "CROSS EXAMINATION

"By Mr. DAVIES:

"Q. Mr. VanRossum, do you recall whether or not Mr. Edwards asked you on what basis the Government might possibly be involved in this claim?

"A. No. I don't believe I did. I can't say that I could recall that.

"Q. Did you have any conversation in regard to what Mr. Mersy was doing at the time of the accident?

"A. I would say that—if I was making the investigation—that I did tell Mr. Rike that he was employed by the postoffice—

"Q. 'Mr. Rike' or 'Mr. Edwards'?

"A. 'Mr. Edwards', excuse me—that he was employed by the postoffice, and that would be the reason that I would be making the investigation.

"Q. Well then is it your feeling that you must have mentioned this to him at some time during your conversation?

"A. This is my normal procedure, yes.

"Q. When you had your second contact in June of '65, did Mr. Edwards ask you why the Government (the postoffice department) was still involved in this claim?

"A. I don't recall whether he did or not.

"Q. Mr. Edwards has asked you about this statement—whether or not you said to him that the Government was not involved—did you ever make such a statement to him?

"A. No, I didn't make a statement to him that the Government would not be involved. As long as I was making the investigation, it's automatic that they would be involved.

"Q. At any stage of the investigation, was there ever any indication that the Government was not involved in this claim?

"A. Not to my knowledge, no.

"Q. In other words, any time he would have inquired—at the stage of the investigation—as far as you were concerned, the Government was still involved?

"A. I would say yes.

"Q. Did you ever discuss with Mr. Edwards the written statement that you had taken from Mr. Mersy?

"A. I don't believe so.

"Q. You never discussed this claim with any other members of this firm, have you, or other investigators?

"A. I don't believe so.

"Q. And you have never discussed it with anybody representing Mersy's insurance company, have you?

"A. No, I don't believe so, either.

#### "CROSS EXAMINATION (FURTHER)

"By Mr. BOULGER:

"Q. Mr. VanRossum, if there was a determination that the Government was not involved—using the language that Mr. Edwards used, but interpreting that as meaning that Mersy was not a Government employee—would it be your function to inform Mr. Edwards of that fact?

"A. No, I would inform my division headquarters of that fact in my written report.

"Q. And if Mr. Mersy were on the rolls but (for some reason or other) was not within the scope of his employment at the time of the accident, would it be your function to make that determination?

"A. Yes, it would be, and to report that fact also.

"Q. But would your determination be final and binding?

"A. I would say it would almost have to be. The only thing I can do in my investigation—as long as it took place, say, a month after the accident, say from December 24th to the time the Postmaster advised division headquarters that there was a personal-injury accident—I would say that I talked to the postmaster, the assistant postmaster, and anyone else that possibly had anything to do with it, and I reviewed their accident records there, which were signed, and things like this, so I would say the determination was made by myself, that he was employed, and that would be the final determination.

"Q. Well if for some reason he was employed, but at the time of the accident was doing something that was not considered as Government work, would it be your function to report the facts or to make the determination?

"A. No, I would report the facts, whatever my investigation disclosed.

"Q. And if you made—assuming you, in your call upon Mr. Edwards made the statement that the Government was not involved—wouldn't you in effect be going beyond your function?

"A. Absolutely.

"Q. Now, Mr. VanRossum, you have almost 20 years with the postal service?

"A. That's right.

"Q. Would you detail for me the various positions that you have had? Are there others than clerk, carrier, and assistant postmaster? Or did you jump from there?

"A. I went from carrier to clerk to assistant postmaster to postal inspector.

"Q. And as a result of your experience in those capacities, are you familiar with the internal workings of a postoffice such as the size of Grand Forks?

"A. I would say that I have enough experience to know the internal workings of the office, yes.

"Q. What was the size of the postoffice that you worked in before you became an inspector?

"A. It was a first-class office. It isn't the size of Grand Forks. It's smaller than Grand Forks in all ways, actually, but the functions of each first-class office—those under a million dollars—would be almost identical.

"Q. Now in Grand Forks, under whom does the special-delivery messenger work?

"A. I believe it's assigned to either the superintendent of mails or the assistant superintendent. They more or less have split duties down there, and they're required to know all phases of the operation. But I would imagine either one of those two would assign the special-delivery messenger.

"Q. And Mr. Mersy was a special-delivery messenger?

"A. As far as can be determined, yes.

"Q. And furthermore he was a Christmas temporary special-delivery messenger?

"A. As far as the records, the office records show, yes.

"Q. And when a special delivery messenger goes out—particularly during the Christmas season—do you know what procedure they use as to delivery of mail?

"A. I would say that practically at any time, that they are given these special deliveries to deliver, and it's more or less up to them on which route or which way they're going to take this. In other words, you can't just have somebody inside lining up these special deliveries and saying, "You take them this way." It would be practically automatic for him to do it himself.

"Q. Now it's different with a city carrier? He's confined to a specific route?

"A. Right.

"Q. Is there a provision for a special delivery messenger to have lunch?

"A. I would imagine there would be, the same as a city carrier.

"Q. And what is that provision?

"A. I might have to refresh my memory because I haven't really studied the provision or—if it's changed since I've left the postoffice that I came out of. But when a carrier leaves, say, in the morning at nine o'clock, he's out on his route and he can automatically have a half-hour for his lunch. And when he comes back in, it's just deducted from his time.

"A. He can have that any time and any place that he wishes?

"A. Well it's usually a set time, when he reaches a certain point of his route, this would be the time that he would take it. It's usually—they try to arrange it so it's close

to his home or close to a place to eat. This is on a city carrier.

"Q. Well what about those who work in a residential area and whose home is not on their route?

"A. They've got what they call a 'drive-out' agreement where they can have their car there, or come back to their car, or use their car to go home for lunch. Or, if they're on a city mounted route, they would automatically take their car and drive home and drive back.

"Q. And what is a mounted route?

"A. It's a delivery to a rural box on the outskirts of town.

"Q. And does Grand Forks have mailsters?

"A. I believe they're all assigned at the air base.

"Q. The reason I ask is that our carrier in Fargo eats his lunch in his mailster. Now assuming in this matter that Mr. Mersy had just come from Mr. Gilmour's house, would you have pointed that out in your report?

"A. If my investigation would have disclosed that, yes.

"Q. Would you have drawn any conclusions from that?

"A. No, I don't believe I would have drawn a conclusion. In my conclusion I possibly would have said—in my conclusion in my report I would have pointed this out, that he was not in employment at that time. But the investigation—according to what I have here—did not reveal that he was on his lunch break. I haven't even looked to find out what time the accident happened, again—yes—1:43 P.M., I have.

"Mr. BOULGER. Could I have that last answer, please?

"(The last answer was read by the Reporter.)

"Q. (By Mr. BOULGER) Well then would it be your interpretation that—if he had had lunch at the Gilmour home, but was in his car and on the way to the north side to deliver additional special delivery messages—that he had not again started employment?

"A. I don't know how they handle these Christmas assistants but—say—if a city carrier has a half hour off for his lunch period (a specified half hour, say from 12:00 to 12:30), and he doesn't have to go into the office and punch out, he would be not employed at that period. But when he starts his route again—now, starting the special delivery route, this route could start wherever he left off. I mean, I would say that if he started going out to deliver specials again, he would be employed.

"Q. In other words, as soon as he left the Gilmour house, assuming he had been there?

"A. I would think so.

"Q. You've never been able to get a statement from Mr. Rike, is that correct?

"A. That's correct.

"Mr. BOULGER. I have no further questions.

#### "CROSS EXAMINATION (FURTHER)

"By Mr. DAVIES:

"Q. Mr. VanRossum, if some of Mr. Mersy's superiors in the Grand Forks postoffice testified that there was no set time for the lunch break for special delivery carriers, you wouldn't disagree with that, would you?

"A. No, I wouldn't.

"Q. And (if I understand you correctly) if a mailman has a prescribed route to follow, he is considered off duty from the time he deviates from that route to go out for lunch, till the time where he goes back to where he left off for lunch?

"A. A city carrier has so much allotted lunch hour. His—with his last delivery, that's his breaking time for lunch. I would say that he's not employed until he makes, or starts, and picks up the mail, to the box, and goes again.

"Q. And (if I understand your answers to Mr. Boulger correctly) it would be your position that a person, who was delivering special

delivery and who had no prescribed route, would be back on duty as soon as he pointed himself in the direction of his next delivery after lunch.

"A. I would say that is correct.

"Mr. DAVIES. That's all I have.

#### "REDIRECT EXAMINATION

"By Mr. EDWARDS:

"Q. Mr. VanRossum, with reference to your opinion here as to when a special delivery carrier goes back on duty, this is just merely your own personal opinion, is that correct?

"A. I would say yes, it would be my personal opinion, until I look it up in the manual to see if there's anything specific about it.

"Q. And with reference to the Federal Tort Claims Act, and more specifically if under the Federal Tort Claims Act the law of the state as to scope of employment applies, are you basing this opinion upon the laws of the state of North Dakota in connection with the scope of employment?

"A. Repeat that again, please.

"(The last question was read by the Reporter)

"A. To be real truthful, I don't follow the question.

"Q. (By Mr. Edwards) Well in other words, Mr. VanRossum: in making a legal determination as to the scope of employment under the Federal Tort Claims Act, if the law of the state is applied to make this determination (rather than any Federal statutes), is your opinion based upon the laws of the state of North Dakota?

"A. I don't believe I would use the law of the state of North Dakota. I would have to use the postal manual and any records at the post office, to determine if he was employed.

"Q. And now when we talk about 'employed' and 'in the scope of employment,' isn't it possible that we are talking about two different things?

"A. I was using the term of—'scope of employment' and—my word, the 'employment,' would be the 'scope of employment' in your words.

"Q. So you're using the two terms synonymously or interchangeably, is that correct?

"A. Right.

"Q. And in effect you are not taking into consideration any of the laws of the state of North Dakota with reference to your opinion, that you stated, about the matter of employment or scope of employment, isn't that correct?

"A. I would say that's correct.

"Mr. EDWARDS. No further questions.

#### "RE-CROSS EXAMINATION

"By Mr. DAVIES:

"Q. Just to clarify one thing for me: When we're talking about 'scope of employment' and 'employment,' we are referring (are we not?) to a hypothetical situation, if he is returning from lunch or if he is returning from his lunch break?

"A. I would say the questioning in the last little while has been whether he was returning from lunch. My investigation did not reveal that he was returning from lunch.

"Q. As far as your investigation was concerned, your determination was that he was on his route at the time, is that true?

"A. He was in the scope of his employment (nods head affirmatively).

"Mr. DAVIES. Thank you.

#### "RE-CROSS EXAMINATION (FURTHER)

"By Mr. BOULGER:

"Q. Mr. VanRossum, you know the difference between 'employment' and 'scope of employment,' don't you?

"A. Yes. I was just using the words loosely, I would say.

"Q. In other words, you're a postal employee 24 hours a day, isn't that right?

"A. Right.

"Q. But in the evening, when you're home

watching T.V. or drinking beer, you're not in the scope of your employment?

"A. That's correct.

"Mr. BOULGER. I have no further questions.

"Mr. EDWARDS. No further questions.

"Mr. VanRossum, you have the right to read and sign your deposition after the Court Reporter has transcribed his notes; or you have the right to waive the reading and signing of your deposition. I would suggest that you confer with Mr. Boulger and then give us your decision with reference to same.

"The DEPENDENT. Mr. Boulger?

"Mr. BOULGER. If we may go off the record for a minute.

"(Discussion off the record.)

"The DEPENDENT. We waive that.

"Mr. EDWARDS. That's all.

#### "CERTIFICATE

"STATE OF NORTH DAKOTA,

"County of Grand Forks, ss:

"I, Edward Rafel, do hereby certify that I am an official court reporter of the First Judicial District of North Dakota and was such at the time of the taking of the deposition of Paul E. VanRossum on May 8, 1967; that the witness was duly sworn by the Notary, Norman Mark, before testifying; that the foregoing is a true and correct transcript of my stenotype notes taken at the time of the deposition and contains all the testimony given at said deposition; and further the reading and signing of said deposition was waived by the deponent, and further I am not related by blood or marriage to any of the parties nor am I interested directly or indirectly in the matter in controversy.

"EDWARD RAFAEL,

"Official Court Reporter.

"Subscribed and sworn to before me this day of May, 1967.

"NORMAN E. MARK,

"Notary Public.

"My Commission expires 4-7-72."

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

"S. 2214

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations, or lapse of time, or bars of laches or any proceeding, heretofore had in the United States District Court for the District of North Dakota, jurisdiction is hereby conferred upon the United States District Court for the District of North Dakota to hear, determine, and render judgment upon any claim filed by Arthur Rike against the United States for compensation for personal injury, medical expenses, and property damage sustained by him arising out of an accident which occurred on December 24, 1964, allegedly as a result of the negligent operation of a motor vehicle by an employee of the United States while acting within the scope of his Federal employment.

"SEC 2. Suit upon any such claim may be instituted at any time within one year after the date of the enactment of this Act. Nothing in this Act shall be construed as an inference of liability on the part of the United States. Except as otherwise provided herein, proceedings for the determination of such claim, and review and payment of any judgment or judgments thereon shall be had in the same manner as in the case of claims over which such court has jurisdiction under section 1346(b) of title 28, United States Code."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in



the RECORD an excerpt from the report (No. 91-239), explaining the purposes of the bill.

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

#### PURPOSE

The purpose of the bill is to confer jurisdiction upon the U.S. District Court for the District of North Dakota to hear, determine, and render judgment upon a claim by Arthur Rike. The bill would also waive the defenses of the United States, to such claim based on the statute of limitations, lapse of time, laches, or any previous proceeding in the said district court.

#### STATEMENT

In its report to the committee, the Post Office Department stated the facts in the case and its recommendations as follows:

"On February 5, 1968, the Department submitted a report on S. 2214 to this committee. The present report amends and supersedes the February 5 report in order to reflect correctly the final disposition of the civil tort action which is discussed below.

"Our records disclose that on February 23, 1967, Arthur Rike filed a civil tort action in the District Court, First Judicial District, Grand Forks, N. Dak., against David John Mersy, a postal employee. The suit demanded damages of \$37,905 for alleged injuries sustained by Mr. Rike as a result of a collision on December 24, 1964, between Mr. Rike's automobile and that of Mr. Mersy, who was acting within the scope of his Federal employment. At the request of the assistant U.S. attorney the action was removed to the U.S. District Court for the District of North Dakota pursuant to 28 U.S.C. 2679(d), and the United States was substituted as party defendant in place of Mr. Mersy. The Government then moved to dismiss the suit on the ground that plaintiff's cause of action was barred by the 2-year Federal statute of limitations, 28 U.S.C. 2401(b). The court granted the Government's motion, dismissing the suit on November 29, 1967.

"The Department opposes enactment of S. 2214. This bill would, in effect, nullify the above court proceedings and allow Mr. Rike an additional year within which to bring suit. In the 82d Congress this committee, in its report on Senate Joint Resolution 23, declared that it 'would not relieve a claimant of a statute of limitations except for "good cause" shown \* \* \*'. We see no evidence of 'good cause' in this case to grant the relief which would be afforded by S. 2214.

"The Bureau of the Budget has advised that there is no objection to the submission of this report to the committee from the standpoint of the administration's program."

The sponsor of the bill, Hon. Quentin N. Burdick, has advised the committee as follows:

"It has come to my attention that the Post Office Department's opposition to S. 2214, a bill for the relief of Arthur Rike, is that there is no showing of a 'good cause' for extending the statute of limitations.

"I feel that I must take exception to this. Mr. Rike was lulled into believing that the U.S. Government was not a party to claims arising out of an automobile accident in which he and David John Mersy were the drivers. The only reason an action was not filed within the statute of limitations is a belief on the part of Mr. Rike and his attorney, supported by statements made by representatives of the insurance company and the U.S. Post Office, that the Government was not a party to this suit. In a deposition taken by Mr. Rike's attorney, the postal inspector did not deny that he had made such a statement.

"I firmly believe that this is a good and sufficient cause for the Judiciary Committee to favorably report S. 2214. The only

thing this bill would do is give Arthur Rike the day in court which he has so far been denied."

The committee believes that the bill is meritorious and recommends it favorably.

The bill (S. 1932) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any statute of limitations, or lapse of time, or bars of laches or any proceeding heretofore had in the United States District Court for the District of North Dakota, jurisdiction is hereby conferred upon the United States District Court for the District of North Dakota to hear, determine, and render judgment upon any claim filed by Arthur Rike against the United States for compensation for personal injury, medical expenses, and property damage sustained by him arising out of an accident which occurred on December 24, 1964, allegedly as a result of the negligent operation of a motor vehicle by an employee of the United States while acting within the scope of his Federal employment.

Sec. 2. Suit upon any such claim may be instituted at any time within one year after the date of the enactment of this Act. Nothing in this Act shall be construed as an inference of liability on the part of the United States. Except as otherwise provided herein, proceedings for the determination of such claim, and review and payment of any judgment or judgments thereon, shall be had in the same manner as in the case of claims over which such court has jurisdiction under section 1346(b) of title 28, United States Code.

#### CONSTRUCTION DIFFERENTIAL SUBSIDY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar 258, H.R. 265, the construction differential subsidy bill, and that it be considered during the morning hour.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill will be stated by title.

The BILL CLERK. A bill (H.R. 265) to amend section 502 of the Merchant Marine Act, 1936, relating to construction-differential subsidies.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MAGNUSON. Mr. President, H.R. 265 is identical to S. 2341, which has been approved by the Senate Commerce Committee and reported to the Senate. We wish to take up the House bill rather than the Senate bill because the House has already acted favorably on this language.

This bill would extend for 1 year the 55-percent ceiling on construction differential subsidy. Under existing law the 55-percent ceiling would expire at the end of this month, so we are not initiating a new program, but merely extending the existing law for another year so that we can proceed with ship-construction contracts now pending.

The Merchant Marine Act of 1936 provided for a 50-percent construction-differential ceiling, but since 1960 we have

amended the law to provide for a 55-percent maximum. This is necessary if we are to comply with the 1936 act and provide a true measure of differential because the disparity between foreign ship-building costs and our own requires that the ceiling be set at 55 percent rather than 50 percent. As Senators are aware ship construction contracts in recent years have required the use of the 55-percent differential.

Mr. WILLIAMS of Delaware. Mr. President, I shall vote against the extension of this subsidy. It has been said that nothing is more permanent than a temporary law passed by Congress. Several years ago Congress raised the construction and operational differential subsidies from 50 to 55 and 60 percent as that portion which would be paid by the Federal Government. Since that time the subsidy at these higher rates has been extended on a yearly basis.

I think it is time that Congress realized that when the Government pays over one-half of the cost of construction and operation of the merchant marine we are moving very close to the nationalization of this industry.

I shall vote against this proposal.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 265) was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 257, S. 2341, be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

#### RECOGNITION OF 10TH ANNIVERSARY OF THE OPENING OF THE ST. LAWRENCE SEAWAY

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 17.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the concurrent resolution from the Senate (S. Con. Res. 17) to recognize the 10th anniversary of the opening of the St. Lawrence Seaway which was to strike out the preamble.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### REPRESSIVE MEASURES BY THE THIEU GOVERNMENT

Mr. MATHIAS. Mr. President, on June 12, I expressed my concern over President Thieu's threats of "severe punishment" for South Vietnamese political leaders, legislators and intellectuals who discuss broader alternatives to his own leadership. I said this repressive attitude is inconsistent with the American goal of fostering conditions for a non-Communist political settlement. I pointed out that the time was fast ap-

proaching when a democratic assembly of non-Communist South Vietnamese leaders could only take place in jail.

Now it appears that such a prison convention might be covered directly by members of the foreign press. According to press reports and testimony before the judiciary committee's subcommittee on refugees and escapees, Thieu's ministry of information has warned reporters that stories critical of the South Vietnamese government could lead to punitive action against them. This warning to Reuters, Newsweek and Agence France Presse is inexcusable. Particularly reprehensible was the direct attempt to intimidate Newsweek Bureau Chief Maynard Parker. He was summoned to the ministry of information and told that all Newsweek correspondents might be denied entry to South Vietnam if their writing was judged "unsuitable."

As one who has lived all his life in a country where freedom of speech and freedom of the press are basic law, I cannot sit back indifferently when a nation which is sustained by U.S. assistance arbitrarily suppresses what we hold so dear. American goals in Vietnam are radically inconsistent with such an approach.

Americans are fighting at enormous human and monetary expense to buy time so that the South Vietnamese can have the right and the opportunity to freely determine their form of government and who will lead it. Intimidating the press and South Vietnamese political opponents is not the way I believe democracy is achieved.

Any political settlement in Vietnam, moreover, is going to involve American and world opinion. How can we expect Americans and citizens of the other nations to effectively evaluate the Government of South Vietnam when, because of censorship—first of its own press and now the international press—they cannot learn what is happening there?

President Thieu must understand that the Congress, the President, 200 million Americans, and much of the world deplore his attempts to impose totalitarian controls on his own non-Communist citizens and their leaders.

The attempt to impose such controls on American, British, and French reporters—as intolerable an effrontery as it is—is no momentary lapse. It follows a series of repressive measures by the Thieu Government that dictate immediate reconsideration of our support for it. I called for such reappraisal in my earlier statement. It is more than ever needed today if the diminishing chances for non-Communist self-determination in the country are to be preserved.

For if complete polarization occurs—if only a beleaguered military clique remains, facing an embittered people which has been deprived of non-Communist alternatives—ultimate Communist rule in South Vietnam becomes virtually inevitable; and its leading accomplice in gaining power will have been the Thieu government. As Thieu continues to destroy the possibilities of a democratic succession, it begins to appear that the longer he rules the more likely it is that the Communist will succeed him.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PEARSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ALF LANDON IDENTIFIES THE CENTRAL ISSUES OF U.S. FOREIGN POLICY

Mr. PEARSON. Mr. President, Alf M. Landon, former Governor of Kansas and Republican presidential candidate in 1936, continues to make valuable contributions to the national debate about the future of U.S. foreign policy. From time to time it has been my pleasure to have the opportunity to call significant statements by Mr. Landon to the attention of my colleagues. Today I call attention to a convocation speech by Mr. Landon at Kansas State University on June 24. Mr. Landon effectively identifies and analyzes the central issues and key choices which we must come to grips with as we reshape our foreign policy to changing world conditions.

Mr. Landon suggests that we are at a critical point in the long history of man's struggle for freedom, justice, and peace. He states:

We are either in the beginning of a new world of widespread freedom and justice—or a remaking of the old world in a new form of the police state.

The foreign policy decisions we make during the next few years will have a major influence as to which direction the world turns; hopefully it will be the former.

Mr. President, I ask unanimous consent that the speech by Mr. Landon be printed in the RECORD.

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

#### CENTRAL ISSUES AND CHOICES OF OUR FOREIGN POLICY

Wars have increased in intensity and magnitude for the last 100 years—until they are reaching the climax of either total destruction or total peace. There is widespread preparation for war-violence and guerrilla fighting around the globe.

Essentially, conditions in the world have not changed much since January 1968, when U Thant, Secretary General of the United Nations, said: "We look around the world in vain for manifestation of either good will or good cheer. In the last twelve months, I have seen more crises and greater international tension than I can recall at any time during the eleven years that I have spent with the United Nations."

Right now, we are in a climactic period of adjustment leading to one or the other of two diametrically opposed societies. We are either in the beginning of a new world of widespread freedom and justice—or a remaking of the old world in a new form of the police state. In the cycle of time, the answer depends not only on Moscow's and Peking's continued quest for power and influence, but also on the United States of America's policies—both military and political. United States policies will depend on the response of President Nixon and the Congress to the many crises of our age.

Let us face the hard facts of war and peace—the central issues and choices of our foreign policy in the light of current, complex and dangerous developments.

First, I shall focus on Vietnam. Then I shall turn to the all-important triangular relationships among the United States, the Soviet Union, and China.

Vietnam, of course, has overwhelmingly dominated our foreign and domestic policies these past several years. And what happens in that tragic little land will have a tremendous impact on life around the earth.

The anguish of Vietnam at home and abroad is a fact we cannot avoid. So is the settlement of that war, for it is a continuity threaded through the labyrinth of all our important aspirations at home and our relations abroad.

The announcement of the decision to withdraw 25,000 American combat troops is the second step—following the 1968 cessation of the bombing of North Vietnam—toward deescalation and deamericanization of the war. So far, there has been no commensurate response from Hanoi. If our Government's expectations about the ability and the desire of the South Vietnamese people to protect themselves prove to be correct, we should prepare ourselves for a gradual redeployment and pullout of American combat troops from Vietnam.

On the other hand, if these expectations are wrong, then the American people will be confronted with the decision of whether or not they want to continue to sacrifice American lives and American dollars for South Vietnamese people either unable or unwilling to do what their national interest demands.

We have proved by unparalleled sacrifices our willingness to assist the South Vietnamese people. If they cannot or do not do more for themselves, if they do not measure up, how can anyone expect us to continue these great sacrifices indefinitely?

The problems of the world we live in—the realities of international affairs—include more than our hard choices in Vietnam. They include the current different interpretations of Communist dogma by the leaders of the Soviet Union, China, and other Communist governments as well as Communist parties all over the world; the Soviet-Chinese border warfare; Soviet invasion of Czechoslovakia; self-determination and non-alignment of developing nations; desires to diminish American economic domination; and world-wide growth of the concept of the welfare state.

I believe that war or peace in the coming decades will depend on the triangular relationships among the United States, the Soviet Union and China.

The Soviet-Chinese split is real and deep. Old ethnic conflicts have existed between China and Russia for centuries. Their current split dates from at least 1960 when China deported its last Soviet technicians and advisers. That split carries important ideological overtones with impact on national interests in every part of the globe. It adds to the complexity of the world in which mankind will live in coming decades.

The longest border in the world is that between the Soviet Union and China. And China's nuclear test site is much closer to Russia than it is to any other power.

The increasing belligerency between the Soviet Union and China may lead to more than border warfare. I do not mean that a Soviet-Chinese war is inevitable. However, if the conflict escalates into an all-out nuclear war, its fallout will result in a catastrophe for the whole world.

The increasing tension and conflict between China and the Soviet Union—and the deescalation and deamericanization of the war in Vietnam—offer a real opportunity for new diplomatic initiatives to President Nixon.



If the present belligerent position of the leadership in China toward the Soviet Union continues to develop in the same direction as now, the Soviet Government may gravitate toward a more cooperative posture with the United States. The mood of the national administration and of the people in this country is to enter a period of serious, realistic negotiations with the Soviet Union concerning the pressing international problems.

However, if the Soviet Government persists in its attempts to turn the clock back to Stalin's inflexible policies, the chances for cooperation between the Soviet Union and the United States will be very poor.

The present Soviet-Chinese tension and conflict also give the Nixon Administration an opportunity for maneuver and progress in Chinese-American relations—in spite of the deep chasm separating Washington and Peking. If the existing deadlock gives way to mutual understandings in the relations between these two great powers it will have a profound effect on the whole spectrum of international affairs.

Our foreign policy makers must avoid repeating tragic mistakes concerning China. One of them took place in October 1964. Two days after the explosion of China's first nuclear bomb, the Peking Government invited all nuclear powers to a conference to discuss means by which the world could establish nuclear disarmament. The United States promptly refused—terming the offer insincere. At that time, I immediately urged the United States Government to accept that invitation for the purpose of discussion. China's sincerity would thus be put to a test. The next day, in an unprecedented statement, United Nations Secretary General, U Thant, publicly approved my position. But the United States persisted in its ostrich-headed policy of refusing to use the opportunity for a new meaningful diplomatic contact with mainland China.

So far, diplomatic contact between the Communist Government of China and the United States has been minimum. The prospects for improvement now depend on how soon mutual de facto ties are established between the United States and mainland China in such fields as trade, travel, cultural and educational exchange and legal representation in the United Nations.

Given the widening rift with the Soviet Union, China may wish to pursue a more flexible policy with the United States and other non-Communist countries. The Soviet invasion of Czechoslovakia was a traumatic shock to the world that dramatically reminded all Communist governments—including China—that the old Stalinist doctrine of deciding the fate of other countries is a clear and present danger.

While considering the opportunities for new diplomatic probings with the Soviet Union and China, I do not mean we can ignore certain hard facts about Soviet and Chinese Communist influence in several parts of the world.

There is a link between the fear of China among Southeast Asian countries and the experience of Communist subversion. That was particularly evident in the case of Indonesia—a country comprising thousands of islands stretching over a vast area—with the fifth largest population of the world. Indonesia had the largest Communist party in Asia—outside of Communist China. Sukarno had initiated confrontation with Malaysia—withdrawn Indonesia from the United Nations—and maintained increasingly intimate relations with Communist China.

That was the situation in the fall of 1965—when the Communists, probably influenced by Peking, attempted to take over that government. The aftermath was one of the biggest blood baths in history which, to some

extent, is still going on. The Communists suffered a serious reversal.

The Philippines also have experienced intermittent Communist so-called "Huk" guerrilla activity. Communist insurgency is a threat also in Laos, Thailand, Burma, Malaysia and Cambodia.

In August and September 1965 India and Pakistan went to war against each other. That conflict ended in a stand-off. The fact that they fought each other with American weapons caused the United States to stop military assistance to both nations. Since then, the Soviet Union is finding itself in a position similar to that heretofore held by the United States. It allegedly has promised military assistance to both countries, with neither being happy about the other receiving such assistance.

The fact is that neither the United States nor the Soviet Union wants to become embroiled in the hostility between Pakistan and India. Furthermore, the United States and the Soviet Union share the kindred interest of protecting India from Communist China.

Unfortunately, the British are in the process of rapidly withdrawing all their military forces east of Suez by 1971—which would leave Malaysia and Singapore, and neighboring nations in positions of having to seek alternative means of protection.

President Nixon already is facing up to how the United States should attempt to fill the void created by British withdrawal from that area. For the first time, the United States of America's Secretary of State swung around the circle—as it were—to visit Saigon and Tokyo and to meet with members of the Southeast Asia Treaty Organization and the Central Treaty Organization to discuss personally their area economic and political problems and to acquaint them with ours. The relationship among the three superpowers will definitely affect Korea.

The belligerent statements of the Communist Government of North Korea can lead to new acts of war and a military confrontation. Should hostilities break out in that area while we are still heavily involved in Vietnam, there will be great repercussions in the whole international situation.

We witness today a growing Soviet influence in the Middle East. Since the war between Israel and its Arab neighbors in June 1967, the Soviet Union is rapidly fulfilling the centuries-old quest of Russian regimes dating from the earliest czars for a Russian outlet to the warm waters of the Mediterranean. Today, the Soviet Union not only has the outlets—backed by its growing navy—but also has increased its influence in much of the Arab world—thus quickly upsetting the balance of power in that area as an aftermath of the June 1967 war. Victorious Israel still occupies the Sinai Peninsula and West Jordan, including the old city of Jerusalem—a holy city for Jews, Christians, and Muslims, alike. And the Suez Canal and Gulf of Aqaba still remain closed to the world's shipping.

United States support for Israel—though from private more than public sources—caused Egypt, Syria, Algeria, Yemen, and Iraq to sever diplomatic relations with the United States—and relations with them remain severed. The Soviet Union has furnished all those governments—and others, including North Vietnam—with enormous quantities of modern military equipment.

Israel refuses big-power mediation by the United States, the Soviet Union, Britain and France. Clinging to demands for face-to-face negotiations with the Arab states, Israeli Government states that on the record it trusts neither the words nor the intent of the Soviet Union. The Arab states are divided: Some would accept big-power mediation efforts, others will not.

Hostilities continue in the Middle East. At present, there is no evidence that the stalemate is breaking up.

Soviet leaders must face the question whether it is in the interest of the USSR to continue to escalate its military support of Arab states. The United States and the Soviet Union must face the question whether such continued support might not further embolden militarists and extremists within the nations of that area to enhance the possibility not only of continued intermittent Middle East wars but also a military confrontation between the United States and the Soviet Union and a consequent world catastrophe caused by the nuclear fallout.

Some of the Arab states are now turning to China for military equipment. Once China enters the Middle East picture, it will pose a more serious threat to the Soviet Union's southwest flank than does its present wedge in Albania.

In Europe the Soviet Union is just as interested in protecting its flanks to its west as it is in securing a foothold in the Mediterranean.

Precisely because the Soviet Union fears war with Communist China—perhaps even more than it fears war with the West—it wants to strengthen its position in East Europe while it faces the threat from China to its east and south.

It is in this context, I believe, that we must assess the Soviet invasion and occupation of Czechoslovakia in August 1968. The invasion upset the balance of power in Europe. It also set in motion a barrage from many Communist parties against Soviet leaders.

As we face the political changes taking place on the European continent, we should not overlook the preoccupation of Soviet leaders with the threat from China. I do not believe that Soviet leaders necessarily are as erratic and incalculable as some have pictured them. They are obtuse. Their use of raw military force in Czechoslovakia has set back their opportunity to secure their western flank through a detente with Western European governments—as well as with Britain and the United States of America.

The Soviet invasion of Czechoslovakia has resulted in reevaluating policy in France. Our relations with France are now more friendly. It could be that France under President Pompidou will reach agreements with Germany and the rest of the European Community about the new phase of European organization.

In the triangular relationships among the United States, the Soviet Union and China, Japan occupies a critical position. It is the fourth largest industrial power and a good trading partner and ally of the United States. We need to reach a mutually satisfactory agreement on our military bases in Japan—without delay.

We must not endanger our relations with that friendly nation.

I am particularly disturbed by the increasingly louder protectionist voices in the United States.

It is true that many nations restrict American investments and trade by various political and licensing methods. But such restrictions are likely to be increased in retaliation to a new wave of protectionism under way in the United States.

There is a gathering force in Congress for package legislation that would return to conditions under high protective tariffs in the guise of limiting quotas on imports of textiles, oil, steel, cattle and so forth into the United States—a definite step toward Fortress America. That would affect detrimentally, in my opinion, the entire scope of world affairs.

I cannot think of a greater benefit to Communist powers than for the United States to return to the conditions of a special interest trade policy so unpleasantly reminiscent of the Smoot-Hawley high tariff legislation folly that ushered in the Great Depression in 1929.

That is exactly what the new protectionism proposes to do. The tragedy is that ultimately it would wreck international cooperation, and would hurt the United States. Protectionist measures would evoke retaliation from other nations that could only restrict our trade at a time when we need more markets—more selling of our products abroad—to save the value of our dollar now under attack from other directions.

We shall be faced with a real tragedy unless we recognize the necessity of strengthening our trading ties with Japan, Canada, European Community, Britain and other nations.

It is evident that the way to a stable—and therefore a peaceful—world is building markets for trade which has been the meeting place for better acquaintance and understanding since ancient tribal days.

We must also continue our efforts to assist the low-income nations to improve their development strategy and tactics; Mexico's successful development without much direct government aid from the United States is a case in point. The development dialogue must be based on the assumption that the development effort should bear the stamp of each nation's identity. Such efforts cannot be divorced from the crucial international problem of the triangular relationships among the United States, the Soviet Union and China.

The quest for human dignity and freedom explains much about social and political changes taking place in Asia, Africa, Europe and Latin America.

To assess objectively these changes and realities, and to adjust our national interests and goals with respect to them, our President must support a comprehensive and complete review by the Congress of our foreign and military policies. Such a review must appraise our experience with foreign aid in terms of its costs, scope and effectiveness. It must appraise the future of the dollar, world trade, the United Nations, military strength and efficiency, arms control and disarmament, and also the huge world population growth.

I strongly believe that many of the problems concerning our attempted world posture derive from the fact that America has oversold its strength, its faith, and its hopes in relation to its abilities and resources.

We have oversold our military might. Despite our obvious strength, we cannot make all things happen that we would like to have happen, nor prevent all things from happening that we do not want to happen.

We have oversold the capacity of our economy. Despite our obvious affluence, we cannot finance world security, world development, the Vietnam War, and the elimination of poverty at home—all at the same time.

We have oversold our will and resolve. We are the most generous people of the world, the most committed to the protection of freedom, the most altruistic, but despite those qualities, there are limits beyond which we cannot reasonably exercise our will and resolve to assume alone the role of world policeman and benefactor.

We have oversold the dollar. Despite the dollar's being one of the world's most stable currencies and monetary value bases, we are witnessing its decline and vulnerability.

The United Nations has been oversold. Established to achieve world peace, the United Nations—after 24 years—is far from realizing its purpose, and its goal will remain a distant dream so long as the major powers—including the United States—act unilaterally on major world issues, and so long as Communist China—representing one-fourth of humanity—is unrepresented in that body.

Meanwhile, so long as we continue to live in a world without an effective international organization, world peace will depend chiefly on understanding and agreements reached among the Soviet Union, the United States and China or between any two of them. Chances for such agreements, in turn, de-

pend on a parity of power based on mutual deterrence among the super powers. As of now, mutual detente is conditioned by mutual deterrence within the context of world instability. That is why, perhaps, the most important responsibility facing our President is to see to it that the United States may continue to negotiate with the Soviet Union and China from a position of at least equal military strength. However, that does not mean relying on military strength as the proper instrument for reconstructing international relations.

The assumption that in a major war between the superpowers the nuclear weapons will not be used can be a fatal delusion. No one can be sure. In a nuclear war every country in the world will be involved directly or indirectly. The nuclear fallout will not spare anyone.

Our President—in framing long-range foreign policies—must see to it that we do not miscalculate how the leaders of other lands may react to our moves and how they may feel about us and our intentions. Miscalculations have led to wars—small and big. The importance of consistent use of consultations cannot be overemphasized.

The times call for wisdom, tact and, above all, equity—in approaching the central issues of our foreign policy.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

#### APOSTLE ISLANDS NATIONAL LAKE-SHORE, WISCONSIN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 268, S. 621.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. S. 621, to provide for the establishment of the Apostle Islands National Lakeshore in the State of Wisconsin, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, at the beginning of line 3, strike out:

That (a) (1) for the purpose of conserving and developing for the benefit, inspiration, and use of the public certain islands, shorelines, beaches, sandspits, and other natural and historical features within Ashland and Bayfield Counties, Wisconsin, which make up a significant portion of the diminishing shoreline and archipelago environments of the Great Lakes region and which possess high values to the Nation as examples of unspoiled areas of great natural beauty.

(2) For the purposes of encouraging and enhancing the development and utilization of this region as an important center of public recreation activities, and particularly to encourage participation in the accomplishment of such purposes by the Bad River Band and the Red Cliff Band of the Lake Superior Chippewa Indians of Wisconsin

(hereinafter referred to as the "Bad River Band" and the "Red Cliff Band"), the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to establish and administer the Apostle Islands National Lakeshore (hereinafter referred to as the "lakeshore").

And insert:

That (a) (1) the Congress hereby finds that—

(A) certain islands, shorelines, beaches, sandspits, and other natural and historical features situated within Ashland and Bayfield Counties, Wisconsin, should be preserved and developed for the benefit, use, and inspiration of all the people of the United States;

(B) such islands, shorelines, beaches, sandspits, and other natural and historical features make up a significant portion of the diminishing shoreline and archipelago environments of the Great Lakes region and possess high values to the Nation as examples of unspoiled areas of great natural beauty;

(C) the development and use of such islands, shorelines, beaches, sandspits, and other natural and historical features for public recreation activities should be encouraged and that the Bad River Band and the Red Cliff Band of the Lake Superior Chippewa Indians of Wisconsin (referred to in this Act as the "Bad River Band" and the "Red Cliff Band" respectively), especially, should be encouraged to participate in the accomplishment of such development and use; and

(D) the culture, heritage, homeland, and rights of the native Chippewa Indians, who have so greatly contributed to the preservation of such shorelines, beaches, sandspits, and other natural and historical features in their unspoiled and natural conditions, should be preserved and protected.

(2) The Secretary of the Interior (hereinafter referred to in this Act as the "Secretary") is authorized to establish and administer the Apostle Islands National Lakeshore (hereinafter referred to in this Act as the "lakeshore").

On page 3, at the beginning of line 20 after "(b)" insert "(1)"; in line 25, after the word "February" strike out "1967." and insert: "1967; except that no Indian tribal lands within the area described by said map as the Red Cliff unit shall be included in the lakeshore except on petition of the Tribal Council of the Red Cliff Band, the concurrence of the Secretary, and the publication of a description of such lands in the Federal Register: *Provided further*, That the inclusion of such lands in the lakeshore shall not become effective until the Secretary has forwarded a description of such lands to the President of the Senate and the Speaker of the House of Representatives and a period of ninety calendar days of a continuous session of Congress following the receipt by the said President and the Speaker of the description submitted by the Secretary has expired."

On page 4, after line 14, insert:

(2) For the purpose of paragraph (1) of this subsection—  
continuity of session is broken only by an adjournment of Congress sine die; and  
the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the ninety-day period.

On page 6, line 11, after the word "land" strike out "without the consent of all of the beneficial owners if the acquisition is agreed to by the owners of



not less than a 50 per centum interest in any land where ten or fewer persons own undivided interests or by the owners of not less than a 25 per centum interest in any land where eleven or more persons own undivided interests. The Secretary may represent for the purpose of this subsection any Indian owner who is a minor or who is non compos mentis, and, after giving such notice of the proposed acquisition as he deems sufficient to inform interested parties, the Secretary may represent any Indian owner who cannot be located, and he may execute any title documents necessary to convey a marketable and recordable title to the land," and insert "with the consent of 51 per centum of the beneficial owners responding and agreeing after due notice agreed on by the Secretary and the applicable tribal council of the Secretary's intent to acquire such lands. With the concurrence of the beneficial owners of such allotted or restricted land, the applicable tribal council shall be represented at any negotiations for the acquisition of such land."; on page 8, line 4, after "(a)" strike out "With the exception of not more than eighty acres of land in the Red Cliff Creek area that the Secretary determines are necessary for an administrative site, visitor center, and related facilities," and insert "With the exception of not more than eighty acres of land to be designated within the lakeshore boundaries by the Secretary as an administrative site, visitor center, and related facilities, as soon as practicable," on page 10, line 13, after the word "Provided," strike out "That in order to preserve and interpret the historic, scenic, cultural, and other outdoor features and attractions within the lakeshore the Secretary may prescribe regulations under which the area can be traversed;" and insert "That for the sole purpose of the preservation of public safety the Secretary may prescribe regulations relative to the discharge of firearms;"

On page 11, line 7, after the word "for" strike out "construction or maintenance work or for other"; on page 12, line 12, after the word "authority" insert "of section 5(a)"; and on page 14, line 21, after "Sec. 12." strike out "There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act."; and insert "There are hereby authorized to be appropriated not to exceed \$6,660,000 for acquisition of land and not to exceed \$8,257,700 for the development of the area as provided for in this Act."; so as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) the Congress hereby finds that—*

(A) certain islands, shorelines, beaches, sandspits, and other natural and historical features situated within Ashland and Bayfield Counties, Wisconsin, should be preserved and developed for the benefit, use, and inspiration of all the people of the United States;

(B) such islands, shorelines, beaches, sandspits, and other natural and historical features make up a significant portion of the diminishing shoreline and archipelago environments of the Great Lakes region and possess high values to the Nation as ex-

amples of unspoiled areas of great natural beauty;

(C) the development and use of such islands, shorelines, beaches, sandspits, and other natural and historical features for public recreation activities should be encouraged and that the Bad River Band and the Red Cliff Band of the Lake Superior Chippewa Indians of Wisconsin (referred to in this Act as the "Bad River Band" and the "Red Cliff Band", respectively), especially, should be encouraged to participate in the accomplishment of such development and use; and

(D) the culture, heritage, homeland, and rights of the native Chippewa Indians, who have so greatly contributed to the preservation of such shorelines, beaches, sandspits, and other natural and historical features in their unspoiled and natural condition, should be preserved and protected.

(2) The Secretary of the Interior (hereinafter referred to in this Act as the "Secretary") is authorized to establish and administer the Apostle Islands National Lakeshore (hereinafter referred to in this Act as the "lakeshore").

(b) (1) The lakeshore shall comprise those islands, waters, and portions of mainland within Ashland and Bayfield Counties, Wisconsin, as generally depicted on a map identified as "Boundary Maps—Proposed Apostle Islands National Lakeshore, NL-AI-7100B, sheets 1, 2, and 3," dated May 1965, revised February 1967; except that no Indian tribal lands within the area described by said map as the Red Cliff unit shall be included in the lakeshore except on petition of the Tribal Council of the Red Cliff Band, the concurrence of the Secretary, and the publication of a description of such lands in the Federal Register: *Provided further*, That the inclusion of such lands in the lakeshore shall not become effective until the Secretary has forwarded a description of such lands to the President of the Senate and the Speaker of the House of Representatives and a period of ninety calendar days of a continuous session of Congress following the receipt by the said President and the Speaker of the description submitted by the Secretary has expired. Said map shall be on file and available for public inspection in the offices of the National Park Service.

(2) For the purpose of paragraph (1) of this subsection—

Continuity of session is broken only by an adjournment of Congress sine die; and

The days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the ninety-day period.

(c) As soon as practicable after acquisition by the Secretary of an acreage within the boundaries of the lakeshore which in his opinion can be administered efficiently for the purposes of this Act, he shall establish the lakeshore by publication of notice thereof in the Federal Register.

SEC. 2. (a) Within the boundaries of the lakeshore, the Secretary is authorized to acquire lands and interests therein by donation, purchase with donated or appropriated funds, or exchange. Any property or interests therein owned by the State of Wisconsin or any political subdivision thereof may be acquired only by donation. Notwithstanding any other provision of law, any Federal property located within the boundaries of the lakeshore may, with the concurrence of the agency having custody thereof, transferred, without transfer of funds, to the administrative jurisdiction of the Secretary for the purposes of the lakeshore.

(b) Lands or interests therein within the boundaries of the lakeshore that are held by the United States in trust for the Bad River Band or the Red Cliff Band may be acquired by the Secretary only with the concurrence of the beneficial owner. The Secretary may agree to pay the purchase price either in a lump sum or in installments

which in the aggregate equal the purchase price plus interest on unpaid balances.

(c) In order to provide substitute lands for the Bad River Band and the Red Cliff Band or for individual Indians of said bands in cases where their lands are acquired for the lakeshore, the Secretary may, from funds made available to him by such band or individual Indian, acquire by negotiated purchase any lands or interests therein outside of the boundaries of the lakeshore: *Provided*, That title to such lands shall be held by the United States in trust for the band or the individual Indians involved.

(d) In exercising his authority to acquire by negotiated purchase any land within the boundaries of the lakeshore that is held in trust or in a restricted status for individual Indians, the Secretary may, in cases where a particular tract of land is so held for more than one Indian, acquire such land with the consent of 51 per centum of the beneficial owners responding and agreeing after due notice agreed on by the Secretary and the applicable tribal council of the Secretary's intent to acquire such lands. With the concurrence of the beneficial owners of such allotted or restricted land, the applicable tribal council shall be represented at any negotiations for the acquisition of such land.

(e) In exercising his authority to acquire property within the boundaries of the lakeshore by exchange, the Secretary may accept title to any non-Federal property therein, and in exchange therefor he may convey to the grantor of such property any federally owned property under his jurisdiction in the State of Wisconsin which he classifies as suitable for exchange or other disposal. The values of the properties so exchanged either shall be approximately equal, or if they are not approximately equal the values shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.

(f) In order to facilitate the acquisition by exchange of the lands within the boundaries of the lakeshore that are held by the United States in trust for the Bad River Band or the Red Cliff Band or held in trust or in a restricted status for individual Indians of said bands, the Secretary may acquire by negotiated purchase, lands, or interests therein, outside of the lakeshore boundaries. Lands so acquired may be exchanged for such Indian lands. The values of the properties so exchanged either shall be approximately equal, or if they are not approximately equal the values shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.

SEC. 3. (a) With the exception of not more than eighty acres of land to be designated within the lakeshore boundaries by the Secretary as an administrative site, visitor center, and related facilities, as soon as practicable, any owner or owners, including beneficial owners (hereinafter in this section referred to as "owner") of improved property on the date of its acquisition by the Secretary may, as a condition of such acquisition, retain for themselves and their successors or assigns a right of use and occupancy of the improved property for noncommercial residential purposes for a definite term not to exceed twenty-five years, or, in lieu thereof, for a term ending at the death of the owner, or the death of his spouse, whichever is the later. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

(b) A right of use and occupancy retained pursuant to this section may be terminated with respect to the entire property by the Secretary upon his determination that the property or any portion thereof has ceased to be used for noncommercial residential or

for agricultural purposes, and upon tender to the holder of a right an amount equal to the fair market value, as of the date of the tender, of what portion of the right which remains unexpired on the date of termination.

(c) The term "improved property", as used in this section, shall mean a detached, non-commercial residential dwelling, the construction of which was begun before January 1, 1967 (hereinafter referred to as "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

Sec. 4. (a) The Bad River Band and the Red Cliff Band, notwithstanding the provisions of section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended (25 U.S.C. 415), may enter into leases with the Secretary for lands beneficially owned by the Bad River Band or the Red Cliff Band for a term of not to exceed ninety-nine years, and shall grant the Secretary the option of renewing the lease for as long as the lands are used as part of the lakeshore.

(b) Notwithstanding any other provision of law, improvements and structures needed for development and administration of the lakeshore may be constructed on lands leased pursuant to this section.

Sec. 5. Within the portions of the Bad River and Red Cliff Indian Reservations that are included in the lakeshore, recognized members of the Bad River and Red Cliff Bands shall be—

(a) permitted to traverse such areas in order to hunt, fish, trap, boat, or gather wild rice or to obtain access to their homes or businesses: *Provided*, That for the sole purpose of the preservation of public safety the Secretary may prescribe regulations relative to the discharge of firearms;

(b) granted the first right of refusal to purchase any timber at fair market value if the Secretary determines that the harvesting or removal of timber is necessary or desirable;

(c) granted, to the extent practicable, a preferential privilege of providing such visitor accommodations and services, including guide services, as the Secretary deems desirable: *Provided*, That such a preferential privilege will not be granted unless the visitor accommodations and services meet such standards as the Secretary may prescribe;

(d) granted employment preference for work in connection with the lakeshore for which they are qualified; and

(e) encouraged to produce and sell handicraft objects under the supervision of the Secretary.

Sec. 6. The Secretary shall, to the extent that appropriated funds and personnel are available, provide consultative or advisory assistance to the Bad River and Red Cliff Bands with respect to planning facilities or developments upon their tribal lands which are outside of the boundaries of the lakeshore.

Sec. 7. Subject to such regulations as the Secretary may prescribe, the recognized members of the Bad River and Red Cliff Bands may use without charge any docking facilities within the lakeshore that are operated directly by the Secretary.

Sec. 8. (a) The Secretary shall permit hunting, fishing, and trapping on lands and waters under his jurisdiction within the boundaries of the lakeshore in accordance with the appropriate laws of Wisconsin and the United States to the extent applicable, except that he may designate zones where, and establish periods when, no hunting, trapping, or fishing shall be permitted for reasons of public safety, administration, fish or wildlife management, or public use and

enjoyment. Except in emergencies, any regulations prescribing any such restrictions shall be put into effect only after consultation with the appropriate State agency responsible for hunting, trapping, and fishing activities.

(b) Except for such regulations as the Secretary may issue under authority of section 5(a) of this Act, nothing in this Act shall affect the existing rights of members of the Bad River Band or Red Cliff Band to hunt, fish, trap, or to gather wild rice, and the Secretary shall grant to such Indians the same rights with respect to lands acquired by him within the portions of the lakeshore that are applicable within the Bad River and Red Cliff Indian Reservations.

Sec. 9. The lakeshore shall be administered, protected, and developed in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4), as amended and supplemented; and the Act of April 9, 1924 (43 Stat. 90; 16 U.S.C. 8a et seq.), as amended, except that any other statutory authority available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of the Act.

Sec. 10. (a) In the administration, protection, and development of the lakeshore, the Secretary shall adopt and implement, and may from time to time revise, a land and water use management plan which shall include specific provision for—

(1) protection of scenic, scientific, historic, geological, and archeological features contributing to public education, inspiration, and enjoyment;

(2) development of facilities to provide the benefits of public recreation and a scenic shoreline drive on the Bayfield Peninsula;

(3) preservation of the unique flora and fauna and the physiographic and geologic conditions now prevailing on the Apostle Islands within the lakeshore: *Provided*, That the Secretary may provide for the public enjoyment and understanding of the unique natural, historical, scientific, and archeological features of the Apostle Islands through the establishment of such trails, observation points, exhibits, and services as he may deem desirable; and

(4) preservation and enhancement of the unique characteristics of the Kakagon River and Bad River Sloughs.

(b) With respect to the portion of the lakeshore located within the boundaries of the Bad River Indian Reservation such land and water use management plan shall provide for—

(1) public enjoyment and understanding of the unique natural, historic, and scientific features through the establishment of such roads, trails, observation points, exhibits, and services as the Secretary may deem desirable; and

(2) public use and enjoyment areas that the Secretary considers especially adaptable for viewing wildlife: *Provided*, That no development or plan for the convenience of visitors shall be undertaken in such portion of the lakeshore if it would be incompatible with the preservation of the unique flora and fauna or the present physiographic conditions.

Sec. 11. Section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended (25 U.S.C. 415), is hereby further amended by inserting the words "the Bad River Reservation, the Red Cliff Reservation," after the words "the Pyramid Lake Reservation."

Sec. 12. There are hereby authorized to be appropriated not to exceed \$6,660,000 for acquisition of land and not to exceed \$8,257,700 for the development of the area as provided for in this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The VICE PRESIDENT. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 621) was ordered to be engrossed for a third reading, was read the third time, and passed.

## ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### REPORT OF NATIONAL COUNCIL ON RADIATION PROTECTION AND MEASUREMENTS

A letter from the General Counsel for the National Council on Radiation Protection and Measurements, transmitting, pursuant to law, a report on the examination of accounts of the National Council on Radiation Protection and Measurements, dated December 31, 1969 (with an accompanying report); to the Committee on the Judiciary.

### PROPOSED LEGISLATION TO ESTABLISH A VISITING SCIENTIST AND SCHOLAR PROGRAM IN THE FEDERAL GOVERNMENT

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation, to amend title 5, United States Code, to establish a Visiting Scientist and Scholar Program in the Federal Government (with accompanying papers); to the Committee on Post Office and Civil Service.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on Commerce:

"Resolutions memorializing the Congress of the United States to enact legislation providing for a two hundred mile off-shore limit for taking fish off the Atlantic coast by fishing vessels of foreign countries, and providing certain funds to assist the fishing industry

"Whereas, The closing of Georges Bank, the world's most productive fishing ground, has been proposed to enable depleted haddock stocks to recover; and

"Whereas, Congressmen Bates, O'Neill and Keith, of Massachusetts, in cooperation with the Speaker of the House, John W. McCormack, have sponsored a plan requesting \$700,000 for a demonstration program and \$750,000 for vessel conversion; and

"Whereas, The shortage of haddock off the shores of New England constitutes a serious economic threat to the fishing industry of the commonwealth, an industry which has



been the traditional life blood of our state's economy; and

"Whereas, The present territorial limitation as to fishing off the coast of the United States is totally inadequate to protect the fishing fleets of the commonwealth from irreparable loss, a situation which can be remedied by appropriate legislative enactment; now, therefore, be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation providing for a two hundred mile off-shore limit for taking fish off the Atlantic coast by fishing vessels of foreign countries and legislation providing funds for the demonstration program and for vessel conversion; and be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the State Secretary to the President of the United States, to the presiding officer of each branch of the Congress and to the members thereof from the Commonwealth.

"Senate, adopted, June 11, 1969.

"NORMAN L. PIDGEON,

"Clerk.

"House of Representatives, adopted in concurrence, June 16, 1969.

"WALLACE C. MILLS,

"Clerk.

"Attest:

[SEAL]

JOHN F. X. DAVOREN,

"Secretary of the Commonwealth."

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 9951. An act to provide for the collection of the Federal unemployment tax in quarterly installments during each taxable year; to make status of employer depend on employment during preceding as well as current taxable year; to exclude from the computation of the excess the balance in the employment security administration account as of the close of fiscal years 1970 through 1972; to raise the limitation on the amount authorized to be made available for expenditure out of the employment security administration account by the amounts so excluded; and for other purposes (Rept. No. 91-281).

By Mr. ANDERSON, from the Committee on Aeronautical and Space Sciences, with an amendment:

H.R. 11271. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 91-282).

#### EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BYRD of Virginia, from the Committee on Armed Services:

Gen. Earle Gilmore Wheeler, Army of the United States (major general, U.S. Army) for reappointment as Chairman, Joint Chiefs of Staff.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLLINGS:

S. 2489. A bill to amend chapter 13 of title 38, United States Code, to provide that the death of any veteran who, at the time of his death, was entitled to disability compensation for certain service disabilities will be deemed to have resulted from service-connected causes; to the Committee on Finance.

By Mr. MAGNUSON:

S. 2490. A bill for the relief of Miriam Lazarowitz; to the Committee on the Judiciary.

By Mr. MONTOYA:

S. 2491. A bill to provide for the establishment of a National Academy of Medical, Dental, and Allied Sciences within the Department of Defense; to the Committee on Armed Services.

(The remarks of Mr. MONTOYA when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. MURPHY (for himself and Mr. CRANSTON):

S. 2492. A bill to establish the Fort Point National Historic Site in San Francisco, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

(The remarks of Mr. MURPHY when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. STEVENS:

S. 2493. A bill authorizing the Secretary of the Interior to transfer all jurisdiction and the right, title, and interest of the United States in and to the Pribilof Islands to the State of Alaska; to protect the rights of natives of the Pribilof Islands; and for other purposes; to the Committee on Interior and Insular Affairs.

(The remarks of Mr. STEVENS when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. JAVITS:

S. 2494. A bill for the relief of Miss Engracia H. Magbitang;

S. 2495. A bill for the relief of Miss Adoracion A. Ibanez; and

S. 2496. A bill for the relief of Miss Belen N. Vales; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 2497. A bill to further the effectiveness of shipment of goods and supplies in foreign commerce by promoting the welfare of U.S. merchant seamen through cooperation with the United Seamen's Service, and for other purposes; and

S. 2498. A bill to amend section 613 of the Merchant Marine Act, 1936, as amended; to the Committee on Commerce.

(The remarks of Mr. MAGNUSON when he introduced the last above bill appear later in the RECORD under the appropriate heading.)

By Mr. MCINTYRE (for himself, Mr. DODD, and Mr. RANDOLPH):

S. 2499. A bill to provide for the regulation of the maximum rates of interest which may be charged by federally supervised banks; to the Committee on Banking and Currency.

(The remarks of Mr. MCINTYRE when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. NELSON:

S. 2500. A bill for the relief of Dr. Serafin B. Teruel; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 2501. A bill to provide for a 50-cent-per-bushel export marketing certificate on wheat for the 1969 and 1970 crops of wheat; to the Committee on Agriculture and Forestry.

(The remarks of Mr. BURDICK when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. BIBLE (by request):

S. 2502. A bill to authorize suits in the courts of the District of Columbia for collection of taxes owed to States, territories, or possessions, or political subdivisions thereof, when the reciprocal right is accorded to the District of Columbia, and for other purposes;

to the Committee on the District of Columbia.

By Mr. HARTKE:

S. 2503. A bill to amend chapter 11 of title 38, United States Code, to provide full wartime benefits for extrahazardous duty;

S. 2504. A bill to amend title 38 of the United States Code to provide that veterans with disability rated less than 50 per centum shall receive additional compensation for dependents; and

S. 2505. A bill to amend title 38 of the United States Code to provide an annual clothing allowance to certain veterans who, because of a service-connected disability, wear a prosthetic appliance or appliances which tends to wear out or tear their clothing; to the Committee on Finance.

(The remarks of Mr. HARTKE when he introduced the above bills appear later in the RECORD under the appropriate heading.)

By Mr. HATFIELD:

S.J. Res. 129. A joint resolution to establish an advisory commission to make recommendations with respect to the acquisition of necessary property and equipment for, and the operation of, railroad passenger service by the Federal Government; to the Committee on Commerce.

(The remarks of Mr. HATFIELD when he introduced the joint resolution appear later in the RECORD under the appropriate heading.)

#### S. 2491—INTRODUCTION OF A BILL RELATING TO ESTABLISHMENT OF A "FOURTH NATIONAL ACADEMY"—THE NATIONAL ACADEMY OF MEDICAL, DENTAL, AND ALLIED SCIENCES

Mr. MONTOYA. Mr. President, "the only doctor in town has been drafted into the military service, and now I have to go 50 miles away to be treated." "My wife needs to see a doctor, but we don't have a single one in town." "It is so difficult to get an appointment with the one doctor in town."

Mr. President, more and more letters with complaints such as these fill my mailbox daily. We are unquestionably on the brink of a national health crisis, and indicators of this growing problem are everywhere, not just in my State of New Mexico. The situation, of course, has a number of dimensions which must be solved as rapidly as possible, and I should like to address myself to one solution which I propose at this time.

There is growing concern over the fact that the ratio of doctors and dentists to the population as a whole is steadily decreasing. Among the major influences which have been recognized as contributing to the increased demand for physician, dental, and other health care services are the following:

First, the fact that the population is increasing at a rapid rate.

Second, the young and very old—who require greater than average amounts of medical care—constitute a rising proportion of the population.

Third, there is a trend toward increased per capita use of medical services—particularly with medicare for the aged.

Fourth, the proportion of physicians in private practice appears to be falling.

Fifth, desperately needed general practitioners, capable of delivering direct patient contact and comprehensive medical care, are gradually being re-

placed by physician-specialists who tend to concentrate in metropolitan areas, thus drastically altering the physician-population ratio—to the detriment of nonmetropolitan and rural areas.

Sixth, legitimate medical needs in certain areas of government—primarily the military services, the Public Health Service, and the Veterans' Administration—tend to drain off the supply of doctors.

Seventh, the current rate of expansion of medical school facilities is inadequate to take care of future needs.

Take my own State of New Mexico, for example. In Bernalillo County—which consists primarily of the standard metropolitan area of Albuquerque—there were, in 1968, 446 doctors to serve a population of approximately 287,000 people—a ratio of approximately one doctor for every 645 people.

On the other hand, in neighboring Sandoval County—a rural area—as of 1968 there was not a single doctor to serve the 16,700 population of that county. Other similar cases abound. Torrance County—another remote area—has two doctors to serve 5,400 people; Harding County, with 1,600 population, has no doctor; and so on. Moreover, latest figures supplied by the American Medical Association indicate that as of January 1, 1968, there were 110 counties in the Nation without a doctor.

Despite this threat, no significant action has been initiated either in or out of Government to stimulate the development of a program which will result in a substantial increase in the production of medical personnel. Although there are programs whereby the armed services, for example, grant full scholarship assistance to commissioned officers who desire to become doctors, this in no way increases the total number of physicians available to the civilian population and uses up precious space in already overcrowded private medical schools.

All of these factors, and many others, suggest therefore that unless there is an increase in the supply of trained medical personnel, the situation will surely worsen and could reach crisis proportions. Given the long, arduous training which physicians must undertake, it is imperative that the Federal Government take action now to increase the number of physicians and other medical personnel available in order to satisfy both our civilian and governmental health requirements.

I am therefore today introducing a bill to provide for the establishment of a fourth academy focusing exclusively upon training in medical, dental, and allied sciences to insure that the Government has an adequate number of doctors and other medical personnel at their disposal, and so that the supply of such personnel available to the civilian population will not be siphoned off.

In order that the academy not compete with private medical and dental schools in the country, however, it should be run by the Government, with those selected for attendance subject to requirements and benefits similar to those of our military academies. It would also serve to provide opportunities for those

of our youth possessing potential for a medical career, but who cannot now gain admission to medical, dental, and other schools, due to lack of funds and/or current crowded conditions in public and private schools.

Since graduates of the new academy would be possible future entrants into the civilian force of medical personnel, they must be provided with the best of medical education so that the quality of health care will be enhanced. Therefore, I envision that the academy should be designed to serve as a model for the Nation.

The school would be known as the National Academy of Medical, Dental, and Allied Sciences, and would be located in or near the District of Columbia. There are many Government medical and other resources already in existence in the District of Columbia and its environs—mature, long-established institutions with international reputations. It is time for the Federal Government to capitalize on them in view of the enormous capital investment involved. I envision that the new academy which I am proposing will serve to fill a gap in existing governmental facilities in the Nation's Capital, and that the utilization of these facilities—insofar as feasible—in conjunction with the operations of the academy will help reduce the costs as well as time involved in setting up the new academy. The combination of all of these untapped resources could also form the nucleus for the creation of a medical education center, as well as an opportunity for integrating the various health sciences with such new fields as medical engineering.

Not more than 730 students would be enrolled in the academy at any one time. A total of 538 students would be nominated in accordance with provisions for appointment to the U.S. Military Academy; that is, based upon the number of Members of Congress for each State. Additionally, each of the armed services would be allocated four appointments each year; the Public Health Service 12 appointments each year; and the President of the United States 16 appointments each year. An additional eight student slots would be available to other Government agencies each year, which if not used would be allocated to the President.

Upon successful completion of an education program and internship, graduates would receive a military commission. They would then be required to serve for not less than 5 years with the Government, and could opt for service with branches of the military, or with other Government agencies such as the Veterans' Administration or with community-based rural programs under the U.S. Public Health Service. After fulfillment of their 5-year contract, should academy graduates choose to leave Government service they would be subject to recall for a period of 3 years if need so dictated.

Mr. President, over the long run, the output of this Government-sponsored medical school would find its way into the civilian manpower pool. This would result each time a graduate completed his term of service and returned to civilian life. But those graduates remaining

in Government service would help reduce the present drain on the civilian sector for medical personnel now secured through the doctor draft system. In short, it would also result in improved medical officer retention by the Government, thereby providing a solution to one of the most pressing problems of Government.

Mr. President, since the Government helps support most medical schools, I do not believe it illogical for the Government to support its own medical school to meet specific governmental needs. It is evident, therefore, that any action Congress can take to meet physician, dental, and other requirements of the Government will represent a most constructive step toward solving this problem, and in the process lessen any deprivation the civilian community may suffer from lack of essential health services.

Other provisions of my proposal are contained in the bill itself, and I ask that it be printed in the RECORD at the conclusion of my statement.

Mr. President, I urge that each of my distinguished colleagues study the proposal and assist in its most expeditious passage.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2491) to provide for the establishment of a National Academy of Medical, Dental, and Allied Sciences within the Department of Defense, introduced by Mr. MONTROIA, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

S. 2491

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part III of subtitle A of title 10, United States Code, is amended by adding at the end thereof a new chapter as follows:*

"CHAPTER 104.—NATIONAL ACADEMY OF MEDICAL, DENTAL, AND ALLIED SCIENCES

"Sec.

"2121. Establishment of Academy.

"2122. Commandant and deputy commandants

"2123. Command and supervision.

"2124. Faculty.

"2125. Students; appointment and numbers.

"2126. Requirements for admission.

"2127. Standards for courses of study; authority to confer degrees.

"2128. Service agreement.

"2129. Status of students; allowance and expenses.

"§ 2121. ESTABLISHMENT OF ACADEMY

"(a) There is authorized to be established within the Department of Defense an academy to be known as the National Academy of Medical, Dental, and Allied Sciences (hereinafter in this chapter referred to as the 'Academy') to train selected persons in medicine, dentistry, and fields allied thereto. The Academy shall be located in or near the District of Columbia.

"(b) The Academy shall utilize, to the maximum extent practicable, existing facilities and resources in the vicinity of the District of Columbia to provide the Academy with a 200 bed hospital and such other facilities and resources as may be necessary for use in connection with its programs of teaching, research, and clinical investigation. The Secretary of Defense is authorized to enter into a suitable cooperative arrange-



ment with any existing hospital or other institution in the vicinity of the District of Columbia under which the Academy would be permitted to use the facilities of such hospital or other institution in carrying out its functions under this chapter. The Academy shall offer a course of study in hospital administration. The location of the Academy shall be selected so as to permit in the future the establishment at the Academy of a school of nursing and a school for the training of medical technicians.

"(c) Advanced and specialized courses shall be offered graduates of the Academy. Students shall be selected for advanced and specialized work on the basis of merit in accordance with regulations prescribed by the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare.

"§ 2122. COMMANDANT AND DEPUTY COMMANDANTS

"There shall be a Commandant of the Academy and two Deputy Commandants of the Academy appointed by the Secretary of Defense. One of the appointees shall hold a degree in medicine from an accredited school of medicine; one shall hold a degree in dentistry from an accredited school of dentistry; and the other shall hold a degree in an allied science from an accredited college or university.

"§ 2123. COMMAND AND SUPERVISION

"(a) The supervision and charge of the Academy shall be under a Board of Trustees. Such Board shall be appointed by the Secretary of Defense and shall be composed of eighteen members who are especially qualified for service on the Board by reason of their background, education, training, and experience. Members of the Board shall include physicians, dentists, educators, hospital administrators, and scientists.

"(b) The immediate government of the Academy is under the Commandant of the Academy.

"§ 2124. FACULTY

"Members of the faculty of the Academy may be either members of the armed forces or civilians and shall be selected and meet the same requirements and standards applicable to the United States Military Academy. Physicians, dentists, and scientists employed by the Federal Government shall, to the maximum extent practicable, be utilized in the teaching and research projects of the Academy.

"§ 2125. STUDENTS; APPOINTMENT AND NUMBERS

"(a) The authorized number of medical students at the Academy shall be 480; dental students, 125; and allied sciences, 100. The total enrollment at the Academy may not at any one time exceed 730 students.

"(b) Students shall be selected for appointment to the Academy as follows:

"(1) two students from each State, one nominated by each Senator from the State; and

"(2) one student from each congressional district, nominated by the Representative from the district;

Each Senator and Representative is entitled to nominate a principal candidate and nine alternatives for each vacancy that is available to him under this section.

"(b) In addition, there may be appointed each year at the Academy a number of students as follows:

"(1) Four students nominated by the Secretary of the Army from members of the Army;

"(2) Four students nominated by the Secretary of the Navy from members of the Navy and Marine Corps;

"(3) Four students nominated by the Secretary of the Air Force from members of the Air Force; and

"(4) Twelve students nominated by the

Surgeon General of the Public Health Service.

"(c) Eight nominations for appointment to the Academy shall be allocated each year by the Secretary of Defense among the other departments and agencies of the Government, but in the event the total number is not used in any year by such departments and agencies, the President is authorized to select for appointment in such year a number of students equal to the unused number.

"(d) Sixteen students may be personally selected for appointment each year by the President, not including any number selected by him under subsection (b) of this section.

"(e) All students are appointed by the President. An appointment is conditional until the student is admitted to the Academy.

"§ 2126. REQUIREMENTS FOR ADMISSION

"To be eligible for admission to the Academy a candidate must meet such qualifications as may be prescribed by the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare.

"§ 2127. STANDARDS FOR COURSES OF STUDY; AUTHORITY TO CONFER DEGREES

"(a) The standards for any course of study offered at the Academy and the standards for the instruction of such course shall be the equivalent of standards for the same course of study offered by institutions of higher learning which rank among the highest in the United States with respect to such course of study, as determined by the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare.

"(b) Under such conditions as the Secretary of Defense may prescribe, the Commandant of the Academy may confer appropriate degrees upon graduates of the Academy.

"§ 2128. SERVICE AGREEMENT

"(a) Each student shall sign an agreement that, unless sooner separated, he will complete the course of instruction at the Academy and—

"(1) accept an appointment and serve as a commissioned officer (Regular or Reserve) in the Armed Forces for at least five years immediately after graduation; or

"(2) accept an appointment as a commissioned officer in the Public Health Service and serve for at least five years immediately after graduation in an area of the United States which is in need of the services he is qualified to perform (as determined by the Secretary of Health, Education, and Welfare); or

"(3) accept an appointment with any other department or agency of the Government, whenever there is a need by such department or agency for the services he is qualified to perform and such need is determined by the President to be greater than that under (1) and (2) above, and serve in such department or agency for at least five years immediately after graduation.

"(b) Each student upon graduation from the Academy shall, unless discharged or released by competent authority, serve as provided in subsection (a) for a five year period beginning on the date of his graduation, but the Secretary of the department concerned may prescribe a shorter period of service whenever he determines that such action is consistent with the needs of his department. Upon completion of the required period of service, any graduate who so requests shall be released from his Government service but shall be subject to recall to active duty with the Armed Forces, the Public Health Service, or other department or agency of the Government, as the case may be, for a period not to exceed three years, whenever the Secretary of the department concerned determines such action is necessary to meet the needs of such department.

"(c) Any student who completes one or more years of training at the Academy, who fails to graduate therefrom, and who thereafter becomes licensed in any State to practice medicine, dentistry, or engage in one of the allied sciences taught at the Academy, shall be required to repay the United States the actual expenses of the training received at the Academy, including all allowances paid and the cost of subsistence and quarters furnished.

"§ 2129. STATUS OF STUDENTS; ALLOWANCE AND EXPENSES

"(a) Students at the Academy shall not be considered members of the uniformed services, and shall not be entitled to any rights or benefits administered by the Veterans' Administration or any other department or agency of the Government solely as a result of being enrolled in or participating in the training provided under this chapter.

"(b) Students at the Academy shall receive the same allowance as that provided for cadets at the United States Military Academy and, in addition, shall be furnished quarters, subsistence, and other necessities."

SEC. 2. There are authorized to be appropriated \$75,000,000 to carry out the provisions of this Act.

SEC. 3. The table of chapters at the beginning of Part III of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following:

"104. National Academy of Medical, Dental, and Allied Sciences... 2121."

S. 2492—INTRODUCTION OF A BILL TO ESTABLISH THE FORT POINT NATIONAL HISTORIC SITE IN SAN FRANCISCO, CALIF.

Mr. MURPHY. Mr. President, on behalf of my distinguished colleague from California (Mr. CRANSTON) and myself, I introduce for appropriate reference a bill to authorize the establishment of the Fort Point National Historic Site in San Francisco.

Just under the south tower of the Golden Gate Bridge, at the entrance to San Francisco Bay, stands a classic example of a coastal fortification of the mid-19th century. It is one of the best examples of such military architecture in the United States, and it is certainly the finest on the west coast of North America. Fort Point has been standing since 1861 but, unfortunately, it has not received the full recognition it deserves in recent years. It is my hope that passage of the legislation I am introducing today will help remedy this situation by providing the historic fort with the designation it so richly merits.

To understand the historical significance of Fort Point, which is known to some as Fort Winfield Scott, it is helpful to retrace some of the history of California from 1776, which was long before Fort Point was established. In that year, the Presidio at San Francisco Bay was founded by Spanish settlers to control the Indians and to serve as a base for the great Spanish expeditions exploring the interior and northern areas of the San Francisco Bay region. After 1792, the Presidio became the northernmost stronghold of the Spanish Empire, and the chief barrier against the British, Russian, and American expansion on the west coast.

The advances by the Russians, English, and Americans into the northern coast

area of California alarmed the Spanish and when Capt. George Vancouver sailed through the Golden Gate in the first non-Spanish ship to enter the San Francisco Bay, the *Discovery*, on November 14, 1792, the Spanish began to realize how poorly the Golden Gate was being defended. This prompted the Spanish Viceroy, Revilla Gigedo, to build a new fort at the San Francisco Presidio. It was located about 1½ miles northwest of the original Presidio, 100 feet above the shoreline of the Golden Gate, and named Castillo de San Joaquin.

The news that Mexico had won its independence from Spain arrived in California in March 1822, and on April 13, the soldiers and citizens in San Francisco took the oath of allegiance to the Mexican Government. This marked the end of the Spanish empire in California.

Mexico was more careless than Spain in connection with her military establishments in California. From 1822 to 1835, the Mexicans watched the adobe walls of the Presidio and Castillo de San Joaquin disintegrate as a result of rain and poor maintenance. Under the command of Mexican Lieutenant Vallejo, most of the Presidio garrison was transferred to the newly established frontier post of Sonoma, leaving only seven artillerymen to guard the ruined Presidio and Castillo de San Joaquin.

The city of San Francisco, then called Yerba Buena, was founded in 1835. By the end of 1836, all troops from the Presidio had been withdrawn, and all that remained were a few retired soldiers and their families. The forts were in ruins by 1840.

Six years later, Capt. John Charles Fremont led about 20 American settlers in an attack on Castillo de San Joaquin, met little resistance, and took possession of the town of Yerba Buena for the United States. Two years later, in 1848, the war ended between the United States and Mexico, and the Presidio and the Castillo were formally ceded to the United States. The fort by this time was a rubble.

When the U.S. troops finally occupied the Presidio, the old Spanish forts were reconstructed and put into suitable condition. Two new forts were erected, one on Alcatraz Island and the other at the entrance to the bay where the ruined Castillo de San Joaquin once stood. They named the latter Fort Point.

During the Civil War, the Presidio and Fort Point were prepared to meet any attacks which might be directed against them. However, the war ended without any of the bay's defensive works having fired a shot. Fort Point served its defensive mission simply by existing. After the Civil War, the old war guns in Fort Point were transferred to permanent Army posts for ornamental use. In 1906, the fort was declared obsolete and about 9 years later was completely abandoned.

Today, the granite and brick of the fort is in much the same condition as it was when the fort was built in 1861. A bronze tablet which was placed at Fort Point on June 24, 1966, by the Fort Point Museum Association points out that the fort is the only major building constructed in San Francisco before the Civil

War which has remained basically unchanged.

The Congress has the opportunity to restore and preserve this historic edifice. My bill provides for this by authorizing first, the transfer of sufficient land for the Fort Point National Historical Site from the Secretary of the Army to the Secretary of the Interior, and second, the appropriation of the necessary funds for the project. It is stated in my bill, Mr. President, that these funds shall not exceed \$2,700,000 for development during the 5-year period beginning with the establishment of the Fort Point National Historic Site. I would like to mention in conclusion that I had the privilege of cosponsoring a bill with Senator Kuchel during the 90th Congress to establish the Fort Point National Historic Site and the measure I am offering today is identical to the version of that earlier bill which was passed by the Senate last July. Unfortunately, the 90th Congress did not take final action on the Fort Point measure I had cosponsored but it is my hope that this proposed legislation I offer today will receive prompt and favorable attention.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2492) to establish the Fort Point National Historic Site in San Francisco, Calif., and for other purposes, introduced by Mr. MURPHY (for himself and Mr. CRANSTON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

#### S. 2493—INTRODUCTION OF A BILL TO TRANSFER TITLE AND INTEREST OF THE UNITED STATES IN AND TO THE PRIBILOF ISLANDS TO THE STATE OF ALASKA

Mr. STEVENS. Mr. President, I have today introduced a bill which authorizes the Secretary of the Interior to transfer the Pribilof Islands to the State of Alaska. The Pribilof Islands are a group of four islands, part of Alaska, lying in the Bering Sea about 180 miles north of Unalaska and 200 miles southwest of Cape Newenham, the nearest point on the mainland.

In 1786 Gerasim Pribilof, a mate in the service of a Russian sealing and wildfowling company based on Unalaska, discovered the island of St. George, the southernmost of the Pribilof group, and named it after his ship. The larger island of St. Paul, 27 miles to the northwest, was not seen from St. George until the following year because of the extremely foggy climate. These two islands and the satellites of Otter and Walrus Islands comprise about 64 square miles. The Russians found the main breeding rookeries of the valuable Alaska fur-seals—*Callorhinus Ursinus* on the islands and they established communities of Aleutes from Unalaska on St. Paul and St. George to gather the annual fur harvest.

The United States acquired the islands with Alaska in 1867. In 1872 and 1873, Henry W. Elliott, a clerk in the U.S. Treasury, was commissioned to investigate the Pribilofs—their resources, in-

habitants, seals, and other native animals. He turned in a report that became a book and eventually inspired Rudyard Kipling's famous story "The White Seal."

The Russians began to take large annual harvests of fur seal pelts soon after the discovery of St. Paul. Incomplete historical records suggest that between 1789 and 1869 the Pribilof Islands produced more than 2.5 million skins. By 1805, when the Russian-American Co. took charge of the island industry, the Pribilof seal herd had declined to a point where a closed season was declared from 1806 to 1810. Additional periodic closures in the early 19th century did not prevent a continued decrease in the herds. Finally, from 1835 to 1867, a restricted kill of male animals and a prohibition against taking females resulted in a slow growth of the seal population.

When the United States purchased Alaska in 1867, and with it the Pribilof Islands, the fur seal population had increased to a point where it sustained an annual kill of several thousand males. Although the U.S. Government intended to continue the conservation practices of the Russians, the Pribilof herd was ruthlessly decimated by private American interests during 1868 and 1869.

An 1869 act of Congress prohibited the killing of fur seals and in 1869 the Pribilof Islands were set aside as a special reservation for the protection of the animals. A year later the U.S. Treasury Department was authorized to lease exclusive rights to the islands' fur seal resources, with the stipulation that no female seals were to be killed. Under the first 20-year lease, starting in 1870, the Alaska Commercial Co. took 1,854,029 pelts. A second 20-year lease granted to the North American Commercial Co. produced only 342,651 seal skins for the period ending 1909.

Unfortunately for the North American Commercial Co., its contract period coincided with the heyday of pelagic sealing. Commercial pelagic fur hunting began about 1868 and reach its greatest extent between 1889 and 1909. In that short period alone, an estimated 600,000 animals were taken on the high seas by American, Japanese, and Canadian sealers.

The combined effects of the land-based and pelagic sealing were so great that by 1909 only about 200,000 of the northern fur seals remained. Approximately 134,000 of these animals were found on the Pribilof Islands.

After extended diplomatic negotiations and a long series of ineffectual bilateral agreements, the United States, Japan, Canada, and Russia concluded a convention on July 7, 1911, for the protection of the fur seals of the North Pacific. This convention, with some modifications instituted in 1942, 1957, and 1964, is still in effect today. Under this agreement pelagic sealing was prohibited except by aborigines using primitive weapons. In lieu of pelagic hunting rights, Japan and Canada each received 15 percent of pelts harvests by the United States and the Soviet Union, with certain exceptions for the sharing of Russian production, particularly for the period 1964-67. The convention of 1911



and its amendments have provided a sound basis for a rational management program for the Pribilof fur seals.

The Pribilof fur seal industry is divided into three distinct operations. The first is the actual harvest and preparation of raw seal skins for shipment from the islands; the second is the processing and shipment of seal carcass byproducts; and the third is the final tanning and sale of finished seal skins by a U.S. Government contractor. Fundamental operations related to handling of the seal skins are labor intensive, there being at least 36 different steps in the island-based process and about 100 individual processes in the stateside processing factory. Some automation in the island byproducts plant has reduced the number of manual workers on the island of St. Paul.

Under the provisions of the Seal Act of 1966 (16 U.S.C. 1514) the authority of the Secretary of the Interior with respect to agreements for employing individuals to carry out the necessary provisions of both the act and the convention is outlined as follows:

1514 (a) The Secretary shall (1) take and cure fur seal skins on the Pribilof Islands and on lands subject to the jurisdiction of the United States whenever he deems such taking and curing is necessary to carry out the provisions of the Convention or to manage the fur seal herd, (2) employ natives of the Pribilof Islands and, when necessary, other persons for taking and curing of fur seal skins pursuant to this section, and compensate them at rates to be determined by the Secretary . . .

Although the law permits the Secretary of Interior to contract with persons other than natives for the taking and curing of fur seal skins when necessary, I do not feel that the Secretary has, in the past, acted in the best interests of the natives of the Pribilof Islands by awarding the contract for the curing of the fur seal skins to a company that is not based in Alaska. The justification in the past has been that the curing of the seal skins for commercial use is a very complicated process and that the firm that has the contract is the only firm that has the expertise and experience to carry out the preparation of the skins for market at a profit. However, it seems ludicrous to assert that the very people who have depended upon the resources of the area, including the fur seals, for their livelihood for untold centuries could not be trained to skillfully perform the tasks that are required to cure the skins. There is no reason why the government contractor could not set up operations in Alaska and hire natives to cure the skins.

Again in the past, the response to this proposal has been that the firm that is now processing the skins is doing so at a profit and that the profit would either be lower or nonexistent if the process were done in Alaska, where either labor costs would be higher or the costs of the necessary materials might be more, or even if the cost of building the plant for the operation might result in a loss of profit until the plant is paid for out of operating costs.

But we must keep in mind where these profits go. Seventy percent of the proceeds from the sale of the fur seal skins

goes to the State of Alaska under the 1966 Fur Seal Act. By undertaking a potentially higher cost of production the State would possibly lose some immediate revenues that they have automatically received in the past. The State would, however, be better off in the long run to have a new industry located within its boundaries that would mean a higher rate of employment; a tax-generating industry rather than a royalty-generating resource. Alaska does not need royalties; the State needs revenue-generating and employment-generating capital development. This, however, supposes that the establishment of the curing plants in Alaska would not operate at a profit and maintain the royalty flow. If indeed the plant could operate at any level of efficiency, there is no reason to believe that Alaska could not benefit from both capital expansion and higher employment as well as royalty income.

The provisions of the Fur Seal Act of 1966 have a twofold purpose: First, to conserve the fur seal herd, and second, to provide for the welfare of the natives on the Pribilof Islands. When Gerasim Pribilof discovered the islands in 1786 they were uninhabited and the Russians imported natives from Unalaska to harvest the seal skins. The present population of the islands is largely made up of the descendants of Aleutian immigrants of some 180 years ago.

In hearings on the Fur Seal Act in 1966 my predecessor, the late Senator Bartlett, heard testimony on the Pribilof Islands, and one prevailing theme that came out of the testimony was that welfare of the natives ran second to the management of the seal herd. Two of the excerpts from those hearings are particularly revealing:

Senator BARTLETT. Do you feel, as an individual, or as chairman of the village council, that the people of St. Paul are now living in a state of servitude?

Mr. ILIADOR MERCULIEFF. No; not at the present time. I think you will find that answer likewise in the report of the commission to the Governor.

Senator BARTLETT. Do you feel that this condition used to exist?

Mr. ILIADOR MERCULIEFF. It used to exist. Nevertheless, I can mention, a while ago, the Russians ruled the islands here, after the State was bought—I mean after Alaska was bought by the United States, it was Russian-American, and up until 1950, from there, we were not paid fair compensation and we were allowed just very little food, and shelter, of course.

I think all those, added together, plus the fact that if we didn't cooperate with the Bureau, you used to be laid off. You had to do what the island manager said. What he says used to go.

Now, since 1960, that isn't so.

Senator BARTLETT. If you had criticized the Bureau in the old days, you might lose your job?

Mr. ILIADOR MERCULIEFF. In the old days they used to lay them off; yes. Or else if he asked for a vacation, and stayed out for about 6 months, when you came back you wouldn't get into your old house. So anybody was afraid to go out for more than 6 months. If they would come back, then they wouldn't have no home to stay in.

Senator BARTLETT. Did you get any cash money at all in those days?

Mr. ILIADOR MERCULIEFF. We used to get—the highest we used to get, around \$400 or \$500 a year, up until 1950.

Senator BARTLETT. And the rest of your salary was deducted for groceries?

Mr. ILIADOR MERCULIEFF. No; that was all cash, \$400 or \$500. Then on top of that they allowed us groceries.

Senator BARTLETT. And housing?

Mr. ILIADOR MERCULIEFF. And housing. Groceries they used to allow us for one family, man and wife, a dozen eggs for a week, and no meat.

Senator BARTLETT. No meat?

Mr. ILIADOR MERCULIEFF. No meat. They used to give us two cans of salmon and no meat.

Senator BARTLETT. For how long?

Mr. ILIADOR MERCULIEFF. For a week.

Although the conditions that the above testimony refers to have changed for the better, Mr. President, the following testimony points out in even stronger terms the extent of the dependency of the natives upon the Bureau.

Mr. FOSTER (Staff Counsel). What is the difference between housing here (St. Paul) and the housing over there (St. George)?

Mrs. SUSIE MERCULIEFF. I think that every married couple is living in the houses over there, but those families have moved over here, the houses demolished.

Senator BARTLETT. You mean the houses over there have been demolished?

Mrs. SUSIE MERCULIEFF. Yes.

Senator BARTLETT. Were they in good condition?

Mrs. SUSIE MERCULIEFF. Yes. Most of them were. Only two of them were pretty old that had to be destroyed—soon after they left.

Mr. FOSTER. Do you have adequate housing over there?

Mrs. SUSIE MERCULIEFF. Oh, yes.

Mr. FOSTER. To the point that—

Mrs. SUSIE MERCULIEFF. I could have moved to one of those houses that were destroyed, from the one I am living in now because it is very old.

Mr. FOSTER. So the effort is made that when someone does move over here, they will destroy the house over there. Who else—

Mrs. SUSIE MERCULIEFF. Excuse me, that is another reason, too, they don't like this moving over here. If they want to return to St. George they don't have a house to return to, to live in. It is destroyed as soon as the person leaves. He doesn't come over and try to make up—you know, to find out whether he would like to stay here or go back to St. George again and be hired in the summertime over there.

It is a fact, Mr. President, that the Bureau of Commercial Fisheries has undergone a policy of moving the natives from St. George and centering their operation of the harvest and herd management to St. Paul. This decision apparently reflects the diseconomies of operating on the smaller island all year-round for a smaller percentage of the harvest. This policy of destroying houses in the middle 1960's is a prime example of the Bureau's concern for the seal operation of the Pribilof's and a corresponding lack of concern for the natives.

The Seal Act of 1966 was to alleviate some—if not all—of the exploitation of the natives. Nevertheless the mere title of the act and the hearings demonstrate the secondary consideration given to the natives. A recent study of St. Paul, contracted for by the Bureau with the Institute of Social, Economic, and Government Research at the University of Alaska, brings out the primary problem of the islands—the lack of a viable economy and supportive—labor needs—industry:

Throughout any efforts to strengthen St. Paul's economy, there should be constant awareness that the fur seal industry is and will remain the mainstay of the community, in addition to its functions as a basic national and state resource. In this context, one fact should be clearly established—that the fur seal industry is in fact to be run as an industry. It is probable that, through technological innovations and improvements, both the efficiency and the total net profit can be increased. Should this be the case, it is certainly appropriate that the local population share in the overall increased profit. Possibly, one long-range objective could be a program whereby the community of St. Paul contracts (at a given price per prepared skin) with the producer of the finished fur seal for delivery at dockside, at the airport, or at the processing plant. In this way, the community would be able to share in technological innovations which could improve the efficiency of the operation and cut down present costs. This type of program could operate under government biological and management controls, providing an incentive to abandon the welfare aspects of the industry and eliminating its many inefficiencies. Local profits under this arrangement could either go back to industry employees or be divided between the employees and the community for other development schemes.

The one distressing feature of this report and the way the economy of St. Paul and St. George is arranged is that there is no consideration of expanding the economic base on the islands by providing for the processing of the finished product on the islands themselves.

Earlier I cited the Fur Seal Act of 1966, which clearly stated that the Secretary of Interior was to—

(2) employ natives of the Pribilof Islands and, when necessary, other persons for taking and curing fur seal skins . . .

It is a matter of record that the Secretary has deemed it necessary to employ others for the actual curing of the seal skins. However, this intensive activity could provide a sound basis for the stabilization and expansion of the island economy. This is not considered as a potential solution to the problems of the islands. Indeed, the entire history of the natives on the islands is one of exploitation in one form or another.

This then is the primary reason for seeking the transfer of the islands to the State from Federal jurisdiction.

As an integral part of the State the islands would prosper, for, as in any other part of the State, the State government would seek to stimulate growth and economic stability. As a dependency of the Department of Interior's Bureau of Commercial Fisheries the natives will continue to take a role of secondary importance. As an integral part of the State, the State of Alaska wants to build a stable economy for them so that they would be a contributing sector of the State's economy, providing an increase in the State's tax base. By providing stable economic and labor conditions on the islands the natives on the islands would no longer be excluded from the growth that the profits generate.

Even though the proceeds from the sale of the seal skins goes to the State of Alaska, the Federal Government in its management of the fur seal resource has excluded the islands from social, economic, and political integration with the

rest of the State. Alaska does not need royalties, as it were, from the sale of the fur seal skins. Alaska needs industrialization, capital improvements, and wage generation.

One might argue that the islands are administered by the Federal Government because the United States has entered into a treaty concerning the conservation of the fur seals in the North Pacific with three other nations. The argument might assert that the Federal Government must administer the herd because of their obligations under the treaty and that the herd cannot be successfully managed without control of the islands. This argument would be spurious for there is more than one instance of the execution of a treaty without direct Federal control of the object of the treaty. Just to cite one example of such an arrangement, on March 21, 1969, the United States and Canada concluded two exchanges of notes relating to the American falls at Niagara. One of the notes includes the following provision:

2. Entitlement to the power benefits deriving from this temporary additional diversion shall be divided equally between the Power Authority of the State of New York and the Hydro-Electric Power Commission of Ontario, upon the agreement of each such power entity to:

(A) contribute in cash or in services to the cost of the cofferdam and ensuing investigations the value of \$385,500 in its national currency, if the additional diversion is permitted during the entire period from April 30, 1969 to December 31, 1969, or a portion of said contribution corresponding to any shorter period during which the additional diversion is permitted, such portion to be determined on the same basis as was the \$385,500 by the International Joint Commission in consultation with the power entities; and

(B) assume responsibility for the disposition of claims for the physical injury or damage to persons or property occurring in the lower Niagara River on its side of the international boundary line, caused by the resulting temporary alteration of water levels in the lower river below that normally experienced at flows of 100,000 c.f.s. and 50,000 c.f.s., and for the satisfaction of any such claims that are valid.

These provisions demonstrate that a non-Federal entity can assume responsibilities for the Federal Government under treaty provisions that such an entity cannot be a party to. I doubt, however, that even the formal exchange of notes between the signers of the convention, would be necessary in this case, for under the bill I am introducing the Secretary of Interior retains responsibility and authority to carry out the provisions of the convention while transferring the actual physical management of the object of the convention to the State under his "supervision."

There is a second reason, Mr. President, for the transfer of the islands to State jurisdiction. Although the rationale for administering the islands by the Department of Interior is that the herds, as I have just mentioned, are protected by international convention, the Pribilof Islands and the fur seals that inhabit those islands during the summer months represent what I believe to be the only instance of the Federal Government usurping a State's right to manage and

dispose of a natural resource of this type and the land that is affected for other than strictly conservation purposes. For, as I have outlined, Federal participation in the Pribilof Islands is not in the best interests of the natives of those islands or the interests of the State of Alaska.

Mr. President, the purpose of this bill is threefold: First, it would insure the profitable integration of the island economy and the economy of the State as a whole; second, it would end native dependence upon the Bureau of Commercial Fisheries while similarly stimulating the necessary economic basis for economic independence of the islands; and third, it would provide for the continued wise management of a valuable natural resource without abridging the terms of the existing treaty obligation of the U.S. Government.

I ask unanimous consent that the text of this bill be inserted at this point in the RECORD.

THE VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2493) authorizing the Secretary of the Interior to transfer all jurisdiction and the right, title, and interest of the United States in and to the Pribilof Islands to the State of Alaska; to protect the rights of natives of the Pribilof Islands; and for other purposes, introduced by Mr. STEVENS, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 2493

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to transfer to the State of Alaska, without consideration all jurisdiction and the right, title and interest of the United States in and to the Pribilof Islands, including all property, buildings and other improvements thereon. Such transfer shall be made subject to agreement by the State of Alaska to the following conditions:*

(1) That the State of Alaska assist and cooperate with the United States in carrying out all agreements and obligations on the part of the United States arising out of the Convention, insofar as such agreements and obligations involve the conserving, managing and protection of North Pacific fur seals on the Pribilof Islands;

(2) That, with respect to employees of the United States engaged in the taking and curing of fur seal skins, or other activities in connection with the administration of such Islands, on the date of the enactment of this Act, the State of Alaska, if such employees are thereafter employed by the State for any such purposes, shall provide such State employees employment benefits (including compensation and retirement) at least comparable to that provided them by the United States for such employment.

SEC. 2. (a) Following any transfer pursuant to this Act, the State of Alaska shall have the responsibility for conserving, managing, and protecting the North Pacific fur seals and other wildlife on the Pribilof Islands in accordance with the provisions of this Act and the Convention.

(b) In carrying out the provisions of subsection (a) of this section, the State of Alaska is authorized (1) to take and cure fur seal skins on the Pribilof Islands whenever it determines such taking and curing



is necessary to manage the fur seal herd, or it is informed by the United States that such taking and curing is necessary to carry out the provisions of the Convention; (2) to deliver, on behalf of the United States and at its direction, to authorized agents of the parties to the Convention (other than the United States) such fur seal skins as the parties are entitled under the Convention; (3) to receive or retain all such skins to which the United States is entitled as a party to the Convention and to dispose of such skins in accordance with the provisions of this Act; and (4) to utilize such quantities of fur seal skins taken or acquired by the State of Alaska pursuant to this Act for product development and market promotion, and to provide for the sale of fur seal skins and products of fur seal skins taken or acquired by the State pursuant to this Act, if such skins are not otherwise required for purposes of carrying out the Convention. Proceeds from any aforementioned sale shall be utilized by the State of Alaska in carrying out the obligations imposed on it by this Act or any transfer made pursuant to this Act, and for such other purposes as the State shall determine.

SEC. 3(a) Nothing contained in this Act or in any transfer made pursuant thereto shall be construed as impairing, diminishing, or affecting in any way the obligations imposed on the United States by the Convention.

(b) Nothing contained in this Act or in any transfer made pursuant thereto shall be construed as impairing, diminishing, or affecting in any way any valid rights of natives of the Pribilof Islands, existing on the date immediately prior to the date of the enactment of this Act.

SEC. 4. Notwithstanding the provisions of this Act or any conveyance made pursuant thereto, the United States retains jurisdiction, concurrent with that of the State of Alaska, over criminal and civil matters with respect to the Pribilof Islands to the extent necessary to enable the United States to carry out its obligations under the Convention and the laws of the United States.

SEC. 5. As used in this Act, the term—

(1) "take" means to pursue, hunt, shoot, capture, collect, kill, or attempt to pursue, hunt, shoot, capture, collect, or kill;

(2) "natives" means any Indians, Aleuts, or Eskimos who permanently reside on the Pribilof Islands;

(3) "Pribilof Islands" means the islands of St. Paul and St. George, Walrus and Otter Islands, and Sea Lion Rock;

(4) "Convention" means the Interim Convention on the Conservation of North Pacific Fur Seals signed at Washington on February 9, 1957, by the parties, as amended by the protocol signed at Washington on October 8, 1963, by the parties; and

(5) "Party" or "parties" means the United States of America, Canada, Japan, and the Union of Soviet Socialist Republics.

SEC. 6. All unexpended funds contained in, or earmarked for, the Pribilof Islands fund, established pursuant to section 407 of the Act of November 2, 1966 (80 Stat. 1098), on the date of the enactment of this Act are hereby transferred to the State of Alaska for use by it in carrying out the provisions of this Act.

SEC. 7. The provisions of the Fur Seal Act of 1966, to the extent that such provisions are inconsistent with the provisions of this Act, are hereby repealed.

#### S. 2498—INTRODUCTION OF A BILL RELATING TO U.S. PASSENGER SHIP CRUISING

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 613 of the Merchant Marine Act of 1936.

The existing cruise law contains restrictive provisions in section 613(c) that prohibit a vessel in cruise status from carrying one-way passengers or cargo except that which it normally could carry in its regular assigned service, and require that the cruise begin and end on the same coast as that to which the vessel is assigned on its regular service.

These limitations were initially designed to prevent operators on a cruise from encroaching on another passenger vessel operator's trade route. Since the enactment of the original cruise law in 1961, a few of the operators have been compelled by this legislation to forgo bookings of passengers and offerings of cargo on cruises that clearly would have been noncompetitive with any U.S.-flag service, and despite the fact that foreign-flag passenger operators would be permitted to offer the services which the American carrier is denied by law.

In order to correct this inequity to U.S. flag carriers, and to place cruise vessels on an even footing with foreign ships, it is proposed that the cruise law be amended to permit the U.S.-flag passenger carriers to begin and end cruises on different coasts, and to carry one-way passengers on routes where there is no U.S.-flag service or where the U.S.-flag carrier consents. A hypothetical case in point could be drawn from the following:

A U.S.-flag steamship company received Maritime Administration approval to perform an eastbound round-the-world cruise beginning at California, thence through the Panama Canal to Florida, Bermuda, Ponta Delgada, Lisbon, Casablanca, Dakar, Cape Town, India, Indonesia, Hong Kong, Japan, and San Francisco with a few intermediate stops. Under existing law that vessel would not be permitted to carry any one-way passengers from California, nor embark passengers at Port Everglades to ports en route, even though no other U.S.-flag operator is in a position to, nor offers, a competing service.

Other limitations upon cruise voyages provided by existing law would remain unaffected.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2498) to amend section 613 of the Merchant Marine Act, 1936, as amended, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

#### S. 2499—INTRODUCTION OF A BILL TO REGULATE MAXIMUM INTEREST RATES CHARGED BY BANKS

Mr. MCINTYRE. Mr. President, for myself, Senator DODD, and Senator RANDOLPH, I introduce, for appropriate reference, a bill to provide for the regulation of the maximum rates of interest which may be charged by federally supervised banks.

The introduction of this bill comes at a point in the economic history of the United States when many of our citizens are losing confidence in the ability of their Government to protect them from the loss in value of their money.

It comes hard on the heels of the

greatest period of continuous economic growth and prosperity in our history, a period which has clearly slowed in the past few months.

It comes, in a very specific and meaningful sense, immediately after an increase in the prime rates of interest set by our Nation's banks, an increase which brings the prime rate to an historic high of 8½ percent.

This latest increase in the interest charges on bank loans places an almost unbearable pressure upon small businessmen, homeowners, and consumers, while it has seemingly little effect in slowing the demand for commercial financing which is stoking the fires of inflation.

You know, Mr. President, for some time now I have been trying to avoid phrases like "stoking the fires of inflation." The words sound irresponsible and demagogic, appealing to fear and not to confidence. In the past, when I have voted for and supported anti-inflationary legislation, I have tried to explain my votes in the most dispassionate of terms. I did so because I had no desire to add a single bit of support to the inflationary psychology which has been so strongly evident in the securities market, the continued investment in excess plant capacity, and in the pricing practices of some of our major industries.

I still have no desire to add support to an irrational inflationary psychology. Nevertheless, the time has now come for responsible Members of the Congress to think the unthinkable thoughts and speak the unspeakable words. We are close to the point of no return and we must act now to stave off a potential inflation which could wipe out all of the gains of this decade and more.

It is not enough to utter pious platitudes about keeping the American dollar sound, or about how the strength of the American economy is so great that it can afford a dose of uncontrolled inflation, or about how we have so learned the lessons of the 1920's and the 1930's that it cannot happen here again.

Of course, we may have simply lost our ability to see the facts as they are. We may have forgotten, if we ever really learned, that a healthy economy, like the tree of liberty itself, must be carefully and continually nurtured, lest it wither away and die.

But I retain my confidence in the ability of the Congress to perceive the facts.

What are the facts?

The cost of living is accelerating its upward pace. For the first time in years, net real personal income has stopped growing and net farm income is declining. The stock market is dropping precipitously. We are saving less money. We are engaged in an expensive war which has yet to show meaningful signs of abating. The adjusted unemployment rate is creeping up. Our financial and monetary authorities, without exception, agree on the danger signals. But what is our response?

If we are industrial corporations, we are building new capacity on the theory that if we are going to need it in the future, it will be more expensive then. If we are producing materials, we are

raising our prices in the hope of earning now what inflation will force us to pay later. If we are employees trying to meet rising costs on a fixed income, we are demanding higher wages to cope with the inflation which is already here. In short, as a people we have entered that vicious circle which feeds upon itself, and produces the very inflation we seek to escape.

Now, if we are talking about the Federal Government, what do we do? Last year we imposed a surtax upon our people, telling them that its principal purpose was to bring inflation under control. Did it succeed? Obviously not. What is the response of the Government this year to inflation? It is to continue the surtax. But we know that it did not work last year, and why should it work now?

What if we are bankers, concerned, as bankers legitimately are, with the devastating effects of inflation. Why, obviously, we raise interest rates, hoping to reduce borrowing pressures, if we are responsible, and increase profits if we are not. To be sure, bank profits did increase during this past year. So did interest rates. But none of the four increases in the rate levels since this past fall appear to have had any effect on borrowing.

Quite the contrary. Corporation after corporation has been willing to pay these unusually high interest rates to build extra capacity, paying the loans through increased prices.

And it was with this experience fresh in mind that the bankers of our country 3 weeks ago raised the prime rate to 8½ percent, an unprecedented high.

Of course, Mr. President, it is important to bear in mind just what the prime rate is. It is a term used to describe what some banks charge for large commercial loans to their best, and most creditworthy customers. Small businessmen and consumers and farmers and personal borrowers pay higher rates. The effective rate paid by these people, after computing the impact of compensating balances, has gone to well over 10 percent in most cases.

Our officials concerned with the economic health of the Nation are powerless to act directly to curb this rate increase. The Secretary of the Treasury was not even consulted by the banks before they increased their rates.

The bill being introduced would give the Federal Government the authority to regulate interest rates. Thus our financial officials would be able, if they thought it necessary, to reduce the rates being charged to American consumers and businessmen.

Of course, the Federal Reserve Board might think that high interest rates are desirable, in that by discouraging more borrowing, they have the effect of reducing demand and thus halting the upward spiral of prices. But the record does not bear this out.

We find, for example, that loans by commercial banks have increased in every month but one since the latest round of interest rate increases began last fall. Higher rates have not reduced borrowings.

We find that gross private domestic investment has increased substantially. Higher interest rates have not reduced

the investment in nonresidential structures nor durable equipment.

We find that personal savings have decreased while personal outlays for consumption continue to increase. Higher interest rates have not slowed down consumption.

Thus, I believe that the Federal Reserve Board must recognize that lessons learned in the past need not necessarily apply to present problems. Higher interest rates are not a surefire cure for inflation, and, indeed, may well spur it on. I would hope that the Board would use the power given in this bill to regulate rates downward.

Mr. President, I would like to close by once again calling upon the banks of this Nation to reduce their rates voluntarily, and thus make this legislation unnecessary. Only through full cooperation by the financial community can America most effectively respond to inflation. The banks must recognize that self-imposed restraint is clearly in their own interest.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2499) to provide for the regulation of the maximum rates of interest which may be charged by federally supervised banks, introduced by Mr. MCINTYRE (for himself, Mr. DODD, and Mr. RANDOLPH), was received, read twice by its title, and referred to the Committee on Banking and Currency.

#### S. 2503, S. 2504, AND S. 2505—INTRODUCTION OF VETERANS' BENEFITS BILLS

Mr. HARTKE. Mr. President, following my appointment to the new Subcommittee on Veterans' Legislation of the Senate Committee on Finance, I made an extensive review of the existing benefits that a grateful government has provided for those who have served in its Armed Forces and for the widows and orphans of those who have made the supreme sacrifice in the service of their country.

As a result of this review, Mr. President, I have become convinced that the various veterans' programs, as presently constituted, are fulfilling in large measure the needs of those who have served us so well.

There still remain, however, a few areas in which additional legislation is necessary in order to more fully meet this Nation's commitment "to care for him who has borne the battle."

In recognition of this need, Mr. President, I am today introducing, for appropriate reference, three bills which are designed to extend and improve the benefits which are presently provided for our veterans and their dependents.

My first bill proposes a modification of existing law for the purpose of extending the full range of wartime benefits to a very deserving group of VA beneficiaries.

Enactment of the cold war GI bill in 1966 and the Veterans' Pension and Readjustment Assistance Act in 1967 have done much to provide a measure of wartime benefits to those veterans who have served in time of peace but under wartime conditions.

However, there is still a group of approximately 6,000 peacetime veterans who—because they were disabled in the performance of extrahazardous duty during peacetime—are entitled to be paid disability compensation at the wartime rate but who are not entitled to other wartime benefits. For example, the 1,071 veterans who were wounded in action in Vietnam between January 1, 1961, and August 3, 1969, are entitled to wartime rates for their service-incurred disabilities, but are not presently eligible for such wartime benefits as the \$1,600 automobile grant for the loss or loss of use of an extremity due to injury occurring prior to August 4, 1964, or to non-service-connected pension benefits if they had the misfortune to be honorably discharged before that date.

These men gave of themselves in the same extraordinary military effort and sacrifice, showed the same skill, firmness, and courage as that displayed by the troops who served on or after August 4, and it is my considered judgment that a peacetime veteran who became disabled in the performance of extrahazardous duty under wartime conditions should be entitled to the same benefits provided for war veterans who became disabled under similar circumstances.

I believe that in the American spirit of fairplay, equal treatment should be accorded these deserving veterans, and the enactment of the bill I introduce today would provide the full range of wartime benefits for them.

The second bill would extend eligibility for payment of dependency allowance to all eligible veterans with compensable service-connected disabilities.

Under existing law, a veteran who has a service-connected disability rated 50 percent or more is entitled to additional compensation for his wife, his children, and his dependent parents.

Veterans rated 10 through 40 percent disabled are not, however, entitled to any additional payments for their dependents.

A veteran rated 50 percent who has a wife and three children receives \$156 a month while a veteran with a 40-percent disability who has the same number of dependents, receives only \$89.

This is highly unreasonable since many disabilities rated 10 through 40 percent for compensation purposes reflect a high degree of industrial impairment. Some of the disabilities rated at 40 percent include amputations, the loss of an eye, muscle damage, and severe symptoms associated with diseases covering all systems of the body. Any of these conditions can place the veteran in the seriously disabled class where his industrial capacity is adversely affected.

This second bill which I introduce today would assist these veterans in overcoming their industrial handicaps through the payment of an additional allowance for their dependents.

The third bill which I introduce today would authorize an annual clothing allowance of \$300 to veterans who, because of service-connected disabilities, must wear prosthetic appliances which tend to wear out or bear their clothing.

The proposal expressed in this bill,



Mr. President, is a matter of special importance to amputee veterans, for it is a fact, that the wearing of artificial limbs hastens the wearing out process of their clothing. I think it only fair and reasonable that these veterans be furnished a clothing allowance and I urge the Senate's approval of this deserving measure.

Mr. President, I ask unanimous consent that the text of these bills be printed in the RECORD immediately after my remarks.

The VICE PRESIDENT. The bills will be received and appropriately referred; and, without objection, the bills will be printed in the RECORD.

The bills, introduced by Mr. HARTKE, were received, read twice by their titles, referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

## S. 2503

A bill to amend chapter 11 of title 38, United States Code, to provide full wartime benefits for extrahazardous duty

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, any veteran entitled to compensation under subchapter IV of chapter 11 of title 38, United States Code, payable at the wartime rate under section 336 of such title, shall hereafter be entitled, if otherwise eligible, to any benefit under such title which, before the date of the enactment of this Act, was available only to a veteran entitled to compensation under subchapter II of such chapter.*

## S. 2504

A bill to amend title 38 of the United States Code to provide that veterans with disability rated less than 50 per centum shall receive additional compensation for dependents

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 315 of title 38, United States Code, is amended to read as follows:*

"§ 315. Additional compensation for dependents

"Any veteran entitled to compensation at the rates provided in section 314 of this title shall be entitled to additional compensation for dependents in the following monthly amounts:

"(1) If and while rated totally disabled and—

"(A) has a wife but no child living, \$25;

"(B) has a wife and one child living, \$43;

"(C) has a wife and two children living, \$55;

"(D) has a wife and three or more children living, \$68 (plus \$13 for each living child in excess of three);

"(E) has no wife but one child living, \$17;

"(F) has no wife but two children living, \$30;

"(G) has no wife but three or more children living, \$43 (plus \$13 for each child in excess of three);

"(H) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, \$21 for each parent so dependent; and

"(I) notwithstanding the other provisions of this subsection, the monthly amount payable on account of each child who has attained the age of eighteen years and who is pursuing a course of instruction at an approved educational institution shall be \$40 for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this section.

"(2) If and while rated partially disabled

in an amount having the same ratio to the amount specified in paragraph (1) as the degree of his disability bears to total disability. The amounts payable under this paragraph shall be adjusted upward or downward to the nearest dollar, counting 50 cents and over as a whole dollar."

Sec. 2. The compensation payable pursuant to the amendments made by this Act shall be payable beginning with the first day of the second calendar month following the date of enactment of this Act.

## S. 2505

A bill to amend title 38 of the United States Code to provide an annual clothing allowance to certain veterans who, because of a service-connected disability, wear a prosthetic appliance or appliances which tends to wear out or tear their clothing

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 11 of title 38, United States Code, is amended by adding at the end thereof the following new section:*

"§ 361. Clothing allowance

"The Administrator shall pay a clothing allowance of \$300 per year to each veteran who, because of a disability which is compensable under the provisions of this chapter, wears a prosthetic appliance or appliances which the Administrator determines tends to wear out or tear the clothing of such veteran."

(b) The analysis of such chapter 11 is amended by adding at the end thereof the following:

"361. Clothing allowance."

#### SENATE JOINT RESOLUTION 129— INTRODUCTION OF A JOINT RESOLUTION ESTABLISHING AN ADVISORY COMMISSION ON FEDERAL RAILROAD PASSENGER SERVICE

Mr. HATFIELD. Mr. President, it was on May 10, 1869, that the final spike was driven at Promontory, Utah, uniting the Eastern and Western sectors of the United States—furthering the agricultural and industrial markets and providing a transcontinental means of travel for the people. Well, today the West is no longer wild, the railroad is no longer the only means of passenger transportation, and people are no longer cheering over any link in the chain of rail. The fact is that the railroads still provide a valuable service to agriculture and industry in transporting goods throughout the Nation, but as a means of passenger service, the railroads are in a deplorable state. Barely able to support passenger service with the profits from the transport of goods, railroads are being forced to continue offering passenger service in most of the lines in the Nation.

The dilemma is this: railroad travel is a valuable means of travel and is being forced to be maintained as a public service, but the decline in use and service hardly warrant system maintenance. Even though trains are no longer a comfortable means of travel, they are not necessarily reliable, and are poorly traveled, drawing a causal relation among the conditions seems futile, as it seems one problem has simply been added to another. But the consequences are clear—passengers are not choosing the train as a means of travel when com-

petitive means are comparable in convenience and price, and the railroads are not offering a good ride to their customers.

Presently the railroad industry is one of the few still existing governmentally protected monopolies. In return for the monopoly position and in repayment for the land the Government provided at the time the railroads were built, the railroads are being required to perform services to the public which are useful, even though unprofitable. Federal policy, although requiring a minimal number of passenger runs be maintained, is actually discouraging the discontinuance of passenger service in that it does not require the rails furnish a quality of service high enough to encourage travelers, nor does it stimulate profits for the industry.

It has been noted that while the Nation is willing to spend \$35 million per mile to construct Government-subsidized highways, the only assistance given rail lines which could carry the equivalent of 20 lanes of traffic—and just might do it if service were up to par—is a reminder that passenger coaches must continue operating. With the highways and airports becoming ever more crowded, however, and with rail transportation having the potential for a fast, convenient, and relaxing way to travel, it seems a more appropriate Federal policy toward the railroads might be developed to encourage improved rail service.

In approaching a policy change, it must be realized that deciding the need for passenger service is not so much a question of whether or not the industry is presently losing money on its passenger runs, but it may be one of whether or not the railroads would be losing money if adequate passenger service were provided. Evaluation of the number of people using railroads for travel cannot be easily made either, for calculations need to take into consideration the number of people who would use rail service were it upgraded—in speed, comfort, and courtesy.

Therefore, I offer for introduction a joint resolution for the establishment of an advisory commission to make recommendations with respect to the acquisition of necessary property and equipment for, and the operation of, railroad passenger service by the Federal Government. I ask unanimous consent that the joint resolution be printed in the RECORD.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 129) to establish an advisory commission to make recommendations with respect to the acquisition of necessary property and equipment for, and the operation of, railroad passenger service by the Federal Government, introduced by Mr. HATFIELD, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

## S.J. RES. 129

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

## ESTABLISHMENT OF COMMISSION

SECTION 1. (a) There is hereby established an Advisory Commission on Federal Railroad Passenger Service (hereinafter referred to as the "Commission") which shall be composed of fifteen members as follows:

(1) Three appointed by the President of the Senate from Members of the Senate;

(2) Three appointed by the Speaker of the House of Representatives from Members of the House of Representatives; and

(3) Nine appointed by the President from among persons who are well qualified by training or experience to carry out the functions of the Commission, and who represent railroad management, railroad labor, and the general public.

(b) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(d) Eight members of the Commission shall constitute a quorum.

## DUTIES OF THE COMMISSION

SEC. 2. (a) The Commission shall make a full and complete study and investigation for the purpose of making recommendations with respect to—

(1) what property and equipment of the Nations' railroads should the Federal Government acquire in order to operate a National railroad passenger service;

(2) the best means of acquiring such property and equipment;

(3) what additional property and equipment, if any, would be needed; and

(4) the best means of operating such service, and the extent to which such operation should be carried out, in order to provide an efficient railroad passenger transportation system to the extent needed in the Nation.

(b) The Commission shall submit to the President and to the Congress a report with respect to its findings and recommendations not later than one year after the Commission has been fully organized.

## POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 3. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this joint resolution, hold such hearings, take such testimony, and sit and act at such times and places as the Commission, subcommittee, or member deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission, or any subcommittee or member thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this joint resolution.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, shall have the power—

(1) to appoint and fix the compensation of such staff personnel as he deems necessary, and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed \$50 a day for individuals.

## COMPENSATION OF MEMBERS

SEC. 4. (a) Any member of the Commission who is appointed from the executive or legislative branch of the Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(b) Members of the Commission, other than those referred to in subsection (a), shall receive compensation at the rate of \$— per day for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

## EXPENSES OF THE COMMISSION

SEC. 5. There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this joint resolution.

## EXPIRATION OF THE COMMISSION

SEC. 6. The Commission shall cease to exist ninety days after the submission of its report.

## ADDITIONAL COSPONSORS OF BILLS

S. 364

Mr. COOK. Mr. President, at the request of the Senator from Texas (Mr. Tower), I ask unanimous consent that, at its next printing, the names of the Senator from Nebraska (Mr. Hruska) and the Senator from Nevada (Mr. Cannon) be added as cosponsors of the bill (S. 364) to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 740

Mr. ALLEN. Mr. President, at the request of the Senator from New Mexico (Mr. Montoya), I ask unanimous consent that, at its next printing, the names of the Senator from Alabama (Mr. Allen), the Senator from Nevada (Mr. Cannon), the Senator from Florida (Mr. Gurney), the Senator from Oregon (Mr. Hatfield), and the Senator from Alaska (Mr. Stevens) be added as cosponsors of the bill (S. 740) to establish the Interagency Committee on Mexican-American Affairs, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 1632

Mr. STEVENS. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Texas (Mr. Yarborough) be added as a cosponsor of the bill (S. 1632) to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 1685

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Indiana (Mr. Bayh), I ask unanimous consent that, at its next printing, the name of the Senator from California

(Mr. Cranston) be added as a cosponsor of the bill (S. 1685) to provide additional assistance for areas suffering a major disaster.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 1967

Mr. HART. Mr. President, I ask unanimous consent that, at its next printing, the names of the Senators from Oklahoma (Mr. Harris and Mr. Bellmon) be added as cosponsors of the bill (S. 1967) to supplement the antitrust laws of the United States by providing for fair competitive practices in the termination of franchise agreements.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 2004

Mr. BENNETT. Mr. President, I have discussed cosponsorship of S. 2004 with the distinguished Senator from Rhode Island (Mr. Pastore) and request unanimous consent that, at its next printing, my name be added as a cosponsor of the bill (S. 2004) to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 2257

Mr. YOUNG of North Dakota. Mr. President, I ask unanimous consent that, at its next printing, the names of the Senators from Minnesota (Mr. McCarthy and Mr. Mondale) be added as cosponsors of the bill (S. 2257) to provide for conserving surface waters; to preserve and improve habitat for migratory waterfowl and other wildlife resources; to reduce runoff, soil and wind erosion, and contribute to food control; to contribute to improved water quality and reduce stream sedimentation; to contribute to improved subsurface moisture; to reduce acres of new land coming into production and to retire lands now in agricultural production; to enhance the natural beauty of the landscape, and to promote comprehensive and total water management planning.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 2355

Mr. BURDICK. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Oregon (Mr. Packwood) be added as a cosponsor of the bill (S. 2355) to establish an advisory commission to make a study and report with respect to freight rates.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 2360

Mr. SCOTT. Mr. President, at the request of the Senator from Arizona (Mr. Goldwater), I ask unanimous consent that, at its next printing, the names of the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Anderson), and the Senator from South Carolina (Mr. Thurmond) be added as cosponsors of the bill (S. 2360) to enlarge the boundaries of the Grand



Canyon National Park in the State of Arizona.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 2372

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Alaska (Mr. GRAVEL), I ask unanimous consent that, at its next printing, the name of the Senator from Oregon (Mr. HATFIELD) be added as a cosponsor of the bill (S. 2372) to authorize the appropriation of funds for the construction, reconstruction, and improvement of the Alaska Highway.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 2446

Mr. JAVITS. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Oregon (Mr. PACKWOOD) be added as a cosponsor of the bill (S. 2446) to amend the Public Health Service Act to provide special assistance for the improvement of laboratory animal research facilities; to establish further standards for the humane care, handling, and treatment of laboratory animals in departments, agencies, and instrumentalities of the United States and by recipients of grants, awards, and contracts from the United States; to encourage the study and improvement of the care, handling, and treatment with the development of methods of minimizing pain and discomfort of laboratory animals used in biomedical activities; and to otherwise assure humane care, handling, and treatment of laboratory animals, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 2458 AND S. 2459

Mr. SCOTT. Mr. President, at the request of the Senator from Oregon (Mr. HATFIELD), I ask unanimous consent that, at their next printing, the name of the Senator from Oregon (Mr. PACKWOOD) be added as a cosponsor of the bills (S. 2458 and S. 2459) to authorize the Secretary of the Interior to engage in feasibility investigation of certain water resource development proposals.

The VICE PRESIDENT. Without objection, it is so ordered.

S. 2470

Mr. SCOTT. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Wyoming (Mr. HANSEN) be added as a cosponsor of the bill (S. 2470) to amend the Food Stamp Act of 1964 to authorize elderly persons to exchange food stamps under certain circumstances for meals prepared and served by private nonprofit organizations, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

#### DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1970—AMENDMENT

AMENDMENT NO. 53

Mr. WILLIAMS of Delaware submitted an amendment, intended to be proposed by him, to the bill (H.R. 11612)

making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1970, and for other purposes, which was ordered to lie on the table and to be printed.

(The remarks and amendment of Mr. WILLIAMS of Delaware when he submitted the amendment appear later in the Record under the appropriate heading.)

#### NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1970

AMENDMENT NO. 54

Mr. WILLIAMS of Delaware submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11612) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1970, and for other purposes, the following amendment; namely:

On page 23 at the end of line 19 add a new paragraph as follows:

"Section 103(d)(12) of the Agricultural Act of 1949, as amended, is hereby repealed."

Mr. WILLIAMS of Delaware also submitted an amendment, intended to be proposed by him, to House bill 11612, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1970, and for other purposes, which was ordered to lie on the table and to be printed.

(The remarks and amendment of Mr. WILLIAMS of Delaware when he submitted the amendment appear later in the Record under the appropriate heading.)

#### ADDITIONAL COSPONSOR OF AMENDMENTS

Mr. BENNETT. Mr. President, yesterday I submitted amendments Nos. 50, 51, and 52 to S. 1832, the National Timber Supply Act.

I ask unanimous consent that, at the next printing, the name of the Senator from Massachusetts (Mr. BROOKE) be added as a cosponsor of the amendments to S. 1832, the National Timber Supply Act.

The VICE PRESIDENT. Without objection, it is so ordered.

#### NOTICE OF HEARINGS

Mr. ALLEN. Mr. President, the Committee on Government Operations will hold hearings on July 9 and 10 on the following bills relating to the disposal of surplus Federal property: S. 406, S. 1366, S. 1632, S. 1718, S. 2114, S. 2170, and S. 2210.

The hearings will be held in room 3302, New Senate Office Building, and will be conducted by a special ad hoc subcommittee consisting of Senators LEE METCALF, EDWARD J. GURNEY, and JAMES B. ALLEN.

Anyone wishing to testify or submit a statement should contact Mr. Glenn

Shriver of the committee staff room 3308, New Senate Office Building, extension 7464.

#### NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Donald E. Walter, of Louisiana, to be U.S. attorney for the western district of Louisiana for the term of 4 years, vice Edward L. Shaheen.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, July 3, 1969, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

#### NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, July 8, 1969, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nominations:

Joseph O. Rogers, Jr., of South Carolina, to be U.S. attorney for the district of South Carolina for the term of 4 years, vice Clyde Robinson.

William L. Martin, Jr., of Georgia, to be U.S. marshal for the middle district of Georgia for the term of 4 years, vice Robert O. Doyle.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Arkansas (Mr. McCLELLAN), the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

#### NOTICE OF HEARINGS ON GOLDEN EAGLE PROGRAM RESTORATION

Mr. JACKSON. Mr. President, on behalf of the Committee on Interior and Insular Affairs, I announce that public hearings have been scheduled for July 17 on S. 2315, a measure to amend the Land and Water Conservation Fund Act to restore the popular Golden Eagle program for admission to Federal outdoor recreation areas.

The hearings will open at 10 o'clock in committee room 3110, New Senate Office Building. Any Member of the Senate, or other interested person, is invited to participate and should inform the committee of his wish to do so.

The Members of the Senate will recall that the Land and Water Conservation Fund Act established a uniform system of admission and user fees as one of the sources of revenue for assistance to the States for their outdoor recreation programs and for acquisition of additional Federal outdoor recreation areas. An annual fee of not more than \$7 was authorized which would admit the payer to all Federal recreation areas during the

year. Such areas now number more than 3,000.

This provision for payment of a single annual fee for general admission was designated the Golden Eagle program. In the 90th Congress we enacted Public Law 90-401, which provided additional sources of revenue for the fund. An amendment by the House abolished the program forthwith, but in conference we were able to get a year's extension for the program, or until March 31, 1970. This is the form in which the 1968 amendment to the fund act was enacted. S. 2315 would repeal the provision by which the Golden Eagle program goes out of existence next year.

#### NOTICE OF RESCHEDULING OF HEARING

Mr. EASTLAND. Mr. President, the open hearing of the Senate Internal Security Subcommittee on bill S. 1988 introduced by Mr. THURMOND, to amend the Internal Security Act of 1950 to prohibit certain obstructive acts and practices, originally scheduled for Monday, June 23, and postponed at the convenience of the Department of Justice, has been rescheduled for 3 p.m., Tuesday, July 1, in room 2228 of the New Senate Office Building.

Witnesses will include, among others, the author of the bill and Mr. Jerris Leonard, Assistant Attorney General in charge of Civil Rights Division.

#### THE SURTAX

Mr. METCALF. Mr. President, there seems to be a fear on the part of some Members that unless the surtax is extended for a full year right now, this Congress will go down in history as having been fiscally irresponsible. What those people do not seem to understand is that there is nothing magic about the 30th of June as far as the surtax is concerned. The Senate proved that yesterday when it extended the existing withholding tax rate by 1 month.

I, for one, am quite willing for the present income tax withholding rates to be continued for a period up to 90 days so that any proposal to extend the surcharge can be considered simultaneously with comprehensive tax reform. There have been repeated assertions in the other body that reform legislation will be on the floor of the House in August. That promise was a key factor in a closed rule having been granted over there on the House bill, H.R. 12290.

If the people of this country are going to get the reform legislation they have been repeatedly told they would get this year, it will have to be a part of a legislative package that includes comprehensive tax reform along with an extension of the surtax. Certainly if a surtax extension bill is sent over to the Senate, it should be clear by now that it will just have to wait over here for a reform bill to catch up with it.

The whole point is that our rules permit us to place these moneys in escrow until such time as the surtax and reform legislation can be considered together. We have already applied those rules to the present situation. What we have done

was not fiscally irresponsible. On the contrary, it was simply an exercise of commonsense.

#### RACKETEERING INFILTRATION OF LEGITIMATE BUSINESS

Mr. McCLELLAN. Mr. President, on April 18, 1969, along with the Senator from Nebraska (Mr. HRUSKA), I introduced S. 1861, the Corrupt Organizations Act of 1969. S. 1861 has been the subject of testimony in hearings held June 3 and 4. Assistant Attorney General Will Wilson, in his prepared statement presented on June 3, categorized S. 1861 as an "innovative approach to the problem of racketeer infiltration of legitimate business," and stated:

We are in accord with its objectives.

He further stated:

We have organized a task force in the Department to give an intensive examination to the bill.

We are now awaiting the results of this examination, and although we anticipate some revision of the bill as a result, the primary features of S. 1861 will probably be retained.

An article in today's New York Times describes precisely the type of organized crime activities that could be investigated.

This article reveals facts that make possible the inference that a Mafia-controlled sales agency by unknown pressures negotiated "an unusual, uncancellable 10-year contract" with a New Jersey detergent manufacturing concern. The facts stated in the article permit a possible conclusion that there was an intimate connection between this sales contract and a number of murders of A. & P. store employees and instances of arson at A. & P. stores.

The contract was obtained by "big promises of sales." The detergent manufacturer apparently exercised less than the usual control of the sales agency. In at least one of the murders—of an A. & P. manager who had identified one who had attempted to burn his store—there purportedly was a definite link between the attempted arson at the store and an effort to get the manufacturer to stock a detergent.

If proper proof of the inferences raised by the article in the New York Times is forthcoming, and knowledge can be shown of the Mafia actions of violence in efforts to sell the manufacturer's detergent, not only would those responsible for these crimes be subject to imprisonment and fine under a bill such as S. 1861, but also those involved in the criminal actions could be required to give up, under comparable civil provisions, their property interests in the concerns engaged in violations, and the responsible individuals could be prevented from returning to the world of business to practice their rapacious and murderous trade practices on law-abiding businessmen.

Mr. President, I ask unanimous consent that the New York Times article be printed in the RECORD, in order that information concerning this monstrous and murderous invasion of our business community might receive as widespread circulation as possible. The citizens of

America must become aware of the threat to legitimate operation of business presented by these criminal elements. S. 1861 would, in large measure, allow full and just punishment of these criminals and remove them from the business community.

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

#### DETERGENT MAKER'S RELATIONSHIP TO MAFIA SALES AGENCY OUTLINED

(By Michael Stern)

A "very friendly" but economically disappointing relationship between a New Jersey detergents manufacturer and a Mafia-controlled sales agency is revealed in a Waterfront Commission transcript obtained by The New York Times.

The sales agency is suspected by the Queens County District Attorney of mounting a campaign of murder, arson and terror against the A. & P. food chain.

The transcript records sworn testimony given to the commission last year by Nathan N. Sobol, president of the North American Chemical Corporation of Paterson. The company manufactures a detergent sold chiefly to supermarkets for packaging under the markets' own labels.

Given behind closed doors and never made public by the commission, the testimony describes in detail how Best Sales Company, the sales agency run by the late New Jersey Mafia figure Eugene J. (Gene) Catena got an unusual, uncancellable 10-year contract with North American by promising big orders for its product, but brought in little business and finally let the corporation buy out the contract after two years.

Mr. Sobol's testimony sheds new light on heretofore unexplained conversations recorded by the Federal Bureau of Investigation between Catena and a Nat Sobol about the detergent business and between Catena and a Frank Palmieri about the A. & P. F.B.I. summaries of these discussions were part of the 2,000 pages of bugged underworld conversations that were made public the week before last when they were filed in Newark Federal Court.

The testimony also helps to fill out the still-incomplete picture sketched by Queens District Attorney Thomas J. Mackell on June 12 when he announced the indictment of a 20-year-old porter for allegedly setting fire to an A. & P. warehouse in the Ridgewood section.

At that time Mr. Mackell said he believed that the Ridgewood fire, the murder of two A. & P. store managers and 15 other fires and attempted arsons in A. & P. properties all were part of an attempt by the Catena-controlled sales agency to force the food chain to buy a detergent that A. & P. had tested and rejected because it did not meet its standards.

#### INVESTIGATION EXTENDED

The Queens County grand jury that handed up the indictment against the porter has had its life extended and is continuing its investigation of the four-year-long string of attacks on A. & P. properties and employees.

F.B.I. agents in New York and New Jersey also are working on the case, but bureau chiefs in both states refused to discuss their inquiries.

When Mr. Mackell announced the indictment he did not give the name of the detergent company, explaining that no charge had been made against the concern.

North American Chemical's name was disclosed in response to a reporter's questions last week when A. & P. conducted its annual stockholders meeting in Horseheads, N.Y., a suburb of Elmira. Other information was obtained from businessmen, credit agencies and law-enforcement officers in New York and New Jersey.



According to Mr. Sobol's testimony before the Waterfront Commission, he got to know Catena through a long-time friend and part-time associate, Frank Palmieri. He identified Mr. Palmieri as a teacher in Saddle River, an affluent Bergen County community, but inquiries at the town's public and private schools show that no one of that name ever was employed as a teacher there.

Mr. Sobol said he had told Mr. Palmieri that he was looking for agents to sell his company's products and that Mr. Palmieri had put him in touch with Catena, president of the Best Sales Company.

#### NO CANCELLATION CLAUSE

Although North American's usual contract with a sales agent or broker had a 30-day or 90-day cancellation clause, Mr. Sobol said that Catena refused such terms and demanded a non-cancellable 10-year-long agreement. "I had to do it," Mr. Sobol said. "That was the only way he would do it, he wanted a solid contract."

Mr. Sobol said he had a cordial relationship with Catena, went out with him and had lunches with him. "Very frankly, we were very friendly with Gene Catena," he said. "As a matter of fact, I thought a lot of him, I really liked him. Because he wasn't—he wasn't a pusher, he was very pleasant."

But later in the interview a different picture of the relationship emerged in these questions by a commission counsel and Mr. Sobol's answers:

Q. What made you sign a 10-year contract, something so binding?

A. Big promises.

Q. Of what, sir?

A. Sales.

Q. And those promises never materialized?

A. No.

Q. And yet you let it go another year or so without trying to . . . ?

A. We had discussions.

Q. What were those discussions?

A. I had to keep it on a lighter vein because he got real mad at one time I pushed him.

Q. Well, when he got real mad, why didn't you tell him: "Look. Put up or shut up." Because you were afraid of any connections he might have had? Did he ever push his connections on you?

A. No, it wasn't that. He said, "You just cover your accounts and we will run our business our way." And when I saw he got upset I just dropped it.

In another exchange about the relationship, the questions and Mr. Sobol's answers went this way:

Q. To whom did Best Sales make most all or all their sales pitches for you?

A. To tell you the truth, I don't even know. We worked all the accounts ourselves and at one point, when I asked what they were doing, and wanted to know, as brokers, what they were doing, I was told that's their business; he said: "That's my business and we are running a brokerage and we don't have to tell you what we are going to do."

Q. Gene Catena?

A. That's right. We just dropped the damn thing, we dropped the discussion at the time and then it was a matter of just, you know, like waiting or what have you.

#### PRICE NOT DISCLOSED

Mr. Sobol said the contract finally was canceled at the suggestion of Catena, who had become ill and wanted to retire. He said North American was permitted to buy out the remaining term of the agreement, but he did not disclose the price.

Asked if he knew Catena's brother, Gerardo (Jerry) Catena, Mr. Sobol said no. Jerry Catena has been identified by law-enforcement officials as a major Mafia chieftain and the heir to the New Jersey enterprises of the late Mafia kingpin Vito Genovese.

Gene Catena was known to law-enforce-

ment agencies chiefly as a principal in Mafia gambling operations.

Mr. Sobol could not be reached for comment on his testimony or on any aspect of the A. & P. investigation despite repeated telephone calls and a visit to his company's five-story plant and offices at Putnam and Mercer Streets in Paterson. Through his secretary he said he would not make himself available for comment or an interview.

Mr. Sobol's brother, Dr. Saul O. Sobol of Newark, is chairman of the board of directors of North American Chemical. He also refused to discuss the corporation's affairs, said his title was "honorary," and referred all inquiries to his brother, Nathan.

#### INCOME OF \$54 MILLION

From other sources it was learned that the concern's modest looking plant in a Negro section of Paterson is headquarters of a \$4-million-a-year business. It has 70 employees; a subsidiary, NAC Trucking Company, that operates a fleet of nine trucks; an affiliate, North American Holding Corporation, which controls the chemical concern's real estate; a branch plant at Franklin and Keen Streets in Paterson that includes a railroad siding, and other assets.

The company, which enjoys a good credit rating, makes detergents for clothes and dishwashing machines. The products are sold to chain stores, supermarkets and department stores and reach the public under whatever houses labels the stores put on them.

#### NOT IN TELEPHONE BOOK

The Best Sales Company's operations have proved more difficult to trace. District Attorney Mackell stated that the company went out of business in 1967. Although it operated out of Newark, it was not listed in telephone or business directories there and apparently paid no bills under the Best Sales name.

Mr. Sobol told the Waterfront Commission that Catena's company was agent for several products besides his own and sold them to all the major supermarket chains.

The commission is a bistate agency established by New York and New Jersey to fight crime in the Port of New York, with the Governor of each state appointing one member. The New York member is Joseph Kaitz of Cedarhurst and the New Jersey member is Steven J. Berick of Elizabeth.

Charles E. McGee, secretary and spokesman for the commission, said the agency could not reveal why Mr. Sobol had been called in last June for an under-oath interview. He said the matters Mr. Sobol had been questioned about still were under investigation and could not be discussed. He added that the contents of such interviews never are made public by the commission.

#### RELATIONSHIP BEGAN IN 1964

Mr. Sobol told the commission that his two-year-long relationship with Catena and his sales agency began in 1964.

District Attorney Mackell said at his June 12 news conference that the chain of attacks on A. & P. personnel and properties began in 1964. He added that the indictment of the porter is the only charge that has been made in connection with the attacks.

North American has at no time been charged in connection with these or any attacks on the A. & P. It has been mentioned only as a manufacturer of a detergent sold through the Catena sales agency.

In one of the most brutal of those attacks, James B. Walsh, manager of an A. & P. Brooklyn store, was gunned down during a January, 1965, snowstorm when he stopped his car to repair a flat tire.

Frederick J. Ludwig, the chief assistant district attorney of Queens, described this murder as "definitely a gangland slaying." He added, however, that the police had not

established any link between Mr. Walsh's death and the Catena Mafia family.

The second victim was John Mossner, manager of an A. & P. store at 925 Soundview Avenue in the Bronx. In February, 1965, a month after he had identified for the F.B.I. one of four men who had tried to plant a firebomb in the store, Mr. Mossner was shot in the head three times as he parked his car in the driveway of his Elmont, L.I., home.

In this case, Mr. Ludwig said, there was a definite link between the attempted arson at the store and an effort to get the manager to stock a detergent.

#### SIXTEEN FIRES STUDIED

The fires in A. & P. stores and warehouses began in January, 1964, and were scattered throughout the metropolitan area. Although Mr. Mackell listed 16 fires and arson attempts as subjects of his inquiry, two of the earliest fires he named—one in Yonkers and the other in Peekskill—are listed by the police in those communities as not suspicious.

Mr. Mackell said the first contacts with the A. & P. chain about the detergent were made by the Catena sales agency, but that the most recent attempt, made this year, was by the manufacturer.

In his answers to the Waterfront Commission's questions, Mr. Sobol said Best Sales had had no dealings with A. & P. on his behalf and that North American had approached the food chain's purchasing agents directly.

At the Great Atlantic & Pacific Tea Company's offices at 420 Lexington Avenue, Fred E. Campbell, secretary and general counsel to the company, was asked how A. & P. had been offered the detergent. He said he could not answer because the case was before a court and a grand jury.

#### FIVE THOUSAND STORES IN CHAIN

Mr. Campbell said that the company had no theory that would explain the slaying of the store managers and the fires as part of one pattern. He said a company as large as A. & P.—it operates almost 5,000 stores—suffered armed robberies of its employees and fires every year.

At the stockholders' meeting in Horseheads last week, the company said property losses in fires all over the country and in Canada had been running at the rate of \$1.7-million a year for the last six years, most of it covered by insurance.

Mr. Campbell said it was impossible to project what lost business might have cost the chain while burned-out stores were being rebuilt. He explained that when one store was closed, business often picked up sharply at a nearby store as loyal customers shifted their buying.

However, Mr. Campbell said he thought an estimate made by the Queens District Attorney was too high. Mr. Mackell had projected a combined business and property loss of \$24.6-million in just two fires—the April 8, 1968, fire in Ridgewood and a Dec. 31, 1967, fire in an Elmsford, N.Y., warehouse.

The porter accused of setting the Ridgewood fire is James A. Castorina. He is being held in \$25,000 bail on a charge of first-degree arson for a hearing on July 9.

#### REGULATING INTEREST RATE—SELF-DISCIPLINE OR GOVERNMENT INTERVENTION?

Mr. MONTROYA. Mr. President, we face, for the first time since 1945, the serious and depressing circumstance of the decision of a majority of U.S. banks to raise interest rates for prime customers to an alltime high—from 7½ to 8½ percent. This historic climb in interest rates is a reflection of the enormous demand for credit, and the sizable

gap between the amount of money desired and that which lenders are willing to supply at prevailing interest rates.

As usual, consumers, small businesses, farmers, State and local governments, and large corporations account for the preponderance of the demand for funds. But in accord with the so-called economic laws of scarcity, the result is a veritable black market in money. The big spenders of long standing who are able to pay premium rates are welcomed by banks and given priority for these scarce funds. Whereas, the conventional mortgage market dries up, and those unable to pay the higher rates are not getting an equitable chance at securing needed capital. Moreover, as in the past, the favored large corporations paying the increased rate will simply transfer the increase on to the consumer by way of higher prices on the goods and services they sell.

Mr. President, this is a matter which is of immense consequence to the American people. The effect of this unprecedented raise in rates will spread far and wide—to the ruin of homebuilders, homeowners, small businessmen, farmers, and others who have to borrow to survive. And another result will be that hundreds of thousands of students will be prevented from going to college or vocational school because banks will not be willing to lend money to students at today's federally prescribed maximum interest rate of 7 percent. And what about the man who needs to borrow to send his wife to the hospital during a long illness?

Mr. President, very intelligent and embarrassing questions are being asked about this decision to raise the prime interest rates. At least the banking industry has the excuse that out of duty to its stockholders it has little choice but to pursue these policies. The administration, on the other hand, tells us that the hike in rates is necessary to slow inflation. Instead of using moral influence and exhortation to reverse this ruinous trend, or even providing evidence of an intention to do so, the Nixon administration has advanced speculative facts, conjecture, and proof of the position of the Federal Reserve Board, which have been macerated, dissected, and put in packages of medicine marked "benevolence," "patience," "perseverance," and so on, for the consumption of those willing to appropriate it.

I personally find these messages quite indigestible. The tactic is, in fact, quite recognizable—a few, bolder than the rest, stretch forth their hands; and then, with no resistance, the slaughter of the whole is easy. Moreover, I believe the Nixon administration has exhibited a shameful lack of courage in its approach to the problem. They would, rather than face their colleagues in banking and industry, assign so many Americans to the paupers' gallery.

But facts have been gathering faster than explanations, and America is not prepared to put up with the usual sets of automatic proclamations nor to be deceived by the hollowness of the masquerade. For the simple fact remains that boosts in costs of borrowing money will not slow inflation.

It is generally recognized, Mr. President, that the main inflationary components of our economy are corporate spending on plant and equipment, as well as Government spending on military and public works. While other sectors have moderated inflation to the extent possible, given the difficulties of the war in Vietnam, corporate business seems intent on pushing ahead with enormous increases in plant investment and equipment. As a result, planned expenditures have skyrocketed into the largest business expansion we have had in history. And monetary policies have utterly failed to restrain corporate investment demands, among other reasons to avoid anticipated higher prices and tighter credit conditions in the future.

Although there are those who claim that by hindering corporate investment we are "killing the goose that lays the golden egg," yet, this inflationary investment boom is completely unsustainable when we are utilizing but 84 percent of our industrial capacity.

In short, Mr. President, large corporations have no real concern over high interest rates, since the higher cost can always be passed on to the consumer. But if higher interest rates raise prices, how then is this supposed to cure and control inflation? Are we to listen to those who say that it is inflationary to use our national income to meet our pressing needs, but that paying out that same amount or more in higher interest rates to the affluent does not represent a mal-distribution of income? All it truly means is higher and higher profits to banks and their customers.

Take the case of the homeowner. The individual with a \$20,000 8½ percent mortgage loan will pay as much as \$140 per month in interest charges, and ultimately it will cost him \$8,000 just in higher interest rates to pay for his home. At the height of the 1966 credit crunch—and even so recently as a year ago when the going rate fluctuated between 6.58 percent and 6.62 percent—the same loan would have cost the homeowner approximately \$100 per month, \$40 less per month than is now the case. And we can add to this the ever-increasing property taxes which have risen about 5 percent.

Additionally, with the current "credit crunch" people are also less inclined to move to better housing, because of the so-called discount rate—a fee assessed by mortgage companies to handle a loan when higher interest rates cannot be charged. The usury laws forbid charging the higher rate to either buyer or builder, so it is either pushed off on the seller or added to the sale price to the buyer by the seller. As a result, home prices are about 10 percent higher than last year and an individual would need a \$22,000 loan to buy the same \$20,000 house.

Moreover, Mr. President, many a family man could not get a home loan at the present interest rate because his pay may not be high enough to meet monthly payments required under the current going rate. He might have qualified, however, at last year's 6.75 percent level.

This represents a tremendously oppressive burden to America's families. Those committing themselves now to long-term mortgages are bound, anywhere from 10 to 20 years, no matter what happens to interest rates thereafter. And equally appalling is that under current conditions individuals with incomes of \$10,000 or less—the majority of American people—simply will not be able to secure mortgage credit for buying a home.

Mr. President, this development also represents a most serious threat to the achievement of our housing goals—particularly in providing decent housing for low- and moderate-income families—as set forth in the 1968 Housing Act. That act set as a goal the construction of 26 million new or rehabilitated units by 1978, but it is altogether clear—within 1 year after enactment of the measure—that it is doomed before it even gets off the ground. Sky-high interest rates will increase the cost of and thus choke off and frustrate the new construction we so desperately need.

The Federal Reserve Board has estimated that the housing sector accounts for about 70 percent of the drop in expenditures dictated by the tight money policies since 1966. When an industry comprising only 3 percent of our gross national product must take 70 percent of the cutback, something is wrong with our monetary policies. Experience during 1966 alone illustrates dramatically how our monetary policies discriminate against achievement of our housing objectives. During that crisis, as compared with 1965, the sale of homes priced under \$12,500 dropped 51 percent; those priced between \$12,500 and \$15,000 dropped 42 percent; and homes priced between \$15,000 and \$17,500 dropped 20 percent. But the sale of homes priced at \$30,000 or over actually rose 10 percent.

The degree to which Americans can afford to own their own homes, to finance automobiles and refrigerators, is rapidly decreasing—and at a time of unparalleled prosperity when the doors of homeownership and increased well-being should be opening to many more Americans. This, Mr. President, is nothing less than a national disgrace.

Take another case of the still invisible consequences of the interest hikes—that of the small businessman. When the consumer is hurt, business is hurt. As a member of the Senate Select Committee on Small Business, I am greatly concerned over enhancement of the means by which small businessmen survive, and the effects of these high interest rates upon them as well as the customers they serve.

Unlike his larger competitors, the small businessman will find it more difficult to compete for the consumer's shrunken dollars. The consumer's spending accounts for 62 percent of our gross national product, but he cannot maintain this rate of buying if unable to get credit.

As a result, not only will the small businessman be forced to abandon plans for new plants and equipment, but business failures and bankruptcies will increase sharply due to an inability to meet



sales targets. We can anticipate, then, that an ever-greater portion of this vital segment of our economy will be absorbed by giant corporations.

Nor can we forget that the millions of jobs generated by medium- and small-sized firms will be cut back, and unemployment will also increase.

The high cost of money will also push our entire farm operations—farmers, ranchers, agricultural producers, alike who must borrow to stay in business—to an intolerable point. They cannot cut back in the sense industry can, since they cannot borrow less for fertilizer and feed for their cattle. Their crops are in the ground, and their plans for the year are virtually irreversible. They have managed to survive the economic inequities of the past because they have improved their efficiency at a greater rate than have other segments of our economy. But most farm depressions of the past have been the result of an inability to offset operating efficiencies against mounting costs of production, including higher rates of interest.

As for the municipal bond market—whereby State and local governments are enabled to secure funds for important urban renewal and other programs—it has been described as absolutely dead as a result of the hike in prime rates of interest. Since most communities cannot accept annual net interest costs above 6 percent, they will fail to attract bids for building bonds. Unless confidence is restored in bonded debt plans by lowered interest rates, we will experience a tragic faltering and starving of community development work in the Nation's ghettos and economically depressed regions.

Mr. President, I could recite a whole litany of these material statistics, as well as the closely intertwined moral statistics which are of no less value in enabling us to see far into the spirit of the times. Meeting our needs with material statistics alone is like meeting our want of food by the perpetual administration of concentrated essence of beef. It is not possible to reduce our needs to such concentrated form.

If the Nixon administration is unable to provide the leadership to remove obstacles to our national progress, and the industrial and banking sectors do not fulfill their obligation to operate in the public interest, then it remains for Congress to insure that the whole course of our economic evolution does not become different from what we are capable of becoming and achieving.

These are severe words, but they portray, in my judgment, our true state. I always hate to see Congress become the arbiter and artificially force issues of this character. They should not be undertaken unless prospects of remedy are clearly unforeseen. Accordingly, I see the following alternatives ahead:

In the first place, I implore the Nixon administration to call up the banking industry and the large corporate sector of our economy to an enlarged responsibility and patriotism on a higher and more significant plane of action than they have ever been on before. Charters to lend should not be interpreted as li-

censes to serve only the affluent, particularly during times of crisis, but, rather, as means for meeting all of the credit needs of the community on a fair and equitable basis. All of us are injured if this trend continues, and there is no defense or security for any of us except in the highest development and prosperity of all. The totality of American objectives contradicts and conflicts with this tendency to worship the means and forget the ends of American life—ends which give the means their value. In short, the banking and corporate segments of American life must cease to be regarded as isolated self-cultures, in light of the magnitude of the work ahead of us.

In the second place, greatly as I admire our mighty American banking industry, their statements and actions at this time appear to require limitation. I do not believe our banking industry wants the image of the inhuman commissar who condemns thousands without love or hatred simply in pursuance of an abstract duty. The way it and our giant corporate sector faces this national economic challenge will indicate to Americans as a whole whether or not they are preoccupied with the cares of Americans as a whole; whether they regard national issues as extracurricular activities that do not touch the core of their concerns; whether they care to help make us stronger or weaker.

I believe the banking and corporate segments of America can fashion a philosophy and poetry of their own by seeking a more excellent way to help build a more vigorous national life. They can discipline themselves without the need of Government intervention. In the current crisis, the large corporate borrowers can use restraint and reasonableness in their demands for scarce funds. And the banks can simply allocate a certain percentage of available funds to the various credit demands which confront them; indeed, some of our bankers have already spoken out against the rate increase and are attempting to pursue fair policies in distributing available funds.

I welcome them forth to help us with the work of focusing upon and elucidating the causes of our national progress. Efforts and means so invested will pay a thousand percent interest, and they will be amply recompensed by promoting the well-being of all Americans and securing our age against decay. How fine a unity this will give to the American epic.

But failing these alternatives, then we in the Congress must ourselves take drastic steps to reduce the trend and stop the raid on the living standards of the American family. Money cannot manage itself, we have long ago discovered, and the country is justified in intervening when the market will not work as effectively as it should.

Many suggested alternative reforms and policies have been forthcoming from concerned legislators here in the U.S. Congress that would have a salutary effect on the market processes. Hearings are also currently scheduled in the House Banking and Currency Committee for the purpose of examining into last week's rate increases and determining

what can be done about the situation. Perhaps the Federal Reserve Board should insist upon some factor other than a borrower's willingness and ability to pay high interest rates in determining the distribution of the supply of money. Possibly we will need to place a limitation on the inflow of Eurodollars, which permit commercial banks to continue business lending even in the face of restrictive monetary policies. Or, a drastic revision and reform of the worldwide international monetary fund system may be in order.

In any event, lower- and middle-income Americans cannot be saddled with this terrible burden. They must not be priced out of the money market, and, if necessary, interest rates and the supply and demand for money must be regulated so that the public as a whole will benefit. But something must be done, and done quickly.

As a result the American people, the industrial and banking sectors, and the international community will be given confidence in the fiscal responsibility and the sheer dynamism of American society that is required in this time of doubt and uncertainty.

#### PROXMIRE SUBCOMMITTEE ZEROS IN ON MILITARY WASTE

Mr. HART. Mr. President, as we know only too well the Federal Government has been subjected to stringent budgetary pressures over the past year or so. As a result we have had to take a hard look at a number of programs to determine whether they can be justified in terms of the amount of payoff we get for the Federal dollars invested.

Until very recently the military budget has been largely exempt from this scrutiny. Too often the military appeared to have been given a blank check and as a result examples of waste and extravagance are the rule rather than the exception. This is not only bad for the national pocketbook, but it has an adverse impact, in my estimation, on our combat effectiveness.

Fortunately, over the past few months the Congress and the public have begun more carefully to question military expenditures. One of the first to raise these questions has been Senator WILLIAM PROXMIRE, my able colleague from Wisconsin. As chairman of the Economy in Government Subcommittee of the Congressional Joint Economic Committee, he has been holding a series of hearings into military procurement.

Although many of us have followed with interest these hearings on the military budget and national priorities, a report recently made by his subcommittee as a result of earlier hearings has gone largely unnoticed. Consequently, I ask unanimous consent to have printed in the RECORD at this point an editorial from the Milwaukee Journal commenting on this report and pointing out that the senior Senator from Wisconsin feels that "improved Pentagon management could mean at least a \$10-billion saving in defense spending without reducing military effectiveness"—a goal we should all shoot for.

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

#### How To Save \$10 Billion

The close scrutiny that Sen. Proxmire (D-Wis.) has long applied to defense spending has now yielded an alarming record of gross inefficiency—if not outright plunder—in military procurement. The latest report of the subcommittee on economy in government, of which Proxmire is chairman, provides an excellent focus for the subcommittee's hearings next week on "the military budget and economic priorities."

Military procurement—the purchase of weapons, hardware and other goods—accounts for more than half of the total \$80 billion defense bill. Proxmire estimates that improved Pentagon management could mean at least a \$10 billion saving in defense spending without reducing military effectiveness.

What has happened to congress' spending watchdog, the general accounting office? Where is the efficiency that was supposed to materialize from the systems analysis approach, the program planning budgeting system (PPBS) introduced with such fanfare under former Defense Secretary McNamara? What about the renegotiation act that is supposed to recapture excessive profits earned on military contracts? Or the truth in negotiations act of 1962 that required contractors to submit certified cost data for all negotiated contracts? What has happened to competitive bidding?

Most of these surveillance devices have failed. GAO says it has neither men nor money to ride herd effectively on defense, and may even lack statutory authority. PPBS was apparently oversold. Moreover, to work properly it requires close co-ordination from the budget bureau. But of 500 employees in the bureau, only 50 have up to now been assigned to scrutinize defense programs—in other words, 10% of the bureau's staff is in charge of items that account for 40% of all federal spending. The special budget bureau assistant to oversee military spending has just been named, filling a post vacant for four years. The various acts passed to control military spending are ineffective because of the lack of uniform accounting procedures, lack of personnel to enforce them, or just plain graft.

The catalog of blunder and abuse is a national disgrace. The country has simply lost control over military spending. It is time it regained control.

#### THE PRESIDENT'S AIRPORT-AIRWAYS PROGRAM

Mr. PEARSON. Mr. President, Secretary of Transportation John Volpe in a speech Tuesday to the Aero Club discussed President Nixon's recommendation to the Congress for an airport-airways program. He addressed himself to many of the difficult questions that must be answered by the Congress in these deliberations.

The needs of a sound program for the airways side of the air transportation problem were given special emphasis by the Secretary and they deserve such emphasis. We cannot allow the continuation of a patchwork air traffic control system and complete dependence on the current Federal funding process. And I agree with the Secretary that aviation can meet these challenges.

While I do not concur in total with the Secretary's observations I do feel his remarks represent the feelings of the administration on the airport-airways question and I wish to bring this to the attention of my colleagues. I ask that this speech be placed in the RECORD.

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

#### REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION JOHN A. VOLPE BEFORE THE AERO CLUB

Last week, President Nixon sent to the Congress his airport/airways legislation. The specifics of his proposal are well-known. Certain general facts pertaining to this proposal are not so well appreciated. The first of these is the urgency of time.

I remember back a few months ago—when I first moved into the Department—the sense of awe I felt at the magnitude of some of our transportation challenges. I have no less a sense of awe as I see these problems increase in size with each passing day.

Over the past five years, our airline industry has been increasing its capacity by an average of sixty-six million seat miles per day.

Our general aviation fleet—in the same period—has been increasing its flying hours by four thousand per day.

The automobiles on our highways increase by ten thousand a day.

And so it is with all our problems.

Now gentlemen, I have, in many years in private business and in public life, done my share of negotiating. I know that deliberate delay is sometimes considered a good tactic of hard bargaining. But I am also aware that any unnecessary delay in reaching agreement on this Airport/Airways Bill will only compound our difficulties. The cost of land needed for airport expansion and improvements is increasing. In some places needed land is being put to other uses. And there is the danger, finally, that a highly divisive, time-consuming debate with the aviation community could end in legislative inertia and stalemate. This must not happen.

There are in President Nixon's proposals two areas of special interest.

The first is our determination to what extent each segment of aviation uses our facilities and of our subsequent determination of appropriate user charges to cover these costs of this usage.

We feel the user charges we have proposed are just and equitable and we are prepared to defend them. I want to emphasize, however, they do not represent a determination designed for eternity. We are proposing in our measure that an intensive, two-year cost allocation study be made. This will tell us precisely what segments are using our services and to what extent. All branches of the industry will participate in this analysis. We shall, then, on the basis of this study recommend any appropriate adjustments of the tax level.

The second is our proposal that the funds derived from these user charges be used to operate, maintain, and expand our airways system—our air traffic control, our "Nav Aids" and so forth.

I want to discuss this in two forms—the practical and the philosophic.

The best way to be practical is to begin with dollars and cents. We shall need to spend—to operate, maintain, and expand our airways system during the next ten years—over twelve billion dollars. Better than three million dollars a day must be spent every day of the year for the next ten years.

This money will be spent for radars and towers—for automated equipment—for research and development and for personnel.

The expansion of our payroll is perhaps the best indication of our growing costs. Ten years ago we had a total of twelve thousand people in our centers, towers and flight service stations. Today we have twenty-four thousand. Ten years from now we shall need forty-three thousand. On the maintenance side, we now have sixty-five hundred electronic technicians. Ten years from now, we shall need a total of eleven thousand.

I have in the past few months become familiar enough with the cold, hard realities of the Federal budget. I know what's in there—and what isn't in there. I tell you there are no funds to meet the costs of this expansion. Unless funds are available from user charges, the expansion isn't going to happen.

I do not, even in principle, support the theory that airways costs should be borne by the general taxpayer. And let me preface my comments with the fact that I spent most of my career in private industry. Business has my understanding and appreciation. The fact is, however, the aviation industry has matured and prospered. And general aviation is not underprivileged. I think the aviation community should help pay its own way.

On our proposed allocation of airport funds, we are continuing the traditional government policy of not providing assistance for terminal facilities. Airport terminals are revenue producers. Concessions, space rentals, advertising rentals, and parking lots provide income. In many of the larger hubs, this income is sufficient to keep the airport self-sustaining—and even show a profit. We believe, consequently, this matter of terminal improvements should be left up to local authorities. They are the best judges of their own needs. They can best determine how to finance these requirements and they can often secure advantageous financing.

In some areas, income from concessions may not be sufficient to cover terminal needs. Here, we think it would be appropriate for the local airport operator to impose a small charge on the air travelers using his terminal.

Our proposed user charges are not new. The fact is aviation user charges already exist. Airline passengers have been paying them for years. So have most general aviation pilots. For one type of general aviation traveler, however, these user charges will be new. This general aviation pilot operates an executive jet costing about three quarters of a million dollars. He pays about \$420 an hour to fly this aircraft and he utilizes most of the services of our billion dollar airways system.

Should he fly IFR from New York to Boston, we estimate the total cost of the government services he receives is about \$57. We estimate his IFR Chicago to Miami flights costs the government \$117. But at present he pays not one penny to help defray these costs—not one penny. We are now suggesting that he help pay part of this expense. We propose that he pay a new nine cents a gallon on his fuel.

Some may say most general aviation pilots don't use our facilities. But the facts prove otherwise.

Taking last year as an example, we find the total of air carrier aircraft contacted by our FAA Flight Service Stations was about seven hundred thousand. Total for general aviation—nearly eight million.

Total air carrier itinerant operations at airports with FAA towers last year—ten million. For general aviation—twenty-two million.

These FAA towers also recorded an additional 19 million local operations for general aviation. And our FAA center handled some 3 million general aviation aircraft.

General aviation aircraft are using our facilities and they are using them every day. We think it only just that they help bear a fair share of the cost.

There seem to be general agreement that some form of user charges will be adopted. There is also some think, however, that the final numbers that emerge might be less than we are asking. I pray they won't.

We cannot in air traffic control fall back on compromise. We can no longer put on a patch here and another patch there. We cannot make do with baling wire and chewing gum. The iron dictates of safety rule against this. A failure to provide sufficient



funds to expand our system would mean only trouble—more regulations—more restrictions—more delays—now I don't want them. Aviation doesn't want them. I say let's work together then to get rid of them. Let's pass this bill!

I would also warn against the assumption that once our airport/airways proposal are passed, the battle is over. We shall still be far from the land of milk and honey. There are other obstacles to be overcome and they are of no small proportions.

The first is aircraft noise. I am aware of the hard work the manufacturers are putting in to resolve this problem. But everybody must join in—the local authorities and their planning commissions, the airport owner and the airline operators. Aircraft noise is taking on a new significance. Objections to airplane noises are preventing and delaying airport improvement and expansion. Noise is hindering the growth of aviation. This matter demands the attention of all.

Another potential obstacle to the growth of aviation may not be so apparent. A friend of mine who is quite knowledgeable in aviation made a remark the other day which intrigued me. "The biggest thing in aviation these days," he said, "is the Cleveland rapid transit." Exaggerated, it might be; but pertinent—it certainly is.

Two recent simultaneous transportation trends account for the substance behind his comment. Air carriers have become vehicles of mass transportation.

At the same time, downtown surface congestion has now mushroomed out till it reaches and includes the airport.

These trends may seem obvious and understandable to us here today. But the rapidity of their development is phenomenal. Just five years ago, one of our major cities was planning a new transit system with a spur going past its airport. The plan included no airport station. The reasoning was—just five years ago—that airline travelers were not the type to ride subways.

Today, the Air Transport Association advised the air passenger to travel in non-peak hours—and to go to the airport in public transit. The fact is, gentlemen, there is not much public transit available today. And unless present tendencies are reversed, there will be even less tomorrow.

We shall soon be proposing a new bill to establish greater financing for our mass transit systems throughout the nation. I hope the airline industry interests itself in this legislation. This suggestion may sound far fetched to members of the Aero Club now. But five years from now there will be a very definite connection between the growth and profitability of public transit and the growth and profitability of the air carrier industry. Aviation is no longer independent. It too now depends on the rest of the system.

But aviation will resolve these challenges. Any industry that has made as much progress as aviation has cannot be stopped. It can only move ahead. And that's what I want to see. My job is to promote and encourage aviation. But I have more than a professional interest. I am, by trade, a builder. I still like to build—to see things get bigger and better—to see improvement. And that's my approach to our government-industry partnership in aviation. If there's any way we in government can strengthen that partnership, I want to know. I am at your service.

#### THE NATIONAL COMMITMENTS RESOLUTION

Mr. FULBRIGHT. Mr. President, last Monday during debate upon Senate Resolution 85, the senior Senator from Wisconsin (Mr. PROXMIRE) made a statement with respect to an agreement entered into in 1967 between the Govern-

ments of the United States and Canada, which agreement restricts overland oil imports from Canada. According to the Senator from Wisconsin, this agreement is "in apparent violation of both the law and the publicly stated policy of the President." The Senator also stated that the agreement was made in secret and he challenges both the legality and the wisdom of this agreement.

Mr. President, I am not prepared to say at the present time whether the agreement should or should not have been made or whether it was wise or necessary. I call attention to Senator PROXMIRE's statement because it illustrates an instance of action by the executive branch of the U.S. Government not only without consulting or advising the legislative branch of the Government but apparently in complete secrecy. Thus, a solemn commitment was made under circumstances which are highly questionable. I congratulate Senator PROXMIRE for bringing this agreement to the attention of the Senate, and I share his concern about the circumstances under which the agreement was made.

#### NEW WOODMEN TOWER IS EXAMPLE OF HOW MAN'S SPIRIT CAN SOAR WHEN HIS PURPOSE IS NOBLE

Mr. HRUSKA. Mr. President, on June 6 it was my privilege to deliver some brief remarks at the dedication of the stunning new Woodmen Tower, a 30-story office building in downtown Omaha, which is the home office of the Woodmen of the World Life Insurance Society.

As a former president of the Nebraska Fraternal Congress and as chairman of the board of the Western Bohemian Fraternal Association, I believe I have a better-than-average appreciation of the splendid work that is done by the fraternal benefit societies.

Mr. President, nearly 10 million Americans, belonging to more than 60,000 lodges, have a total of approximately \$20 billion of fraternal insurance.

One of the greatest of these societies is the Woodmen of the World, and it was for me a special privilege to be allowed to play a small part in the ceremonies, not only to honor Woodcraft, but to salute its able president Mr. Nick T. Newberry.

I ask unanimous consent, Mr. President, to have printed in the RECORD Mr. Newberry's and my remarks at the dedication ceremony.

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

REMARKS OF NICK T. NEWBERRY, PRESIDENT, WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY

Welcome! And thank you for being with us today. Perhaps little was the significance of June 6, 1890 to Omaha, the date of the organization in the old Paxton Hotel of the Woodmen of the World Life Insurance Society. Great is the significance of June 6, 1969, for it is today that we gather to formally dedicate the Woodmen Tower.

From ground breaking on May 23, 1966 to this date of dedication is a period of over three years and so many of us have enthusiastically awaited this moment. We

thank you for joining us for the occasion. I am proud to make you aware of the fact that over 350 of our Woodmen employees and many additional retired employees are at this moment viewing this program over closed-circuit television in our 21st floor conference center, for unfortunately, space did not permit this loyal and dedicated group to join us here in the lobby area.

Seated in a special section, just east of me, is a group of people whom I would like to present to you, other than those in the group who will later appear on the program.

May I suggest that should you feel disposed to applaud, that you refrain from doing so until the group has been introduced and I would ask that they remain standing as each individual name is called:

J. R. Sims, R. N. Dossman, Nick T. Newberry, Waylon Rayburn, C. W. Goodwin, T. E. Newton, Richard W. Ervin, Robert Kirk, John C. Robison, William E. Gallaher, Jr., L. A. Richard, MacDonald Gallion, Allen T. Brown, Jr., J. E. Williams, John N. Cochran.

Dan H. Varnum, T. G. Crewe, George E. Owen, Robert W. Deems, A. C. Ogden, James S. Maine, A. F. Wahl, Lloyd L. Hendrickson, Mrs. Ethel M. Donaldson, Mrs. Louise Patrick Stepanek, H. Clay Cox, Jr., Alfred G. Thomsen, Peter Kiewit, Leo A. Daly, and Harold Schiff.

Some years ago, I was impressed when the principal speaker at an important occasion was introduced by the governor of a state in the following manner: "If a man needs eulogizing, he doesn't deserve it; if man deserves eulogizing, he doesn't need it." Our dedicatory speaker of today has a glowing and distinguished record of service to his state and nation that speaks loud and clear for itself—though deserving of a eulogy, he is not in need of it. It is with a sense of pride and gratitude that I present for the dedicatory address a member of the Woodmen of the World, our senior senator from Nebraska, the Honorable Roman L. Hruska.

#### REMARKS OF SENATOR ROMAN L. HRUSKA

This is indeed an auspicious day, a historical day. We can conceive of it as being really two days in one. It's the beginning of Woodmen's 80th year—79 years old today, so that tomorrow morning, we're going to start the 80th year. And then, it's the dedication day for the new home; of a structure which has a beauty that is breathtaking! It's spectacular! And it is inspirational, whether seen from the sidewalk, from the air, or from a distance.

It is an example—in steel and stone and marble and glass—of the way in which Man's spirit can soar, when his purpose is noble.

The dictionary tells us—and it's my favorite definition of the word—that to dedicate means set apart for sacred purposes. And that is precisely what we are doing today. It is a highly relevant definition today, because this building is dedicated to people. First of all, to the 600,000 members of Woodmen today; to the millions who have been members since its founding on June 6, 1890, here in Omaha; and, to the "Objectives of Woodcraft." For those of you in the main part of the audience, on the east wall of this lobby and behind me, are imprinted the "Objectives of Woodcraft," and they will serve as my text today. The first Objective states that, "Woodcraft is to ennoble its membership," an Objective which is reached countless of times each day, because the guiding spirit of Woodmen is Fraternism—the brotherhood of man.

In a time when the President of the United States recently declared, "We cannot learn from one another until we stop shouting at one another," each of us then can well consider that portion of the "Objectives of Woodcraft" which seeks "to encourage broad, charitable views; to make us more intelligent citizens, truer friends, gentler sons and daughters, more thoughtful brothers and sis-

ters, more considerate husbands and wives and more reasonable parents."

I suggest, ladies and gentlemen, that such efforts are sorely needed these days.

But, lofty ideals and grand statements of purpose are empty and meaningless, unless there is a sound, concrete plan for matching deed to worth and action to purpose.

I want to applaud again, as I do every time it is suitable to do so, the leadership that has been furnished by the Woodmen of the World through the decades. Certainly, in your President, Nick Newberry, we have the son of a revered and well-remembered father—one who was president of the Woodmen of the World and one of the leading civic figures of Omaha and of this state; and the son also of a lovely and talented woman, whom all of us who were privileged to know her admired greatly. So that in Nick, we have the kind of able, honest and compassionate leader fraternalism must have, symbolizing the other officers and the directors of this great fraternal society. His action program of "Fraternity at Work" is the essence of brotherhood in action through a wide range of civic, patriotic and fraternal projects.

I had to verify my memory a few minutes ago. I asked Nick if it wasn't true that some 20 years ago, his father had conceived and had put into use throughout all the states in which the Woodmen are functioning, the slogan, "Fraternity in Action." And he said, "Yes, Roman, your recollection is correct."

Anyone who sat in the chill of the Capitol Plaza in Washington on January 20, of this year, or who watched those solemn proceedings on television across the nation, must be reminded today of Richard Nixon's Inaugural call for "the building of a great cathedral of spirit, each of us raising it one stone at a time as he reaches out to his neighbor helping and caring and doing."

And it is in this spirit that the beautiful structure has come into being, because the millions of members of the Society have helped, and they have cared, and they have done something for their brothers and for their sisters.

To construct a massive building is no great triumph; it's been done for thousands of years, hasn't it? The Pyramids testify to that. But those of us who view those Pyramids, either in the remnants which they now represent or in the pictures that we see of them, cannot forget, that those Pyramids were built upon misery and suffering, exacted from the blood and muscle of the slaves of those times.

Life then was worth very little, but the Pharaohs did build their Pyramids. And throughout history, tyrants have erected monuments to their own vanity in similar fashion.

And let's have just a sober moment or two to recall that in one part of the world, the enslaved part of the world, that rule still exists. The practice still goes on.

But, to erect a building like this, dedicated not to one man or to one caste, but to millions who have been proud to call themselves Woodmen, and to the ideals of Woodcraft, and to the spirit and inspiration of Fraternalism—that is really Brotherhood in Action. It is "Fraternity at Work." And what more auspicious start could there be for those who will work in this building and for those who have come to bid them well than to resolve that, beginning today—at this very moment—whether we are Woodmen or not, whether we are red or yellow or black or white, whether we are Catholic, Protestant, or Jew, that we shall embrace the grand doctrine of the Brotherhood of Man and practice it for as long as we shall live, and for as long as this building shall stand.

And it should be in this spirit that we dedicate this building. It is these sacred purposes that we call upon it to achieve; that we set it aside for those humane and noble purposes.

#### TIME CAPSULE CONTENTS

Mr. NEWBERRY. The moment is now at hand for the placing of the capsule and having never before participated in such a project, I am somewhat lost to know which way to turn. I would imagine you would be interested in some of the material placed in the capsule. A few of the items are as follows:

1. A United States Flag.
  2. A history of Omaha written by William Kratville. It tells about many Omaha firsts, such as the first home, the first business, the first church, the first library, the first hospital, et cetera.
  3. A proof set of 1969 United States coins.
  4. An "American Patriot's Handbook," a booklet given by the Woodmen of the World to newly naturalized citizens. It contains the Constitution of the United States, the Bill of Rights, the Declaration of Independence, the history of our flag and photographs and biographical sketches of each of our nation's presidents.
  5. A history of the Woodmen of the World.
  6. A scroll, signed by all Woodmen Home Office employees and officers, extending greetings across time to the fraternalists of the future.
  7. Progress reports on the construction of the Woodmen Tower.
  8. A book on the life of Joseph Cullen Root who, with his associates, founded the Woodmen of the World on June 6, 1890.
  9. Copies of the June 1, 1969, and June 5, 1969, editions of the Omaha World-Herald newspaper.
  10. A letter from Mayor Leahy to the Omaha citizens of the future.
  11. A tape recording of ceremonies when the ground was broken for the Woodmen Tower, and copies of speeches made at this affair.
  12. Photographs of former Woodmen of the World home office buildings.
  13. Newspaper clippings dealing with the Woodmen Tower.
  14. Woodmen of the World membership pins.
  15. Copies of the Society's official publications, including the Woodmen of the World Magazine, a national publication going to the organization's more than 600,000 members each month; Shavings, an employee publication; and Chips, a magazine published for sales representatives.
  16. Copies of the Society's oldest and newest Constitutions.
  17. Photograph of the current members of the Society's Board of Directors.
  18. Copies of Woodmen of the World Rituals.
- On the wall immediately above the location on the capsule will be a bronze plaque inscribed as follows:
- Woodmen of the World Life Insurance Society Time Capsule, buried June 6, 1969, "To preserve for the future some of the wealth of the past." Open June 6, 2040.
- June 6, 2040, is the 150th anniversary of the founding of the Woodmen of the World.

#### AUTOMOBILE INSURANCE

Mr. HART. Mr. President, of all the auto insurance complaints which arrive in the offices of Congress from consumers, I am sure the majority deal with the problems in getting—and keeping—a policy, at a reasonable rate.

The Senate Antitrust and Monopoly Subcommittee, as part of its extensive investigation of the problems of this industry, has delved deeply into the industry thinking causing these problems.

Much of what we learned has been summarized in an excellent series of two articles by John Hanrahan in the Washington Post. Because I think these arti-

cles would be most helpful to my colleagues as background material, I ask unanimous consent that they be printed in the RECORD.

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

[From the Washington (D.C.) Post, June 18, 1969]

#### INSURANCE DILEMMA: DO FIRMS HAVE RIGHT TO SAY NO?

(By John Hanrahan)

"When you buy a car, the salesman will sell you one if you have the money. Buying insurance for the car is more like joining a country club."

This view, expressed by Pennsylvania Insurance Commissioner David O. Maxwell, has become an increasingly visible fact of life—as well as an inconvenience and, in many cases, a real hardship to thousands of drivers across the Nation.

In an age in which increasingly numbers of people are dependent on cars for a livelihood, millions of Americans regard auto insurance as a necessity, and a right. They must drive, and to drive they must have insurance in some form.

But the insurance firms don't see it that way. In a nutshell, the auto insurance industry feels its obligation is to its policyholders—to keep rates down—and to its stockholders—to keep profits up. To accomplish both ends, insurers are selective in assuming new risks.

Numerous newspaper stories, along with complaints received by the antitrust and monopoly subcommittee of the Senate Judiciary Committee, which is conducting a continuing inquiry into auto insurance, vividly illustrate the conflict. For example:

A Charleston, S.C., man, just returned from a Vietnam hitch with the Navy, lost his policy because "Investigation revealed the allegation that your wife has a bad moral reputation and is an excessive user of intoxicants." South Carolina's libel and slander laws prohibit suing insurance companies for the reasons given for cancellation.

Actress Dorothy Malone, who was paying \$312 for her auto policy with Farmers Insurance Group, was notified of cancellation even though she had no accidents or traffic violations. "Occupational hazard" was listed as the reason. She subsequently got a policy with Lloyds of London for \$2100 annually.

A Kensington, Md. man had his auto insurance policy cancelled by National Emblem Insurance Co., a subsidiary of Allstate, because he allegedly had a "filthy" house.

A Stafford County, Va., woman had her policy cancelled by the Royal Indemnity Co. because of "unfavorable information we have received concerning personal habits within your household." Senate subcommittee probing disclosed that the cancellation was the result of an Atlanta-based credit bureau report supplied with false information by some one who barely knew her husband, that he is a drunk.

When a motorist is turned away by an auto insurer he can usually go elsewhere—but at a more expensive, "high risk" price, regardless of his driving record.

In virtually every complaint, however, the person dropped by one company had great trouble obtaining insurance with another even at higher rates because the cancellation was regarded as a black mark on his record.

Says Paul T. McHenry, a Baltimore attorney and chief lobbyist for Maryland's independent insurance agents:

"The auto market is sick, period. Agents are no longer selling new automobile business. People are worried about cancellations.

"If there are 15 companies looking for your business, then no one worries about a cancellation. In the present situation the companies don't want new business.



"I can't walk down the street these days without someone coming up to me and complaining that he's had his policy cancelled and can't understand why."

According to Dean E. Sharp, counsel for the Senate subcommittee conducting the hearings, "Insurance is nothing more than spreading the risk. The more people you have in the pot, the more you spread the risk. People like myself believe that the companies are only trying to maximize their profits by writing only certain people. It's time we turned this thing around. I definitely feel that everyone who is licensed to drive by the state should be able to get auto insurance."

Sharp and other critics of the industry say that the insurers are not primarily interested in auto insurance, but rather in having a steady flow of cash that can be invested. This, they say, is the main reason for the scrutiny given anyone who appears likely to have an accident.

The industry counters that it must be selective because of the soaring increase in the costs of paying off claims in recent years. This they attribute to increases in the cost of repairing cars, in physician's fees and hospital rates, and in the amounts of jury awards and claims settlements in liability suits.

The companies also argue they must be selective in many states because of the reluctance of various state insurance regulators to grant rate increases.

The problem for many people, then, is not only having insurance cancelled—being thrown out of the "club"—but getting into the club in the first place, even if they have the money to pay for it and a "clean" driving record.

#### AGENTS WARNED

For many of these people, the problem is a "high risk" job. For others, it is their neighborhood. Still others are refused insurance on the basis of such vague shortcomings as "personality defects," "instability" and "lack of initiative."

Each company uses underwriting manuals that warn agents against selling auto insurance to a whole list of persons with certain jobs. The Continental Insurance Co.'s manual, which is similar to that used by other firms in the industry, tells agents to be wary of:

Owners, operators and employees of taverns, nightclubs and similar establishments; race track personnel; professional athletes, musicians and entertainers; circus and carnival personnel; sports promoters and their employees, and pool hall owners, operators and employees.

Regarded by Continental as "somewhat less undesirable" are waiters, waitresses, janitors, cooks, porters, bus-boys, kitchen helpers, taxi drivers, parking lot and garage attendants, bellhops, painters, merchant seamen, longshoremen, stevedores, dock workers, oil field employees, paperhangers, soda clerks, delivery boys, beauticians, unmarried manicurists, liquor store owners and employees and unemployed persons.

People in this category are not totally barred from obtaining insurance with the company—if they meet all other criteria. The "somewhat less undesirable" tag is used as a guide to warn agents that the person is not considered to be a good risk.

In addition to citing the probability of accidents relating to "exposure"—meaning mileage, number of hours on the road, driving in peak-hour traffic, etc.—the Continental manual warns:

"Persons who live in blighted, crowded slum areas present an above average exposure for comprehensive physical damage insurance because of crime and vandalism. Such areas are overexposed for collision and bodily injury. The streets are narrow and there is no place to park, except at the curb. Children play in the streets and dart in and out from between cars."

#### BACHELORS PAY MORE

The manual also states, "we think that this is as it should be," that unmarried males pay more for car insurance. In justifying higher rates for bachelors, the manual says:

"Any variation from the normal, conventional mode of living usually has an adverse influence on a risk. Marriage is the normal state for mature adults."

But even if you should pass the occupational, residential and marital status tests, the manual has more in store for you.

Under the category of temperament, the manual warns agents about "the exhibitionist who decorates his car with fox tails, fender fins, mud flaps, boxing gloves, baby shoes, spotlight and other ornaments..."

#### HIGH LIVERS SUSPECT

"Another area for concern," the manual states, "is the person who drives a Cadillac on a Chevrolet income..."

"Still in the temperamental category and just as undesirable even though their motives are good and they are usually wealthy, are the personalities in the entertainment field who feel that they must entertain themselves and their public even if they have to wreck a sports car to do it."

When he testified before the Senate subcommittee last year, Pennsylvania Commissioner Maxwell cited a "prohibited list" used to "weed out undesirables" by "one of the country's leading writers of automobile insurance."

"Hazardous" occupations, according to this guide, included actors, clergymen, radio and television announcers, athletes, caterers, chauffeurs, commissioner military officers and enlisted men, farmhands, manicurists, masseurs, newspapermen, salesmen, painters, stevedores, textile workers, waiters and weavers.

#### HAZARDS LISTED

"Even a cursory review of the list made plain the reluctance to insure most occupations in which Negroes predominate," Maxwell said.

In addition, he noted, the guide enumerated 25 specific "hazards" militating against issuance of a policy.

These included truck drivers ("poor public image"), clergymen ("too preoccupied"), persons who were divorced or separated and any driver not renewed or canceled by another company.

Other revealing testimony on auto insurers' standards came from Fred Jasper, president of Jasper's Reports, of Chicago, a commercial reporting agency that has been handling inspections for the insurance industry in the Metropolitan Chicago area since 1949.

Purchasers of Jasper's book—"A Confidential Report on Environmental Conditions in the Metropolitan Chicago Area"—were mainly insurance companies, including the Nation's two largest, Allstate and State Farm.

#### WRITTEN YEARS AGO

Jasper and Sen. Philip A. Hart (D. Mich.), chairman of the subcommittee, got involved in a long dialogue when Hart asked why the book referred "to areas being predominantly Polish, predominantly Jewish, predominantly hillbilly and predominantly Negro."

In response, Jasper pleaded that the book "was written several years ago" and, at that time, "companies were attaching more significance to the ethnic backgrounds of individuals from an underwriting standpoint."

For many years, Jasper said, companies "had associated upkeep of neighborhood with environmental and ethnic background information." This, he claimed, was no longer the case and most companies had asked him to eliminate such references in his reports.

A sampling of "ethnic information" in the report:

"These Mexicans are, for the most part, well behaved but a few do drink to excess and many of them are illiterate and cannot speak English. . . (They) should be inspected carefully for auto insurance."

Hart found much else to quarrel with in Jasper's book. For example, the Senator wanted to know, what did the housekeeping of the individual—as mentioned in one of the reports—have to do with driving ability?

Jasper acknowledged that it had nothing to do with driving.

"But," he added, "I think it perhaps to some degree portrays the general over-all reputation and I think perhaps a case might be made for the fact that an individual who lives in what you might classify as a pigpen might conceivably take the same care of their automobile from a mechanical standpoint."

Hart wondered about a report on a woman who was married and divorced before she was 20 and whose family was described as "standoffish" in a report. What, Hart asked, did that have to do with driving ability?

Jasper answered that the marriage and divorce before 20 indicated "nothing other than perhaps to portray instability."

"Or bad judgment with respect to mates but not necessarily to traffic," retorted Hart.

As to the "standoffish" claims, Jasper said that he felt "perhaps the inspector may have been using that in defense of being unable to develop as much personal information as he might have otherwise."

#### DISDAINFUL OF MORES

Hart pressed on. What, he asked, was the relevance to a person's driving record of a report that "indicates the subject was living with a woman suspected not to be his wife?"

"I do not know that it would affect the driving," Jasper answered, "but it might portray a situation where they were completely disdainful of the accepted mores, the accepted patterns of behavior, a little disregard for anybody else."

Jasper, along with other auto insurance industry witnesses, was merely restating what has become the industry's basis for much of the material in its underwriting manuals. Namely, "as you live, so shall you drive."

Contained in Jasper's book was a series of maps of areas of Chicago with portions colored red, gray and white. These areas, Jasper said, are those producing "a higher incidence of vandalism and theft." The red area of alleged higher crime included the center city.

The "red" area approach is not unique to Chicago. Committee testimony has shown that similar practices are in effect in other major cities.

#### BLACKLISTING CHARGED

In Baltimore earlier this year, Allstate Insurance Co. was charged by the Maryland State Insurance Department with "blacklisting" for refusing to write comprehensive and collision insurance policies in the inner city.

Allstate defended its practices. It acknowledged having a "special marketing territory" within which it required persons to have adequately safeguarded garaging before it would insure them. This, they said, was proper because of the excessively high crime rate in the area.

In addition, Allstate said it had not violated State law that prohibits discrimination based "solely" on geography. The crime rate and the lack of garages—and not geography were the major factors, it said.

During those hearings, which covered 13 sessions, Allstate spokesmen also acknowledged that it has "special marketing territories" in effect in other cities in the East, including Washington's inner city.

Also in the District of Columbia, Government Employees Insurance Corp. (GEICO), refuses to write comprehensive and collision policies in virtually the entire city unless the person has a garage. Only two postal zones in the Upper Northwest area of the city are exempt from this requirement.

#### WORKS HARDSHIP

In the Baltimore case, State and city legislators testified that Allstate's practice worked

a hardship on people in the inner city. The area in question was estimated to be 90 per cent Negro. It includes the city's highest poverty areas, as well as the fashionable restored Bolton Hill section.

A ruling on the case from Maryland Insurance Commissioner Newton I. Steers, Jr. is expected this month. Steers says he knows of no examples of "special marketing territories" elsewhere in the State.

The Baltimore case is typical of the problem in other cities.

Last summer, David B. Washington, executive director of the Pittsburgh Commission on Human Relations, told the Senate subcommittee that "the lack of availability of automobile insurance to black residents of our metropolitan areas is a crisis which is national in scope."

Black citizens, Washington said, find it difficult to obtain auto insurance. When they do, he added, they must pay higher premiums than residents of white areas since companies attach importance to the type of neighborhood and the crime rate.

In addition, Washington said, Negro residents find "that the few companies willing to write insurance are companies with questionable financial structures."

#### EFFECT IS THE SAME

Jerome Kay, commissioner of the New York City Commission on Human Rights, offered similar testimony to the Senate subcommittee. Kay said that whether the auto insurers deliberately set out to discriminate against Negroes or Puerto Ricans, or whether they say they refuse to write ghetto policies because of the bad neighborhood is really irrelevant—since the net effect is the same.

"It is possible that removing this instance of discrimination would lift one more burden from the shoulders of minority and low-income group members," Kay said.

While auto insurance companies have repeatedly stated that they no longer discriminate on the basis of race, Kay stressed the point that the ghetto citizen feels that his inability to get car insurance is just another example of white discrimination.

In emphasizing that the ghetto citizen's need for an auto is as great or perhaps even greater than that of other citizens Kay stated:

"The ghetto resident, suffering from discrimination in employment, housing, education and being subjected to a whole series of anti-black and anti-Puerto Rican attitudes, finds his car an important source of status, and sometimes his only source of recreation and in many cases the only escape from a dreary apartment and neighborhood."

To insurance lobbyist McHenry, the problem of obtaining and keeping auto insurance in Maryland, and in the Nation as a whole, "cuts across all lines" and is not confined to certain areas or people with certain jobs.

"There's just a bad market everywhere, period," he said.

#### CAR INSURANCE SYSTEM HARDEST ON YOUNG, OLD, MILITARY

(By John Hanrahan)

The problem of getting and keeping auto insurance has proved to be especially severe for three distinct groups—the young, the old and members of the military.

The continuing probe of the auto insurance industry by the antitrust and monopoly subcommittee of the Senate Judiciary Committee has turned up scores of examples of the difficulties encountered by members of these groups.

B. J. Higgins, who heads the Higgins Insurance Agency of Long Beach, Calif., provided the subcommittee with some enlightening testimony on the insurance problems of the old.

Higgins, whose agency handles Farmers Insurance Group, gave numerous examples, including that of a 78-year-old man who had received a bill on his insurance premium that

was more than double what it was six months earlier.

The man, Higgins said, "was in excellent physical condition, very alert for his age, and had never had any losses with the company before, and he was with the company for approximately 30 years."

Unfortunately for the man, Higgins said, the company just four months earlier put into effect a "maximum senior citizen charge" that added about 30 per cent to his premium charge. His premium cost was increased an additional 42 per cent because the man reported a damage claim of \$112 for a minor accident.

"Now, the point here is they (the company) have got this man tied down," Higgins said. "He cannot go anywhere else for insurance. He is 78 years old. Who is going to insure him? He is indeed fortunate to have insurance at his age. He has got to stay with Farmers."

Jack Veatch, immediate past president of the District of Columbia Insurance Agents, says that the situation has improved and that many companies have done away with the higher rates for older people. These companies, Veatch said, came to the realization that, as a whole, "older people were safer drivers."

#### BELOW AVERAGE

Donald P. Kent, former special assistant for aging, Office of the Secretary, U.S. Department of Health, Education and Welfare, pointed out to the Senate subcommittee that "the accident index for drivers 60 to 69 years of age is well below the national safety average. The accident index for those above 70 equals the national average."

The problem of young drivers obtaining insurance has been one of the most publicized. Companies maintain that young drivers—especially young, single males under 25—have the highest accident rate.

Some companies claim to be making strides in providing lower cost insurance for the young, responsible drivers. Some companies, for example, offer "good student" discounts. Others give discounts to students who have had driver education courses.

Nonetheless, young people—good and bad drivers alike—or their parents find it extremely difficult to obtain auto insurance or to get it at what they consider to be a fair rate.

Higgins supplied the subcommittee with a report of a sudden cancellation of an entire family that had a 17-year-old son who had just come of driving age and obtained his license and a 1952 car to drive.

The boy, Higgins said, had good grades, was "a studious type" and "did not run around throwing beer cans out of a car."

Higgins, a friend of the family's, said he checked around and finally learned that the cancellation was based on a retail credit report. The report quoted two men who lived across the street as saying that the youth "played ball in the street . . . raced his car in taking off . . . burned rubber, and drove in a reckless manner in a neighborhood of a 15-mile zone."

Ironically, Higgins said, the men making the complaint also were illegally "making a homebrew and wine in the backyard."

#### OBSTACLES TO MILITARY

The military—especially the young, non-career enlisted man—also encounters severe obstacles to getting car insurance. George H. Kline, vice president, secretary and general counsel for the Allstate Insurance Co., summed up the reason for the industry attitude:

"The obvious increased hazard presented by the single military risk is the very limited time provided him for the use of his car."

"All of us remember the 800-mile round trip on a 36-hour pass just to spend a few hours at home or some other source of relief from the drabness of a military post; the frenzied dash to the destination; and then the long, exhausting drive through the night

with drooping eyelids and dulled reflexes, to make Monday morning reveille.

"Too fast, too far, too little sleep—these are the hazards that concern underwriters."

Adding it all up, the auto insurers can use a combination of any of the thousands of underwriting standards to refuse to write a policy for a person who would be regarded as a good driver, the critics say.

Pennsylvania Insurance Commissioner David O. Maxwell estimated that in his state there is "a theoretical possibility of 104,000 different risks." This is based on 40 rating territories multiplied by the 2600 categories developed by the Insurance Rating Board.

Insurance companies defend their underwriting practices either on actual loss experiences or on what they consider to be informed judgments as to the likelihood of accidents occurring to people living in certain neighborhoods or having certain types of occupations or having certain personality traits.

Critics of the system complain that the companies are basing their classifications mainly on subjective judgments, rather than actual statistics showing that this or that category of persons has more accidents. The problem goes even deeper, suggests Sen. Philip A. Hart (D-Mich.), who heads the Senate subcommittee investigating the auto insurance industry.

"In a country which has placed great faith in the principle that each man should be judged according to his abilities, the insurance notion that it is the classification—not the individual driver—that counts runs contrary to our basic instincts," Hart said last fall in a speech to the convention of the National Association of Mutual Insurance Agents.

"A father may train his son well, imbue him with a sense of responsibility, the boy may be a great careful driver. It makes no difference. He pays the price of his classification. In some cases, this may be actually sound. In many cases it may not."

"But the basic question is, does any system based on such classifications—whether arbitrary or not—make good sense in the world in which we live? . . . It seems to me—at least at this time—that the entire underwriting system with its subjective judgments, classifications and surcharges at renewal time—is in need of rather basic overhaul."

What makes the current auto insurance situation unique is that virtually every one—insurers, drivers, state insurance departments, legislators, Congressional investigators—agree that there is a serious problem for people trying to get and keep auto policies.

#### CRITICS BLAME GREED

The cause of the problem, the critics say, is the auto insurers' greed for even bigger profits. This causes the companies to cancel some policies suddenly and to refuse to take on any new business with any element of risk involved, they claim.

On the other side, the industry and the agents maintain that the current problem is caused by the failure of State Insurance Departments to grant rate increases that are sorely needed to cover losses paid out.

"Open competition" has become the battle cry of the insurance industry. Under such a system—not in existence in three states—the insurance commissioner is stripped of his power to give prior approval of rate increases.

Thus, companies can put the new rates into effect and then notify the commissioner. If the commissioner feels the increase is too much, or unjustified altogether, he can order it rescinded.

#### ANSWER OF FIRMS

The aim of all of this, the industry says, is to let the "free market" set the rates. The customer will benefit because he will have a number of companies competing for his business, it contends.

In a memorandum prepared by the Insurance Information Institute for the Maryland



Association of Insurance agents for use in the 1969 session of the Maryland General Assembly, the industry's position on "open competition legislation" was made clear.

What is the problem? the memo asks. "Insurance companies have been paying out more for claims and operating expenses than they have been collecting in premiums." What is the answer to the dilemma? it asks.

"After long and careful consideration, 'open competition' has been deemed by many observers to be in the best interest of Maryland's public, industry and economy . . . open competition among insurance companies would hold the cost of insurance at a realistic level, just as open competition in America's free enterprise system has protected the public in other fields of business."

The memo also cites the fact that since 1962, the number of persons in Maryland's assigned-risk plan (known as the Maryland Automobile Insurance Plan) has increased from approximately 20,300 to 85,500. While this figure was climbing by 300 per cent, the number of vehicles registered in the State increased by just 30 per cent.

#### INDUSTRY REFUTED

The critics counter that the industry's position is indefensible in light of statistics gathered by the subcommittee showing that since 1931 the auto insurers of the Nation (as of 1968) had collected \$120 billion in premiums for three primary forms of coverage and have paid out just \$60.8 billion.

Of the remaining \$59.2 billion, \$21.6 billion has been accumulated in the last five years alone. This was not all clear profit, since it does not take into consideration commissions, company operating expenses, company claims investigation and legal expenses.

In 1966, according to a Senate subcommittee chart, 20.6 cents of every auto bodily injury liability dollar went to commissions and other production expenses.

One way to cut costs of policies, the critics maintain, is to permit group auto liability policies similar to group health and accident policies. Such policies are virtually nonexistent. In fact, group auto insurance policies are prohibited in 34 states, due largely to industry efforts.

Dean E. Sharp, counsel for the Senate subcommittee, is among the insurance company critics who can't see how "open competition" will make any difference at all in solving the problem.

He notes that California, which has an "open competition" law that the industry cites as a model, has 250,000 drivers in its assigned-risk plan with the number increasing yearly. New York and Georgia also have "open competition" while the District of Columbia has a modified "open" system for physical damage policies.

"Open competition" was thoroughly debated by a Maryland Senate Committee earlier this year. The legislation died in the Economic Affairs Committee but is expected to be revived at the 1970 session.

During the Maryland hearings, Attorney General Francis B. Burch contended that "open competition" would drive insurance rates even higher than they now are. The system also would result in extensive price-fixing, he charged, with certain bigger companies raising their rates and the others following suit.

Burch, a former State insurance commissioner, also said if the industry were sincere about "open competition," it would also ask that it be brought under the Federal antitrust laws.

The industry rejected all of Burch's contentions. Paul T. McHenry, lobbyist for the State's independent insurance agents, acknowledged that rates might go up initially after "open competition" came in, but that once the "free market" came into play, rates would level off. A company charging higher rates would be forced to come down or lose much of its business, he added.

#### OPEN COMPETITION

The critics also say that open competition is still only "open" from the companies', not the customer's point of view. In other words, even with open competition, there is no guarantee that a driver will be insured by the company of his choice since all of the underwriting standards will still hold. It's still a case of being accepted by the company.

The critics also come down hard on the auto insurance companies' claims that they are losing money. Maryland's three most recent insurance commissioners—Burch, Norman Polovoy and Newton I. Steers, Jr.—have all criticized companies at one time or another for claiming to experience losses while at the same time their investment income was soaring.

Auto insurers have consistently argued that investment income must be kept separate from the figures on premiums written and losses incurred.

Burch, Polovoy and Steers all incurred the companies' wrath by devising formulas in which some of the investment income was included as part of the rate-making process.

The industry's own study, prepared for the American Insurance Association by Arthur D. Little, Inc., the research organization, claimed that 99 out of 100 major corporations were making higher profits than property and liability insurance companies.

#### SAME BASIC DATA

Taking the same basic data, two University of Southern California analysts—Richard Norgaard and George Schick—gave the subcommittee the "unqualified opinion" that insurance firms "have reaped a high rate of profit."

Using a highly complicated formula based on the "reasonable" yardstick of "return on investment," the two analysts said the insurance firms were doing better than 90 of the 100 major corporations.

"There is indeed a great deal of discussion on whether or not the auto insurance business is profitable," notes Sen. Hart.

"Sometimes, the argument turns more on accounting methods than the actual state of health of the companies. One set of figures at our hearings indicated this was a highly profitable business, another that it was dismal. The real truth is probably somewhere between. . . ."

"What bothers me most is a plea of poverty based on underwriting results only. For instance, the underwriting and investment income results of the 'Stock Property and Casualty Industry' from 1958 to 1967 show a statutory underwriting loss of over \$731 million, which when adjusted becomes a \$413 million profit."

"During the same period, their net investment income was over \$7 billion. When someone turns one pocket inside out to show you how empty it is, but has over \$7 billion in the other, it is difficult to take their claim of poverty too seriously."

An equally serious auto insurance problem, not dealt with at length in this article, is the long delay experienced in having claims processed. In many cases, personal injury settlements drag on for years and years.

Efforts to push so-called "nonfault" plans through state legislatures have met with stiff resistance to date. Less than one year ago, Puerto Rico became the first U.S. jurisdiction to adopt the "Aponte-Denenberg" plan which would insure everyone directly against accident losses—rather than require proving in court who is at fault in an accident.

#### EXEMPT FROM ANTITRUST

The insurance industry was exempted from the Federal antitrust laws by the McCarran Act of 1945. The purpose of the Senate subcommittee hearings has been to determine how effective state regulation has been in doing the job of protecting the public.

The hearings are expected to wind up in September. Also in progress and at the half-

way point is a two-year study of the auto insurance industry.

In addition, various state insurance departments and legislatures are taking a new look at their state regulations. In Maryland, the Allstate "blacklisting" case has prompted Del. Walter S. Orlinsky (D-Baltimore) to propose for introduction at the 1970 session legislation that would create a state insurance system.

Whether by government action or by reform of the industry from within, the goal of those criticizing the present system is clear. As expressed by Sen. Hart, it is a day "when auto insurance is available to all motorists on reasonable and more equal terms, and accident victims can be promptly and fairly reimbursed."

#### WATER SERVICE TO EXCESS LANDS

Mr. MURPHY, Mr. President, recently the Western Water News published an article by Mr. Earl Coke, assistant to Gov. Ronald Reagan for cabinet affairs and secretary of California's Agriculture and Services Agency, concerning the legislation which has been introduced to amend and supplement the Federal reclamation laws relating to the furnishing of water service to excess lands. Secretary Coke's remarks on this subject confirm the observations I made when I introduced S. 1631 to modernize the archaic 610-acre limitation provision of our reclamation regulations and I ask unanimous consent that the secretary's comments be included in the RECORD at the conclusion of my statement.

Secretary Coke, as is well known, is one of the outstanding agricultural authorities in the Nation. Prior to accepting his present positions, his career included service as director of the agricultural extension service in California and assistant Secretary of Agriculture during the Eisenhower administration.

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

#### BACK TO 1902?

(By Earl Coke)

If California wants to keep agricultural production at its present dollar value of \$4 billion per year, immediate passage of new legislation is a necessity.

Congress is presently considering a bill introduced by Senator George Murphy of California which could eliminate yesterday's unrealistic land and water restrictions still being applied to each agricultural landowner and operator in the State who uses water from a Federal project.

The vital interests of agriculture—California's largest water-using industry—are now in the hands of the Senate and House Committees on Interior and Insular Affairs.

Enactment on S. 1631 and its House companion, H.R. 9441, would lift the Federal land limit yoke which has been choking irrigation farmers for the past 60 years.

However, if Senator Murphy's bill does not pass, or is allowed to die in committees, the farmer might as well return to the agricultural practices of 1902 and hitch old dobin to the plow again.

Advancements in our technology since that date have produced equipment that permits the farmer to operate on the business-like basis which is so necessary today. But, that same technology is useless on a dollar basis if the farmer has to limit it to the 160 acres which, in 1902, was considered the proper family farm. In order to get the greatest benefit from today's expensive new machinery and advanced technology, a man must be permitted more flexibility and more room to

operate than the present 160-acre limitation allows.

Reality is staring us in the face. No business can operate today under programs and procedures designed for the turn of the century. To ask the farmer to do so for one more second is ridiculous, is costly, and will soon lose us most of our farmers if we do not make the necessary change to rid ourselves of obsolete antiquities that hamper our existence at the very foundations of its food and fiber.

S. 1631, as introduced by Senator Murphy, provides two basic changes to the 1902 reclamation law on land restrictions and the water allowable to make that land produce.

#### IMMEDIATE INCREASE

First, it calls for an immediate increase in the number of acres eligible in one ownership for interest-free financing from 160 acres to 640 acres. Provisions are also included for review of further increases in the limitation every 10 years if economic or technological changes indicate that an increase is appropriate and consistent with public interest.

Second, it would provide immediate adoption of the "Engle formula" which would allow the landowner with lands in excess of the 640-acre limitation to obtain water for his excess lands by paying interest costs and applying those costs to the price of the water.

#### INEQUITABLE LAW

In 1902, when the reclamation law was first passed, it was fair and equitable—for its time. At the beginning of the century land had to be settled and worked for production. The western lands, being semi-arid or arid, required irrigation before they could produce economically. The only "machinery" available to the farmer at that time was his own strong back and his horse. Congress, therefore, set a 160-acre limitation in the law for application of irrigation water, because 160 acres was the reasonable limit to what one man and one horse could cover in a dawn-to-dusk operation on a family-sized farm.

But, 67 years have passed and the one-man-one-horse family farm has literally disappeared. The law, however, is still there. It must be changed so that it reflects the needs of today as much as the original law reflected the needs present when it went into effect.

#### NEW TECHNIQUES

True, it has received patchwork modifications over the ensuing years, but the fundamental provisions still stand today as relics of an era which exists only in the memories of our parents and grandparents.

Today we use machinery that our ancestors never imagined and that, sometimes, seems to be as intricate as the hardware we send to the moon. We apply new fertilizers that new chemists manufacture under today's theories in today's laboratories. New farming techniques crop up almost daily as science expands and our present communications systems bring the message from source to application with a rapidity not known in 1902.

In effect, the law has not kept pace with the land or the people and now is the time to correct that gross mistake.

If our nation loses any more farmers it will find itself in dire economic straits because its foundation of the fuel which keeps people alive will have been too severely weakened. But, no farmer is going to keep farming if he cannot make a living at it and our present antiquated land restriction law is making that living almost impossible.

#### REMEDIAL ACTION

It is a known fact that the cost per acre of operating a 160-acre farm is usually higher than for larger farm units. Somebody has to pay for that lifted cost and it is most often passed along to the consumer. For that reason, it is just as important to the consumer as to the farmer that the remedial action offered in Senator Murphy's bill be taken as soon as possible.

The twin provisions in S. 1631 and H.R.

9441 might not be the entire solution, but they are certainly the first concrete step. Without them, it may soon be a case of: "Leave the land or get a horse."

#### MAIL DELIVERY

Mr. HART. Mr. President, daily I receive letters from my constituents complaining about mail delivery and rising postage rates. Many in Congress believe that congressional action is essential to halt what is approaching an overwhelming breakdown in postal service. The problem is, of course, to determine just what action to take.

One of the letters I have received reports on an intriguing at-home survey of postal service. Since I admittedly lack expertise in this area, I am forwarding this letter to the Senate Committee on Post Office and Civil Service for its consideration. I also ask unanimous consent that this thoughtful letter from Mr. Bruce S. Lane of Galesburg, Mich., be printed at this point in the RECORD.

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

GALESBURG, MICH.,  
June 13, 1969.

Senator PHILIP A. HART,  
Senate Office Building,  
Washington, D.C.

MY DEAR SENATOR HART: I understand consideration is once again being given to increasing postal rates.

During the month of May, I kept track of all the mail that was delivered to my home. There are only two of us living here, my wife and myself.

We received: 101 pieces of first class mail, of which 31 pieces were solicitations and eight of these were duplicates; 84 pieces of "junk" mail, of which 14 pieces were duplicates.

Since "junk" mail and solicitations, even when mailed via first class, are an imposition, I would propose that all such mail carry a premium rate of an added five cents per piece, over and above the first class postage requirement. This will once and for all put an end to our postal deficit.

The rationale is not unreasonable. When an advertiser places an advertisement in a newspaper or a magazine he reduces the cost of reading to the subscriber. When an advertiser pays for radio or television advertising he defrays the cost of bringing entertainment to the listener and the viewer.

When an advertiser mails his advertising directly to my home, he contributes nothing to my welfare, and to make matters worse, I must pay more taxes or higher postal rates in order to pay for this foolishness.

Furthermore, I must dispose of all this costly junk. I can't let it just pile up in the mail box; the Post Office Department would probably issue a stern warning to me, the innocent party, if I did this. I am forced to burn all of the useless paper. (Has anyone looked at the air pollution that is caused by just the burning of junk mail?)

Seriously, I think you should think seriously of adding a premium charge to all advertising and solicitation mail, in addition to making all of this stuff travel at first class rates. This would eliminate the postal deficit. Ask the professionals, ask your own postman about this.

Sincerely,

BRUCE S. LANE.

#### MINERALS POLICY

Mr. ALLOTT. Mr. President, on June 20, 1969, Assistant Secretary of the Interior, Hollis M. Dole, made an address

before the Wyoming Mining Association which I believe is particularly pertinent and timely.

In his address, Assistant Secretary Dole touches upon some of the many problems facing the Nation's mineral industry in trying to meet the requirements of our industrial economy to satisfy the needs of the consuming public. Mr. Dole makes the point:

Minerals shortages could well become a social problem of the future.

Secretary Dole also points up the need for a national minerals policy in his speech.

Mr. President, the distinguished chairman of the Minerals, Materials and Fuels Subcommittee of the Senate Committee on Interior and Insular Affairs (Mr. Moss) has scheduled hearings on my bill, S. 719, for July 9, 1969. The junior Senator from Utah (Mr. Moss) among many others has joined me in sponsoring this measure not only in this Congress but in several past Congresses.

I am hopeful that these upcoming hearings will help to delineate some of the serious problems facing the minerals industry in this country, and I believe that the enactment of S. 719 will provide us with a mechanism with which we can deal with these problems in a realistic and intelligent manner.

Mr. President, I ask unanimous consent that the remarks of Assistant Secretary Hollis Dole be printed in the RECORD.

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

REMARKS BY HOLLIS M. DOLE, ASSISTANT SECRETARY—MINERAL RESOURCES, BEFORE THE WYOMING MINING ASSOCIATION, CASPER, WYO., JUNE 20, 1969

DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
June 20, 1969.

I am delighted to be with you folks today. My pleasure springs from being back in the West, and from appearing before people who are interested in the same subject that I have spent most of my life working in—that is—the mineral industry.

As you know, I recently arrived in Washington, D.C. from Oregon and I am still far from informed on much that goes on in our Nation's Capitol. I thought, however, that you might be interested in several items that I'm working with and my thoughts on them. I would also like to take this opportunity to suggest to you areas of mutual effort which, in my opinion, will lead to a stronger mineral industry in this country of ours. This is, after all, the common goal which we are striving for.

The Metal and Nonmetallic Mine Safety Act, which was passed on August 30, 1966, became P.L. 89-577. A departmental committee was established to formulate regulations under the Act and the suggested regulations were published for public comment on January 16, 1969. A 45-day time extension was granted for comment on March 14. On April 22 the revised regulations were published and an additional 30 days were given for further public comments. This time has now passed and we are in the process of reviewing all submissions.

Those parts of the rules and regulations that have met with agreement will soon be published and become effective. Public hearings will then be held on those rules and regulations upon which there was wide divergence of opinion, and when satisfactory, they will also be published. At that time the ground rules for the enforcing of the law will have been established and the Fed-



eral Government will be fully committed to enforcing metal and nonmetallic mine safety, and the U.S. Bureau of Mines will have an additional responsibility.

As you know, one of the first messages President Nixon sent to the Congress was a call for stronger coal mine health and safety legislation. This legislation is being hammered out at the present time and a bill will be passed before Congress adjourns this session.

This attention on the part of the Federal Government for the health and safety of miners should be a great significance to you people here. To the mining engineer it should mean that stronger emphasis must be placed on health and safety or else government's role in mine operations may become dominant. It should give you second thoughts on the adequacy of the mining engineering college curriculum. Have we been stressing health and safety enough? Right now, recruitment for safety engineers in the Bureau of Mines is most difficult. We cannot get the calibre of people we think necessary nor can we get the number we need. Is this a reflection on the training mining engineers are getting in the universities? I think it is. I think that both the mines and government must look to you to establish the methods and attitudes for health and safety. It is not enough to find and extract ore. It must be found and mined safely, and under healthful conditions. Finding, mining, and safety are all of equal importance and are all part of one system.

On July 9 hearings will begin on S. 719, a bill to establish a National Minerals Policy. This bill, introduced by Senator Allott of Colorado and amongst others cosponsored by Senators Hansen and McGee is, in my opinion, one of the most important bills in Congress with which your Association should be interested. It is not only important to the Wyoming Mining Association and its members, it is important to all the people of Wyoming, and to all the people of the U.S.

The hearings on this bill are important because they provide a forum calling the attention of all the people of the country to the tremendous quantity of mineral raw materials that will be needed in the coming years. You know that to provide this requirement will take years of searching, billions in investment with a high risk factor, and many years of mining effort. You know this—but unfortunately the man in the street doesn't. He buys his metal in the form of fabricated goods from the store, in accord with his requirements, never realizing that the metal he uses today may have taken many years to get to him.

All forecasts on mineral needs for the future indicate that our industry will be hard pressed to furnish the basic materials that go into the color TV's, cars, air conditioners, boats and the thousands of other items we accept as necessary today and the many new items of tomorrow that will be added to our descendants everyday living needs. The hearings on S. 719 will be the opportunity to reveal the basic character of the mineral industry, because effort today is needed to prevent constraints on tomorrow's affluence. Unless the man in the street recognizes that his future is at stake in the minerals industry, he will continue to underestimate your requirements. The result will be ever-increasing restraints on exploration and mining, a greater dependence on overseas sources of supply with its accompanying erosion of National security and a continuing decline in the number and calibre of students studying earth sciences in our universities. Perhaps the latter is the most important problem, for it is going to take keen and imaginative minds to provide for the future. If you think getting a man on the Moon is glamorous, look at what is being currently planned or is on the drawing boards for the mineral industry; nuclear stimulation for gas, nuclear fracturing followed by leaching for copper, *in-situ* retort-

ing of oil shale, combustion drive for oils liquefaction and gasification of coal, offshore mining, offshore drilling in thousands of feet of water, rapid excavation underground, use of nuclear explosives to open new gas and oil fields in the West, mine mouth power generation, recovery of uranium from mine wastes, and new methods of determining open pit mine stability; and Wyoming can take pride in the fact that it is to be the site for several of these experiments.

So I urge you, join with me in giving wholehearted support and full testimony at the hearings to be held on our National Minerals Policy. If you can't attend, submit written statements, for I warn you, if due significance isn't given to the real value of our mineral industry today—the minerals shortages could well become a social problem of the future.

There is one last bit of legislation pending in Congress that I would like to discuss with you, these are S. 524 and H.R. 222, the Surface Mine Reclamation Bills. They are similar to S. 3132 in the last Congress, and were introduced in January 1969 just before Secretary Hickel was appointed. To date hearings have not been scheduled.

Currently there are no Federal statutes directly regulating mine reclamation, although there are specific regulations governing the public lands. Laws governing surface mining are those of the separate States and most of them until recently were directed only towards strip coal mining. West Virginia passed the first of these laws in 1939, just 30 years ago. Other coal mining States soon followed: Indiana in 1941, Pennsylvania in 1945, Ohio in 1947, Kentucky in 1954, Maryland in 1955, and Illinois in 1961. Many of these State laws have been revised and stiffened. Virginia in 1966 and Tennessee in 1967 were added to the list and since 1967, Kansas, Oklahoma, Iowa, Wyoming, North Dakota, Georgia, and Montana have joined the parade. Colorado has a voluntary agreement in force. Seven other States including California and North Carolina, New York, Alabama, New Mexico, Washington and Maine are currently considering some form of regulation.

The reason that I have gone into this is because 5 years ago there were only 7 States with mine reclamation statutes; today there are 17 and there may be more before the year is out. Perhaps handling mine reclamation at the State level is the way to do it. I can tell you, if the States don't do it, the Federal Government will.

Not only are the States paying more attention to environmental hygiene but companies are too. Mining associations are exhorting their membership to greater efforts and, best of all, both they and their companies are starting to tell the public what they are doing and for how long they have been doing it. This story has been too long in the telling. An excellent example of an association "telling the story" is the publication "Shaping the Land—Planned Use of Industrial Sand Deposits" which is published by the National Industrial Sand Association. This publication shows the need for sand, how it occurs, how it is mined, and how the land is put to use after mining. This kind of effort is needed by all segments of the mineral industry—and I include oil, gas and coal in my statement.

You know that we have sat by quietly while the preservationist has put over his message to the public that he cares about the environment of the future. It is about time we put over our message: we care about the environment of the future and we care about the mineral needs of the future. We've been practicing it—now let's tell it like it is.

But we can't be satisfied with our present efforts. We must accelerate them, for the tremendous quantities of mineral materials we will require will necessitate the moving of an even greater volume of waste. Learning how to take care of this waste and the

hole we create will be the challenge. And so this adds one more element to the mining system I referred to a little earlier. You will recall that I said it is no longer enough to find and extract ore. We have to do it safely and under healthful conditions. The mining system of today, then, is to find and extract ore under safe and healthful conditions with due regard for the environment. This is what the public wants to buy and this is what we should give them.

President Nixon has expressed it this way:

"The deterioration of the environment is in large measure the result of our inability to keep pace with progress. We have become victims of our own technological genius. But I am confident that the same energy and skill which gave rise to these problems can also be marshaled for the purpose of conquering them. Together we have damaged the environment and together we can improve it."

Thank you.

### TIMBER INDUSTRY PROBLEMS

Mr. MONTOLA. Mr. President, the forest products industry of the United States is facing an immediate crisis of such proportions that it may adversely affect the entire housing picture of the Nation for years to come.

This crisis must be dealt with promptly. It must also be resolved in the immediate future if we are to fulfill our national housing goals in the interest of all the people and if we are to sustain a fundamental industry which provides a livelihood for millions of Americans.

My own State of New Mexico, although rarely recognized primarily as a lumber producing State, is deeply concerned over a combination of factors which are denying the people homes at prices they can afford, reducing employment opportunities for people dependent upon forests and timber—related industry for their livelihoods, and strangling the economic development of our economically depressed region which so desperately needs to attract and retain industries, including those based upon natural resources.

In response to these anxieties expressed by my own constituents, I have consulted with other Members of the Senate and House whose States and districts are also concerned with forest products and the wise use of public timber resources. In every case I have been told that the circumstances adversely affecting the State of New Mexico, its industries, its workers, and its potential homebuyers, apply throughout the length and breadth of the land.

Mr. President, I believe it is time, if the administration is unwilling or unable to act, that the Congress undertake to determine the facts of this deplorable situation and take positive steps to correct it.

I have focused my personal inquiries into this matter upon the role of the Forest Service of the Department of Agriculture. For it is this public agency which is largely responsible for the conditions which are depriving producers of raw material they can operate profitably and which, as a consequence, is forcing shutdowns, closures, and bankruptcies among producers who had every right to expect that prudent management would enable them to continue.

The Forest Service, intimidated by the Bureau of the Budget, has adopted an

attitude that it is obliged to wring the last possible dollar from any timber sale without regard to the economic realities of the communities which depend so heavily upon a highly competitive end-product market. The Forest Service is at present offering timber for sale at prices which, instead of reflecting current lumber and plywood market conditions, are keyed to the unprecedented high prices which occurred in the first 3 months of this year. The skyrocketing prices which prompted both congressional and White House investigations in March of this year have plummeted just as sharply as housing starts have ground to a halt in the face of extremely high mortgage rates. But the Forest Service, operating under its Bureau of the Budget mandate, is still demanding that producers often wholly dependent upon Forest Service timber continue to pay inflated prices for that timber.

I contend, Mr. President, that it is not only unrealistic but perhaps immoral for the Federal Government to traffic in human misery by adhering to procedures for the sake of procedure, when those procedures are denying the people housing and are putting people and companies out of work.

There must be a disclosure of the facts in this situation, and it is my intention to ascertain these facts at the earliest possible moment.

I therefore announce, Mr. President, that as chairman of the Subcommittee on Economic Development of the Senate Public Works I will conduct hearings in order to seek an accounting from the Secretary of Agriculture for the conduct of the Forest Service; I will strive to determine why a public agency charged with management of a public resource declines to operate in the broad public interest.

The Forest Service is not altogether alone in this fault, however, and I think we must hear from the Secretary of Housing and Urban Development as well as to his stewardship of the statutory obligation to provide 2.6 million housing units each year for benefit of our people.

It seems to me, Mr. President, that there has been a dismal performance by both the Department of Agriculture and the Department of Housing and Urban Development in the fulfillment of their statutory obligations. The one, in its failure to recognize the economic realities of communities and producers dependent upon Federal timber supplies; and the other, in its failure to offer practical steps to meet the housing requirements of the Nation.

We have slid along too long in adherence to business as usual—or no business as usual—in both the Forest Service and the housing area. It is my hope that the investigation conducted in my subcommittee will provide the facts which will oblige the administration to act in creating a housing market which will use the lumber and plywood the industry can produce and to assure realistic costs of publicly owned timber so that end product prices will provide houses at sensible economic levels.

The forest products industry over recent years has been a plaything of the Government; it is the yo-yo and the Federal Government had held the string.

This condition must be ended if the Nation's housing goals are to be met and if this primary manufacturing industry upon which so many of our rural communities and citizens depend is to survive.

I serve notice today that it is my intention to be the "burr under the saddle" of the agencies involved in this matter until they develop new resolution and new responsibility toward their obligations.

#### ADDRESS BY SENATOR PASTORE AT THE NAVAL WAR COLLEGE

Mr. JACKSON. Mr. President, this is a period in our history when many Americans are being diverted from considering the central problems we face by their preoccupation with scapegoat hunting and name calling, all of which takes their attention off the real issues.

In this period, Senator PASTORE is an invaluable public servant. All through the years, he has performed a responsible role in national security affairs. Time after time, his informed and analytic approach to national security decisions has been of crucial help to the Congress. As chairman of the Joint Atomic Energy Committee, Senator PASTORE was the advocate and supporter of wise and far-sighted programs.

Once again, in his remarks at the graduation exercises at the Naval War College this week, Senator PASTORE has some wise words for the American people. He emphasizes that this country is ready to travel more than its share of the road to arms control, but that until others are ready to join us, experience teaches that it would be disastrous to attempt to pursue the journey from a posture of weakness.

Mr. President, I ask unanimous consent that Senator PASTORE's address be printed at this point in the RECORD.

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

ADDRESS BY SENATOR PASTORE AT THE NAVAL WAR COLLEGE, JUNE 25, 1969.

I count it an honor to share this graduation day with you. You are men who have here perfected the talents which have already distinguished you in patriotic service—in the ways of war—but with the fundamental purpose of peace.

Particularly I express my felicitations to those graduates who have come to us from some twenty-five Free World nations.

Here—and beyond these college walls—I am sure they have found a welcome—ready and warm. I trust that those ties of friendship will never be broken—by distance or dispute.

To your families and loved ones I have an understanding appreciation of what this day means to them—and what they mean to you. It is a day of satisfaction for them in these further honors that come to you—and you love them the more for the sacrifices they have borne and the inspiration they have been in all your years of service.

I hope that your fond memories of this day will be framed in the hospitality of our friendly people of Rhode Island and the Providence Plantations.

Ours is an old love affair with this college—a friendly neighbor for some eighty-five years.

We have a deep sense of gratitude for its graduates—men like you whose learning,

loyalty and lives stand between us and every threat to our own lives and liberties.

The ship of your destiny may take strange courses from Coasters Island. Who would have thought—eighty-five years ago—that men of the services would be sailing around the moon—and looking down on the rest of us from some two hundred thousand miles out in space.

Soon we will be landing a man on the moon—at an investment of twenty-four billion dollars. We will have enlisted the skills of some 300,000 Americans. We have used the resources of one hundred and sixty-five universities—in this partnership of perfection.

The journey to the moon—you will remember—was the determination and decision of a young sailor who learned the arts of war in these Newport waters—and went on to become—eight years ago—the Commander in Chief of the Armed Forces of the United States.

John F. Kennedy was a President of the missile age. His was the courage of the Cuban crisis. His was the commitment to peace in the nuclear test ban treaty. His was the call to preparedness as our power for peace.

The primacy of our power had catapulted us into a place of world leadership. We have continued as sort of a caretaker in a world in a delicate balance between optimism and frustration.

Our power has always been subject to challenge by others—and subject to change by ourselves. From time to time we have appraised and reappraised the extent of our world responsibilities within the limitation of our resources.

I am reminded of such a time six years ago. It was in March of 1963 at a time when we were considering a multilateral force for our Atlantic Alliance.

At his invitation, I had a long discussion with former President Kennedy on this very subject. During the course of our meeting, I asked President Kennedy, "Mr. President—what will we do when Red China becomes a nuclear power?"

He reflected for a moment—and then said very solemnly—"John, at that time we will have to reappraise the balance of power in the world."

On October 16, 1964—scarcely a year and a half later—Communist China exploded its first nuclear device well ahead of expectations.

Within a short two and a half years—and with six atmospheric tests—the Red Chinese have successfully tested a multimegaton thermonuclear device.

In January of 1967—as Chairman of the Joint Committee of the Congress on Atomic Energy—I undertook extensive hearings with reference to the impact of Red China's nuclear weapons progress on United States national security.

Our committee rendered an exhaustive and revealing report in July of 1967 indicating that Red China had conducted thermonuclear explosions in December of 1966 and June 1967, a feat that surpassed even France which, at that time, had been testing for over seven years.

Moreover, testimony by experts from our Intelligence, the Defense Department, and the Atomic Energy Commission's Los Alamos and Livermore nuclear weapons laboratories, indicated that by the early 1970's the Chinese Communists probably would achieve an operational intercontinental ballistic missile.

The information developed during this study led me—on September 9, 1967—at the launching of the NARWHAL submarine at Groton, Connecticut—to call upon the Administration to speed up its development of an antiballistic missile system.

It was in that same month—less than two weeks after my statement—that former Defense Secretary Robert McNamara—realizing this new peril—announced the so-called Sentinel System by way of a speech in San Francisco.



Today—as you all know—the so-called Safeguard System advocated by President Nixon is under serious attack. The Senate is sincerely divided on this important issue. This division has reached into the Senate Armed Services Committee—and the probability is that an attempt will be made to compromise the already scaled down defense system.

Any drastic curtailment would be, in my opinion, unfortunate and could well be dangerous to our security in this divided world.

Furthermore, it is my strong conviction that any delay to develop a defensive weapon on our part can be suffered only—and I repeat, only—if meaningful and productive talks take place to limit all weapons.

Disarmament is not only our hope—it is our prayer.

Here again I must indulge in some history.

In December of 1964 in conjunction with my Senatorial responsibilities, I visited our nuclear weapons laboratory in Livermore, California. While there I was shown a photograph of an antiballistic missile which had all the characteristics of an antiballistic missile and which had been paraded by the Soviets in their previous May Day celebration.

Further study and testimony before our Committee by Mr. John McCone, then Director of the CIA and formerly Chairman of the Atomic Energy Commission, and other experts, confirmed this—and time and events have borne out the accuracy of that conclusion.

Today the Russians have ringed Moscow with sixty-seven antiballistic missile sites—and we have none.

Will the Russian ABM system work?

I don't know—and maybe they don't know either. But at least the Russians must believe so.

I know that the leaders of the Kremlin are cunning and crafty—but they are not stupid. I don't think that they would be investing their money in a weapon that they didn't believe would work.

And if they believe that theirs will work—how can they possibly conclude that the nation that was able to circumnavigate the moon on two occasions—and will place two men on the moon next month—is incapable of producing on its own part an antiballistic missile that will work?

Thus you have here the one important point that is being seriously overlooked; namely, that an ABM which is purely a defensive missile and not an offensive weapon will insure the credibility of our deterrent power which is our best guarantee against the mad act of a surprise attack and a nuclear holocaust.

Why do I say this?

Merely to corroborate what President Nixon said to the graduates of the Air Force Academy only a short time ago when he remarked:

"You are entering the military service of your country when the Nation's potential adversaries abroad were never stronger."

And I might add that the gap is fast closing—and that the prophecy of President Kennedy is fast becoming a reality.

A reappraisal of the balance of power in the world is in order. But in saying this, I must make one point very clear.

This is not the responsibility of America alone. Those whom we lifted from despair and defeat must make a greater effort in our joint endeavor for security and peace than they have been inclined to do heretofore.

We went into South Korea practically alone—and we are there today after a score of years still heavily committed—and again practically alone.

We are now in Vietnam practically alone—an engagement which has cost us dearly in lives and money and dissension among our own people.

We are heavily involved in Europe in men and money—and yet we find that those whom we are defending are doing business

as usual with those against whom we are defending them.

This—too—has caused dissension among our people and could—unless remedied—lead to precipitous and damaging withdrawals from our Atlantic Alliance.

We have often said that America cannot and should not police the world alone. But as we look around this world we can well understand that we are doing exactly that. Thus the frustration and discord at a time in history when our people—and we and our allies—should be united.

There is no question that America must be strong—and I am sure that its people are willing to make whatever sacrifices are necessary for freedom.

We shall always be ready to carry out the admonition of President Kennedy on that cold Inaugural Day of January 1961 when he said:

"Let every nation know, whether it wish us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend or oppose any foe in order to assure the survival and success of liberty."

But this is a task that requires the cooperation of all nations and all people who believe in freedom. It goes without saying that we shall always be ready to travel more than our share of the road to disarmament and peace.

This has been our guide and our goal since the Baruch plan of 1946. But until the day of understanding comes—and I sincerely hope that it will come soon—experience teaches us that it would be disastrous to attempt to pursue the journey from a posture of weakness.

Peace with honor has its source in material as well as moral strength. Defense of freedom deserves all that is necessary to sustain it.

But—let me add—we should write no blank check—not even for national defense. Waste in military procurement is not to be condoned. It must be condemned as deplorable and unforgivable.

But—make no mistake—we pledge ourselves to a sufficiency for security.

Our fighting men deserve no less.

For—after all—our first line and our last line of defense is the same—it is you men in the uniform of our country that you serve so nobly and so well.

A civilian leadership imposes upon you tasks that call for sacrifice to the limits of life—and beyond. And you carry them out with a devotion beyond the call of duty.

Your uniform is indeed the robe of nobility—whether it be the camouflaged fatigue of the jungle—or the ribboned magnificence of the flagship deck.

We salute you proudly—you who wear the uniform proudly.

We bid you God-speed—safe journey on the course where duty calls—and a fair haven in the ports of peace.

#### THE OIL INDUSTRY

Mr. HART. Mr. President, it is obvious that this Congress will be called upon to decide whether any of several changes should be made in the treatment of the oil industry has received in recent years.

To make these decisions intelligently will be difficult because of the great complexity of the industry—and the maze of subsidies, with modifications, which have grown up.

In light of that, I recommend to my colleagues a Fortune magazine article, "Our Crazy, Costly Life With Oil Quotas," by Allan T. Demaree, which appeared in the June issue.

The Senate Antitrust and Monopoly Subcommittee has been one of the congressional groups interested in the oil

industry this year. So far we have held 13 days of hearings, totaling about 1,650 pages of transcript and untold pages of exhibits.

We have learned a great deal. However, I was happy to come upon Mr. Demaree's article. It is good background material.

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

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

#### OUR CRAZY, COSTLY LIFE WITH OIL QUOTAS (By Allan T. Demaree)

The quota system that chokes off the free flow of oil into the U.S. costs the nation billions and shelters gross inefficiencies in the domestic crude-oil producing industry. Imposed in the name of national security just a decade ago, it has become the object of mounting discontent. It has given government officials the power arbitrarily to parcel out enormous fortunes to individual companies. It has been administered with ever increasing ineptitude, bringing about the most heavy-handed bureaucratic meddling in the marketplace. And it has caused huge domestic industries, regions of the country, and even nations to pit themselves against one another in an unseemly battle for political favor in Washington. All in all, the quota on oil imports has proved to be one of the most ill-conceived and ill-executed federal regulatory schemes since the abortive flight of the NRA's Blue Eagle.

Once above earnest scrutiny in Congress, the oil quota is now being subjected to searing criticism there. Democratic Senators William Proxmire of Wisconsin, Ted Kennedy of Massachusetts, Edmund Muskie of Maine, all from consumer states, have repeatedly lambasted it in recent months. "The system reeks and is ripe for change," Senator John Pastore, a Rhode Island Democrat, proclaimed on the Senate floor. "The industry should know that this is a time of consumer revolt." A small army of economists paraded before Senator Philip A. Hart's antitrust and monopoly subcommittee a few weeks ago, denouncing current policies as expensive, wasteful, and administered on dubious principles. And on the other side of the Capitol, Chairman Wilbur Mills and his powerful Ways and Means Committee have given the oil industry added jitters by questioning the 27½ percent depletion allowance, a provision that, like the quota, has been supported on grounds of national security.

Not even the oil industry is satisfied with the way the quota system is run. Charging that the government has favored a few companies at the expense of most, the American Petroleum Institute urged President Nixon to undertake the first serious review of the quota system in seven years, a task Nixon has delegated to a Cabinet committee headed by Secretary of Labor George P. Schultz, former dean of the University of Chicago Business School. What the committee recommends after studying the turbulent history of oil quotas will undoubtedly prompt some changes. The decision to impose quotas was founded on an astonishing dearth of clear-headed analysis, and the system has since drifted through a series of compromises that have satisfied no one. This experience should make government officials chary of extending similar protection to the swelling number of industries that have beaten paths to Capitol Hill and the White House in recent years. These quota seekers range from the giant steel companies to the American Beekeeping Federation, which argues that without a protected market for honey, the U.S. will surely lose bees essential for pollinating crops, from alfalfa to garlic.

## A \$4-BILLION PRICE TAG

By erecting quota barriers, the government limits the amount of foreign oil that is brought into the U.S., currently to about 21 percent of domestic consumption. This has saved most of the U.S. market for domestic crude-oil producers, and has helped to maintain the wellhead price of U.S. crude at about \$3 a barrel, more than twice the price of crude in the Middle East. Even after adding on shipping charges and import duties, Middle Eastern and Venezuelan crude has been landed on the east coast in recent years for \$1.25 to \$1.40 less per barrel than crude produced in Texas and Louisiana.

The cost to consumers of this restrictive import policy is impossible to determine exactly; but reasonable estimates put the price tag at about \$4 billion a year—more than the combined budgets of the six New England states. The restrictions on foreign crude result in higher gasoline and heating-oil prices. They also increase costs to industries that use oil for fuel and raw materials. This fact has hardly escaped the notice of petrochemical producers, who constitute one of the largest manufacturing industries in the nation. They complain vociferously that they cannot continue selling in world markets while using raw materials that cost more than those available to their foreign competitors.

Moreover, the gap between domestic and world crude prices has been getting wider, increasing the cost of import restrictions. Only seven years ago the difference in price between domestic and foreign oil on the east coast was about \$1 a barrel. But domestic crude-oil producers, walled off from competition by the quota barriers, have been jacking up their prices recently (15 cents a barrel since January). This has occurred even as the world price of oil has been declining because of robust competition and the development of huge tankers that have cut transportation costs in half during the past ten years. The decline in the delivered price of foreign oil was interrupted in 1967 by the Arab-Israeli war, but resumed last year.

Import quotas shore up the system of state regulation that has been keeping domestic crude prices high for years (see "U.S. Oil: A Giant Caught in Its Own Web," *FORTUNE*, April, 1965). The big producing states, Texas and Louisiana, which account for more than half the nation's output, hold production down to the amount the market will absorb at high prices. Simultaneously, this state system, called market-demand prorationing, favors inefficient producers over efficient ones. The states allow hundreds of thousands of so-called "stripper wells" to produce freely, pumping out an average of 3.6 barrels a day, while they cut back the flow from efficient wells that could produce far more at lower costs. Henry Steele, an economist at the University of Houston, estimates that if market-demand prorationing had been abolished in 1965, production costs would have fallen 46 percent in Texas and 38 percent in Louisiana. The free flow of cheap foreign crude into the U.S. would, of course, undermine these state-run cartels. It would force inefficient producers out of the industry by lowering the price of crude.

## I GOT BY WITHOUT A SCANDAL

The oil industry's stake in the quota system is prodigious. By fiat, the government divides, mainly among U.S. refiners, the foreign oil that is allowed to enter the country. The Interior Department's Oil Import Administration dispenses import allocations, or "tickets" as they are known in the industry; a ticket to import one forty-two-gallon barrel of crude oil into the east coast has a value of about \$1.25, the approximate difference between domestic and world prices. The value of the tickets being handed out right now comes to nearly \$1 million a day. Some companies have received as much as \$35 million in tickets in a single year. The tickets awarded Standard Oil Co. (New Jer-

sey) since the beginning of controls are conservatively valued at \$305 million; Gulf Oil, \$290 million; Standard Oil of California, \$265 million.

Needless to say, decisions on how the tickets are to be split up—who will be allowed a share, who won't, and in what proportion—bear heavily on the profits of individual companies. During the Kennedy-Johnson years, Stewart Udall, the then Secretary of the Interior, had much to do with the way these valuable licenses were passed around, and his decisions were subject to impassioned polemics. "A small decision meant a lot of money," he recalled recently. "It was a minor miracle that I got by without any major scandal."

While the benefits of tickets given to industrial giants like Jersey, Gulf, and Soconal seem breathtakingly large, little refiners gain relatively more than big ones. The government has built a small-business subsidy into its allocation system. While Jersey was granted one barrel of foreign oil for every twenty barrels of domestic oil it processed last year, scores of small refiners in the country were given a barrel of foreign crude for every five of domestic. This subsidy has undoubtedly kept many a marginal refiner in business.

All refiners receive tickets whether or not they process foreign crude. Many inland refiners can't use imported crude because the transportation costs are prohibitive. So they trade their tickets to the great coastal refiners in return for domestic crude and, in effect, pocket the \$1.25 differential. A robust trade in tickets has grown up. For many of the smaller inland refiners, ticket swapping may well be the most lucrative transaction of the year.

The oil industry and its regulators argue heatedly that this system is essential to the national security. Indeed, a forceful case can be made for the proposition that the U.S. must maintain a strong crude-oil producing industry lest it become overly dependent on foreign sources for the great bulk of its supply. Much of the world's crude is produced in unfriendly or unstable countries, such as the Middle Eastern states that embargoed supplies to the West for twelve weeks in 1967. If the U.S. were to become overly dependent on foreign sources, there would be no guarantee that sheiks, shahs, and South American politicians wouldn't try to wield their power over this vital strategic commodity to influence our foreign policy.

Domestic crude-oil producers seized upon this argument not in a moment of international crisis, but when they were hurting economically. By 1948 the development of low-cost sources in the Middle East and Venezuela had transformed the U.S. from a net exporter to a net importer of oil. Ten years later foreign crude had captured 18 percent of the U.S. market. Domestic producers were both injured and insulted when a few refiners landed Middle Eastern oil in Texas ports, and others had the temerity to ship Venezuelan crude past Louisiana's oil wells and up the Mississippi.

The surge of imports shoved U.S. crude out of its accustomed markets. The Texas Railroad Commission, which controls production in that state, shut regulated wells down to eight producing days a month in 1958. "The torrent of foreign oil," declared Commission Chairman Ernest O. Thompson, "robs Texas of her oil market," costing the state nearly \$1 million a day. To the argument that the U.S. mustn't become dependent on foreign oil, domestic producers added a corollary: if producers are to have sufficient incentive to explore for future supplies in the U.S., they must be guaranteed a fair share of the American market at prices they consider adequate.

So persuasive were these arguments that President Eisenhower twice tried to curtail imports on a voluntary basis. When that failed, he acted on producers' pleas for mandatory quotas in 1959. As his aide Sherman Adams recalls in his memoirs, Eisenhower's

action "was primarily an economic decision brought on by an economic emergency." It was executed by presidential proclamation on the basis of national security, the only grounds then available under international trade agreements for the unilateral imposition of quotas. To this day oil remains the only commodity in which the U.S. restricts imports for reasons of national security.

## HOW MUCH IS TOO MUCH?

While something can be said for the national security argument, many questions about it have gone unanswered. What is "overdependence on foreign oil"—the current level of 21 percent, or 11 percent, or 31 percent? A quarter of all imported crude comes via underground pipeline from Canada. While tickets are not needed to import Canadian oil, the amount imported is limited by bilateral agreement and deducted from the total allowed under the quota. Is this crude less secure than that shipped to east-coast refineries from the Gulf of Mexico by tankers, which are vulnerable to submarine attack? Are we willing to build an antiballistic-missile system with the cooperation of our neighbor to the north, but unwilling to depend on it for oil?

Two-fifths of our crude imports come from Venezuela, which is as close to Philadelphia Harbor by tanker as Texas City, Texas. This leaves less than a fifth of our crude imports—and less than 3 percent of the total U.S. crude requirement—coming from the volatile Middle East. Would a cautious increase in this amount involve grave danger to the national security?

The very nature of modern war mocks a policy of oil isolationism. Nuclear attack would almost certainly destroy more American refining capacity than production, leaving the U.S. with more crude than it could process. In limited wars like Korea and Vietnam, on the other hand, the U.S. has relied to an increasing extent on foreign oil because the supply lines are shorter and the price is lower. More than three-quarters of the oil used in Vietnam last year came from foreign sources, much of it from the Middle East.

Other questions have barely been broached in government circles. Is subsidizing the domestic crude-oil industry—with all its state-supported inefficiencies—the cheapest way to meet our national security goals? If the U.S. were willing to pay the price—if, for example, crude went to \$5 a barrel—many other domestic fuels would come on the market. A price high enough would prompt companies to synthesize liquid fuels from coal and produce oil from the vast shale deposits of Colorado, Utah, and Wyoming, where estimated reserves total two trillion barrels—enough for four hundred years at current rates of consumption.

In fact, many alternatives exist that may be cheaper than today's subsidies. The U.S. could diversify foreign sources to limit risk. Or stockpile oil in storage tanks or underground. Or pay companies to explore for oil on federal lands and hold these reserves for an emergency. While none of these alternatives wins huzzahs from the oil industry, all deserve more serious examination than they have received in the past. Otherwise, the U.S. will continue buying insurance at high premiums.

The need for probing the alternatives is dramatized by two comparisons. First, quotas are defended on the grounds that they encourage oil companies to explore in the U.S. Yet total industry expenditures for oil exploration and development in this country amounts to less than \$3.3 billion a year. This is well below the \$4-billion cost of the quotas and the inefficiencies they protect. Moreover, the quota system is not the only subsidy to the industry rationalized on the basis that it encourages exploration. The depletion allowance and the right to expense intangible drilling costs are estimated to reduce the domestic industry's tax bill by more than \$1 billion a year.



As one might expect, oil executives argue that an end to quotas would severely blunt their incentive to search for oil in the U.S. where production costs are higher than elsewhere in the world. Says Richard C. McCurdy, the president of Shell Oil, "We'd stop exploring. We'd slowly liquidate our U.S. production." Both Jersey Standard and Atlantic Richfield say they probably would not have looked for the titanic reserves on the North Slope of Alaska if they had anticipated selling that oil at \$2 a barrel rather than \$3.

Yet no one can say for sure whether incentive would really be dulled if import controls were relaxed and market-demand prorationing died a timely death. In fact, it can be argued that incentive might ultimately be strengthened because efficient producers could pump more oil at lesser unit costs. This would make low-cost, high-production reservoirs, such as those in the Gulf of Mexico and Alaska, more profitable to search out and develop. Large amounts of U.S. production probably could compete profitably with foreign oil today if only the incubus of regulation were lifted. Exactly how much is not known. Oil companies jealously guard information on their production costs, yet this information is essential if policy makers are to judge how much protection American oil needs. Amazingly, the government has never pressed the industry for this critical data.

The high costs of current policies are also pointed up by comparing them with the expense of storing oil for emergencies. A recent study by M. A. Adelman, an economist at M.I.T., shows that Europe could purchase and store 2.2 billion barrels of oil, a six-month supply, for a total annual expenditure of \$770 million. Even if the costs in the U.S. turned out to be four times higher than Adelman's estimates for Europe, they would be far less than the price of current protectionist policies.

During the Suez crisis of 1967—the only time that foreign supplies have been disrupted since the imposition of quotas—U.S. domestic production was increased by more than 100 million barrels. The increase was not to meet U.S. emergency needs, but to supply Europe. This oil cost the U.S. over \$300 a barrel when the expense of maintaining quotas for the past decade is figured in. If the U.S. is maintaining expensive, spare producing capacity to supply Europe, a fair question to ask is whether the Europeans, who buy cheap oil from the Mideast day in and day out, shouldn't pay for a bit of their own security.

#### A NIMBUS OF AUTHORITY

The original government report recommending import restrictions ignored many important questions. It was thrown together in eight weeks by a White House-appointed task force made up of an oilman, a coal executive, an investment banker, and a judge. Although the report revealed nothing more sensitive than its own lack of erudition, it was kept under security wraps for six years, acquiring a numbus of authority with age like a Chinese grandfather. Three years later a Cabinet committee rejected out of hand alternative proposals for assuring a safe supply. For the government to contract out the search for reserves was dismissed in a sentence as both "contrary to the principles of free enterprise" and "costly," although no effort was made to assess the expense. The costs of the present system were not seriously considered until 1962, when a committee appointed by President Kennedy put the price at about \$3.5 billion a year, and urged that controls be liberalized to permit "a modest increase" in imports. Kennedy ignored the recommendation, however, and instead tacked the quota lid down still tighter.

During the Kennedy years, federal oil policy was directed from the White House. When Lyndon Johnson took office, he sensed that oil decisions could prove embarrassing

to a President from Texas. So he made a point of delegating authority to Interior Secretary Udall, although Udall allows that "in one or two instances people in the White House tried to get a heavy oar into oil matters." Nixon has snatched oil policy back to the presidential bosom. Last February, Michael L. Haider, chairman of Jersey Standard and of the American Petroleum Institute, met with presidential counselor Arthur Burns to urge the review of import controls that has since been undertaken.

The choice of a chairman for this sensitive, Cabinet-level study proved an *Alphonse et Gaston* affair. Robert Ellsworth, a key White House aide before being named Ambassador to NATO, advised Nixon to pick Burns; but Burns attached a covering note to Ellsworth's memo pleading that he was too busy. Nixon's choice of Shultz, a widely respected economist, came as a surprise. The President explained it by saying that the Labor Department had "no direct involvement in the issues to be weighed," so Shultz could remain detached. Until the study is completed this fall no major moves in oil policy are expected.

#### SQUABBLING OVER THE SPOILS

Founded on a questionable rationale and ensnared in confusion about its goals, the oil quota system has proved unusually susceptible to the buffeting of pressure groups. Because the stakes are so high, great corporations, politically powerful regional interests, and major oil-exporting countries squabble fiercely over the benefits oil quotas bestow.

Venezuela, which earns 92 percent of its foreign exchange from oil exports, stands vigil lest the slightest change in U.S. policy decrease its markets. So concerned was former President Romulo Betancourt, in fact, that when John Kennedy installed a "hot line" to South American capitals in 1962, Betancourt was the first to call Washington, audibly agitated over rumors that Kennedy was going to reduce quotas. And when Secretary Udall allowed Phillips Petroleum to switch its purchase of about \$40 million worth of oil from Venezuelan to other sources, Venezuelan officials marched on Washington in a fury. As a result, the White House and State Department pressured Udall into reversing his decision, after a dispute that left President Johnson and his Interior Secretary at swords' points in the waning days of their Administration.

Oil policy was also a sensitive issue when Canada's Prime Minister Pierre Elliott Trudeau paid his first visit to President Nixon last March. Canadian oil is officially exempt from import restrictions on grounds that it is exported overland into the northern tier states of the Midwest, and is therefore considered a safe source of supply. Still, the U.S. engages in the questionable practice of negotiating secret agreements with Ottawa to limit the amount of oil Canada may export to this country—not for security reasons but to make sure that Canadian production doesn't disrupt the cozy U.S. market. In the latest agreement, which was flushed out of secrecy in a recent lawsuit, a promise was wrung from Canada to "exert every effort" not to displace U.S. production, not to supply refiners who were "unduly expanding their market area," and not to send oil to Chicago before 1970. In other words, not to compete too hard. Much to the exasperation of U.S. producers, however, the Canadians have repeatedly exceeded the limits set by the agreements, and Trudeau is now seeking a still bigger share of the high-price market.

Perhaps the most ridiculous bargain ever struck in the name of national security is an agreement the U.S. negotiated in 1961 giving Mexico an "overland exemption" similar to Canada's. Since there is no pipeline between Mexico and the U.S., the state-owned oil company, Petroleos Mexicanos, ships 30,000 barrels of oil a day by tanker into Brownsville, Texas. From there the oil is pumped into tank trucks, driven over the

Gateway Bridge into Mexico, and then U-turned back into the U.S.—all to qualify as a quota-exempt "overland" import. Branded "el loophole" by indignant Texas oilmen, this little charade has cost the companies importing the oil nearly \$15 million in extra loading and transportation charges.

#### A SERIES OF "SPECIAL DEALS"

Whenever the government creates valuable assets, like import tickets, and awards them arbitrarily to a limited number of people with special interests, like refiners, contention is inevitable. Companies originally excluded from the club of ticket holders, including Du Pont, Union Carbide, Kodak, and other giants of the petrochemical industry, have successfully battled their way in over the shrill cries of refiners, who were forced to give up some of their own tickets to make room. At the same time, oil executives have finagled with the ingenuity of wily tax lawyers to win larger cuts of the pie. In 1965, Phillips Petroleum won the right to establish a \$45-million petrochemical plant in Puerto Rico, process exclusively foreign oil, and then ship 24,800 barrels a day of gasoline "byproduct" to the east coast, where it competes with fuels made from high-priced domestic crude. The right to ship this gasoline has been estimated to be worth about \$11 million a year. Competitors were outraged because the amount of the shipments was deducted from the total amount of foreign oil they shared.

To many oil executives, this marked the beginning of a series of "special deals" in which Udall recommended, and President Johnson approved, the exclusive grant of profit-making opportunities to a few select companies at the expense of others. Udall justified the Phillips deal not on national security grounds, but on the theory that a special import allocation was needed to induce job-creating investment in Puerto Rico, where unemployment was running at 11 percent. In return for the allocation and liberal tax concessions from the Puerto Rican Government, Phillips promised to reinvest \$55 million in satellite plants, which would use the petrochemicals Phillips produced as feedstocks.

The grant to Phillips encouraged others to apply for similar arrangements. Typically, these deals have combined three factors: a company eager to import cheap oil, a geographical region that would benefit from the company's investment, and a crevice in the quota barrier. After Phillips, Udall awarded Sun Oil, Union Carbide, and Commonwealth Oil Refining valuable rights to process exclusively foreign oil in Puerto Rico and ship products to the mainland. By that time the Virgin Islands were crying for "parity with Puerto Rico." Hess Oil & Chemical won tickets to ship to the U.S. mainland gasoline and heating oil produced from foreign crude at its refinery on St. Croix. (Udall had difficulty justifying the special deal for Hess since employment in the Virgin Islands was so high that workers were being imported from the British West Indies.) The Sun, Commonwealth, and Hess shipments, which will total 54,500 barrels of oil products a day by 1972, are deducted from the amount of oil other companies may import. The effect is to slash the benefits of many for the sake of a few. (Carbide ships only petrochemical products to the mainland; these are exempt from quota restrictions and aren't deducted from other companies' allocations.)

#### THE BATTLE OF MACHIASPORT

Similar applications began pouring in from every company and region that could conjure up a rationale—Guam, Hawaii, Savannah, Georgia, and Machiasport, Maine. The application by Armand Hammer, the septuagenarian chairman of Occidental Petroleum, to process 300,000 barrels a day of Libyan and Venezuelan crude at Machiasport became a *cause célèbre* in the oil industry. It was overwhelmingly opposed by the major oil compa-

nies, which feared a further nibbling away of their tickets, and unanimously supported by New England politicians, who saw the promise of lower oil prices for their constituents. Battled to a stalemate in the closing days of the Johnson Administration, Occidental's plan now hangs in limbo.

The special deals underscore the government's awesome power to distribute exclusive franchises, without detailed justification. While quota applications for others were approved, Udall brushed aside a request by Texaco to build a refinery in Puerto Rico, where it is the leading gasoline marketer. He offered no official explanation, allowing the company's application to perish without taking action on it. When Udall approved the Hess application in the Virgin Islands, he simultaneously turned down a request from Coastal States Gas Producing, saying only that his "firm and final" decision was to permit no other refineries on the islands in order "to protect and conserve the incomparable reefs and beaches."

Although it deals with fabulous sums of money, the Interior Department has adopted few of the procedural safeguards common to other regulatory agencies. It issues no formal opinions to explain its decisions. It has held fifteen hearings on various aspects of the program, but has never followed one of these with a report of findings. Unlike the award of oil leases or contracts, the special deals have never been opened up to competitive bidding by Interior, which has preferred to negotiate the terms privately. (It once proposed a plan to auction off quotas, which would have let the Treasury, rather than refiners, collect the price differential between foreign and domestic crude; the scheme was quietly scuttled when it met nearly universal opposition from the industry.)

Companies dissatisfied with their lot under the quota system may plead their cases to an Oil Import Appeals Board, on which sit three officials, one each from the departments of Interior, Commerce, and Defense. Under its rules, the board dispenses or adjusts allocations to companies that are "in special circumstances" or are suffering "exceptional hardship." These ill-defined criteria have led to some questionable awards.

Udall's own decisions have been highly unpredictable. In the case of Phillips, Hess, and others, Udall made decisions beneficial to the companies, then changed the oil-import regulations to validate his actions. These ex post facto turns in policy have made it difficult for oil companies to plan. An application by Mobil to import oil into Puerto Rico was rejected a few years before the Phillips application was approved, without the slightest indication then that any change in policy would later be considered. As Jersey Standard Chairman Halder puts it with soft-spoken confidence: "We're flexible. We can play the game any way you want—if somebody will just tell us what the rules are."

#### A PECULIAR WAY TO REGULATE

When vast sums are involved, such irregular procedures undermine the sense of fair play that is an essential attribute of any regulatory agency. Tongues clucked in the oil industry, and suspicion pervaded the capital, when well-connected Washington lawyers and influential politicians were associated with one request for special privilege after another. Oscar Chapman, a prominent Democrat, Secretary of Interior under Truman, and now a Washington lawyer, was instrumental in putting together the Puerto Rican deal. First he drummed up oil-company interest in the project, then he approached Interior Department officials confidentially in 1962 and finally he represented Phillips as counsel when the company requested an import allocation two years later. Puerto Rico was represented by Arnold, Fortas & Porter, the firm co-founded by President Johnson's close confidant, Abe Fortas, who had been intimately connected with the island's affairs since World War II.

David T. Willentz, a director of Hess Oil and Chairman Leon Hess's father-in-law, was a powerful figure in New Jersey Democratic politics. The Hess quota application was stoutly supported by such congressional oligarchs as Representative Michael Kirwan, an Ohio Democrat, who for years headed the House Interior appropriations subcommittee, with power over the Interior Department's purse, and Representative Wayne Aspinall, a Colorado Democrat, who chairs the House Interior Committee, which holds sway over the department's legislation.

Not even Udall's harshest critics in the oil industry accuse him of personal dishonesty, and most believe that he was earnestly trying to bend oil-import controls to serve his vision of the national good. The companies did "pay" for their special privileges in varying degree. Hess agreed to pay \$2,700,000 a year (50 cents for each barrel of oil products it shipped to the States) to a conservation fund on the Virgin Islands. Sun agreed to pay about \$1 million (or 10 cents a barrel) into a similar fund in Puerto Rico. And Occidental held out a promise to contribute more than \$7 million a year to such a fund for New England. But to grant special privileges in return for charitable contributions seems a peculiar way to regulate.

With one mystifying amendment after another, the import regulations became so complex that Senator Proxmire charged it would take a "Ph.D. in chemistry and a Philadelphia lawyer to begin to comprehend them." When petrochemical producers were admitted into the ranks of ticket holders, the Oil Import Administration unwittingly worded the necessary amendments so that some refiners that also produced petrochemicals were allowed to "double dip" into the import pool. In an oilman's game of now-you-see-it, now-you-don't, these refiners claimed one set of tickets based on their refining operations, then picked up another batch based on their petrochemical operations—even though the same oil was used for both.

No sooner had this situation been corrected than Udall found himself bogged down in a \$1,500,000 misunderstanding about what was and what wasn't a petrochemical. Standard Oil Co. (Indiana) was producing large quantities of aromatic chemicals for use in its unleaded gasoline, and these technically qualified as petrochemicals under Interior regulations. It came as a surprise to Udall, however, when the company claimed and received tickets worth more than \$1,500,000, cutting heavily into the foreign oil he had intended to provide chemical companies as low-cost feedstock. Pronouncing himself "appalled" at this turn of events, and declaring himself "not very happy" with his staff (who had sent him a memo on the situation that had mysteriously been lost), Udall revoked the company's tickets without notice or hearing. Standard of Indiana was "shocked at the arbitrary action" and filed suit, the Justice Department refused to defend Udall, and the embarrassed Secretary was forced to return the tickets—and put his staff to work rewriting the regulations once again.

#### THEY WINCE AT COMPETITIVE BLOODLETING

One outgrowth of the Standard of Indiana debacle was that Interior for the first time began auditing refiners' claims for tickets. One of the first audits concluded that Standard of Indiana claimed to have converted more oil to petrochemicals than it actually had, thereby earning extra tickets worth about \$600,000. But the company is fighting Interior's efforts to recoup, arguing that it had really claimed too little, not too much. Subsequently, Interior spot-checked thirty-seven requests for new quotas, discovered "many discrepancies," and threw out six of the applications. The fact that audits had never previously been conducted can be laid in part to congressional parsimony. The Oil Import Administration has only five

professional people. They were forced to make some of the spot checks over a holiday weekend.

As import controls became more and more confused, so did their objective. The Oil Import Appeals Board winces at the sight of free competitive bloodletting. It awarded tickets to two small refiners that had been shut down for years, hoping the handouts would help them pay off creditors and reopen their plants. Another company bought an abandoned refinery from Mobil in Wyoming and encountered unexpectedly high costs rehabilitating it. "Moved by the plight of this small company," as it said, the board doled out tickets to that refiner, too.

Several of Udall's actions involving Commonwealth Oil of Puerto Rico provide a graphic illustration of market meddling. In 1966, Commonwealth discovered a loophole in the regulations that allowed it to ship products from its refinery in Puerto Rico to the West Coast. Commonwealth won Udall's tacit approval and subsequently negotiated a forty-six-month contract to supply a cut-rate marketer in San Francisco with up to 10,000 barrels of gasoline daily. Major refiners in California screamed foul, charging that Commonwealth's gasoline had a competitive advantage and that the shipments had the effect of cutting back their own import allocations. They enlisted the aid of former Senator Thomas Kuchel, then the Republican whip, and other politicians to bring an end to the shipments. Yielding to political pressure, Udall reversed his position, closed the West Coast loophole, and gave Commonwealth permission to ship to the east coast instead. The move cut the San Francisco marketer off from supplies.

Another of Udall's actions was tantamount to pressuring a company to buy from a particular supplier as a condition for obtaining a federal grant—an especially pernicious kind of government pressure. Commonwealth Oil was seeking the right to increase shipments from its refinery to east coast markets, claiming that it should have parity with the new Phillips plant, which Interior had allowed to ship 24,800 barrels daily. Then Union Carbide applied for permission to expand its petrochemical facilities on the island. With this Udall saw a chance to provide Commonwealth with a market—without allowing the company to increase its shipments to the mainland, which would surely have raised fresh complaints from competitors there. So, as a condition of approving Carbide's request, Udall bargained Carbide into agreeing to purchase half its feedstocks in Puerto Rico from Commonwealth. Commonwealth subsequently dropped its demand to ship more products to the east coast. "We twisted a lot of arms," Udall concedes.

Udall's rejection of Texaco's request to build a refinery in Puerto Rico, which has never been officially explained, also relates to Commonwealth Oil. As the biggest gasoline marketer on the island, Texaco bought a substantial amount of its supplies from Commonwealth's refinery. If Texaco were allowed to build its own refinery, Udall knew that Commonwealth would have to search for new customers, and would surely seek the right to ship more gasoline to the east coast—once again rolling the industry. Udall's desire to avoid such upsetting complications was a central reason for allowing the Texaco application to die.

#### A FAR LESS COSTLY WAY

The U.S. today finds itself saddled with an expensive, muddled, and unseemly system of import restrictions because it has ignored the dictates of rational economical policy making. The government has not determined how large a reserve of oil the U.S. would need in the event of a foreseeable emergency. Nor has it tried to adopt the least costly method of providing such a reserve. It has preferred to rely on senseless



protectionism—a policy it must now abandon.

No doubt exists that the U.S. can provide for its emergency needs at less cost than under the current system. Since the government has never taken the trouble to weigh the alternatives, the methods—or combination of methods—that make the most sense are not yet clear. The studies conducted by Adelman of M.I.T. surely indicate that the storage of oil for emergencies may prove a feasible course of action. But the most important consideration is that all courses be examined with an open mind.

The cost and the maladministration of the quota system have raised cries for its abolition. Much can be said for that direct solution. But it may be that some form of import restrictions, less onerous than those now in effect, has a place in a rational oil policy. If so, those restrictions must be adopted on the rational grounds that they enhance U.S. security at a tolerable cost—not because they prop up the domestic industry in its present inefficient form. The government must quit mixing defense considerations with protectionism, as it has done so dramatically, and shamefully, in its efforts to keep Canadian oil out. At the very least, the U.S. should permit the free movement of oil from Canada, a country with which we enjoy uniquely close relations. The government should also put pressure on the states to abandon those regulatory practices that stifle efficiency. The time has come to allow a fresh breath of competition to blow through the industry.

#### THE CONSTITUTION AND DISSENT

Mr. HART. Mr. President, a former colleague, whom I miss very much, Senator Wayne Morse, of Oregon, recently gave thoughtful advice both to those in our Nation who would stifle dissent and those who resort to violence in the name of dissent.

To the former, Senator Morse pointed out:

The Constitutional right to dissent guaranteed by the first amendment to the Constitution is one of the checks against the development of police-state tactics.

To the latter, he said:

Those who want to make their voices heard in the determination of public policy must have staying power. They must accept the challenge of the Bill of Rights to discuss, argue, and take full part in the political processes until they convince a majority they are right. They have no more right to short-circuit this process than does government have the right to short-circuit their full participation.

These are just two of many points raised by Senator Morse in his commencement address at Fairleigh Dickinson University on June 7.

I ask unanimous consent that his address, "The Constitution and Dissent," be printed at this point in the RECORD.

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

#### THE CONSTITUTION AND DISSENT

(Address by Wayne Morse, at Fairleigh Dickinson University, Teaneck, N.J., June 7, 1969)

This is an occasion for congratulations to each of the graduates in whose honor these Commencement Exercises are being held. It is also an appropriate time and place for reflection upon the part of each one of us, concerning our responsibilities of citizenship—statesmanship owed to our system of constitutional self-government. We assemble

here as free men and women only because we are the beneficiaries of those abstract principles of democratic government which we inherited from the framers of the Constitution, along with its subsequent amendments.

In speaking to you on the subject, "The Constitution and Dissent," I come not asking for agreement. I never do. To agree is not nearly so important as it is to reach judgments by the process of reasoning. I suppose it is only human to substitute glandular responses for cortical reactions to the controversial issues which are shaking public opinion today. But it does seem that this is more prevalent than it should be in a country as enlightened as ours. If we are to fulfill our responsibilities of citizenship—statesmanship in reaching judgments on the foreign and domestic issues which plague our country, we must apply the cool, cortical processes of reasoning to the merits of each issue in reference to the facts as we find them.

In essence, all of our individual liberties encompassing our civil, political, property, and social rights spring from the checks and balances of the Constitution, administered through three co-ordinate and co-equal branches of government, with each branch having constitutional checks upon the other two. Thus was the Constitution designed to give us a government by law rather than by mere men with all their human frailties.

Unfortunately in recent decades there has been a growing trend toward government by Executive supremacy, due in no small part to a laxity on the part of Congress in surrendering—or delegating—to presidents, legislative prerogatives and powers vested in the Congress by the Constitution. In too many instances, Presidents have usurped power and authority that rightfully under the Constitution should be exercised by the Congress. The result has been a weakening of our constitutional structure of three co-ordinate and co-equal branches of government;—namely, the Executive, Judicial, and Legislative.

If we are to stop the trend toward a government by Executive supremacy we must not permit our constitutional system of checks and balances to become a mere platitude of expedient politicians. We must remember that the exercise of capricious, arbitrary, discretionary power by mere men in political office is irreconcilable with the guarantees of the Constitution that we shall be governed by law and not by political caprice.

Concomitant with the development of government by Executive supremacy is its handmaiden of government by secrecy. In a democracy there is no substitute for the full public disclosure of the public's business. The rapid trend in our country toward government by Executive supremacy and secrecy is seriously weakening constitutional self-government by the American people as it was envisioned by the framers of the Constitution when they wrote into it the check and balance guarantees against the exercise of arbitrary discretion by mere men who happen to be holding public office.

Fortunately and hopefully there is another growing trend in our country as increasing numbers of citizens—young, old, and in between—are rising up in dissent against the abuses of government by secrecy and unchecked arbitrary discretion.

Dissent has reached forms and proportions in American life today that call upon all sides to look again at the rights and responsibilities of dissent. By "all sides" I mean to include those being dissented from, for their reaction and anger with the appearance and actions of the demonstrators is as much a part of the picture as are the methods and motives of the dissenters.

The place for all these parties to begin is with the Bill of Rights. That document starts out by prohibiting the abridgement of

freedom of religion—a freedom the Founding Fathers considered to be foremost. Next, the First Amendment prohibits any abridgement of freedom of speech, freedom of the press, and the right to assemble peacefully, and to petition Congress.

These are absolute and unqualified limitations upon the law-making power. Usually we regard them as protections for personal liberties of individuals. They certainly are that. But the reports of the historical debates suggest that this was not their primary purpose.

The primary purpose, rather, was to make certain that the full flow of information and debate would be brought to bear upon the development of public policy. The Founding Fathers were familiar with the evils that a state church created for the whole society. Beyond that, free speech, free press, free and peaceful assembly, with the right to petition, were considered essential to the avoidance of error in decision-making as much as to the maintenance of individual rights. To the framers of the Constitution, and the Bill of Rights that followed soon after, dissent was more a necessity of sound government than a privilege for the individual.

A good example of this is the removal of censorship in Czechoslovakia and the reaction of the Soviet Union. It was not the personal liberty available to the Czech people that so frightened the Communist leaders of Poland, East Germany, and the Soviet Union; it was the fear that the absence of censorship might endanger the Communist system.

The holding of decision-making in the hands of a few who are protected from criticism and debate is the only way that Communism can perpetuate itself. So let us not forget that bound up in the question of dissent in our own country is the whole spectrum of expression, argument, debate, and discussion that makes the difference between government by fiat of the few, on the one hand, with their susceptibility to error, and on the other hand, bringing the whole wisdom of the people to bear upon all public issues.

It has been my experience in public life, too, that the errors the United States has fallen into, have usually been mistakes embarked upon by the judgment of the few, rather than by the debate and discussion of the many. The Vietnam War and the Tonkin Gulf Resolution are good examples. Under the Tonkin Gulf Resolution, half a million Americans have been sent to Southeast Asia. The measure had only perfunctory debate. It had only a few hours of private hearings, at which the Secretary of Defense, the Secretary of State, and some Pentagon generals testified. On their say-so that the enactment of the Resolution would forestall further armed engagements, the Resolution was promptly passed.

Three years later, we found that the exact circumstances of the whole Naval encounter in the Tonkin Gulf were different from those which the Congress had been led to believe in 1964. But the Congress acted within the span of three or four days to endorse whatever unspecified military action the Executive Branch might want to take anywhere in that part of the world.

Only two of us in the entire Congress—Senator Gruening of Alaska and I—voted against the Tonkin Bay Resolution. I was satisfied then, and said so in my Senate speeches against the Resolution, that the United States was a provocateur in Tonkin Bay. If the spokesmen for the Administration had told the Congress five percent of the truth concerning the United States acts of provocation and constructive aggression in connection with the Tonkin Bay Incidents, the Resolution would never have passed the Congress. History will record that the Johnson Administration resorted in a shocking degree to government by secrecy in denying

to the American people and their Congress a full, public disclosure of the public's business in respect to the truth about the events that led up to the Administration's calling for a quick passage of the cover-up Tonkin Bay Resolution.

In fact, the massive escalation of the War on both sides which immediately followed the passage of the Tonkin Bay Resolution raised doubts and suspicions across America concerning the legality, morality, and justifiability of our military-containment policy in Southeast Asia. Dissent against the War spread across the nation and opened wide chasms of disunity in American public opinion. "Truth will out," and it percolated through public opinion creating widespread resentment over the increasing casualties on both sides of an unjustifiable war.

We should have recognized that the Tonkin Bay Resolution would only be productive of war. We had a form of national unity resolution in the case of Mexico; it, too, authorized the President to take certain military action that was supposed to frighten off Mexico. But it did not. It led straight to war. And the historians are still writing their condemnation of us for that war. People are inclined to forget, so some of us have had to refresh their memories, as we have discussed the Mexican War in connection with the Vietnamese War. There was opposition to the Mexican War by a dissenter of his day, a man named Abraham Lincoln, a Congressman from Illinois, who forthrightly and courageously spoke out about the illegality of the Mexican War, about the immorality of the Mexican War, about the lack of justification for involving the American people in the Mexican War.

That great speech of Abraham Lincoln in the House of Representatives stands as one of his many deserved monuments in the history of the Republic.

From Lincoln's letters explaining why he voted against the Resolution authorizing President Polk to take preventive military action against Mexico, I take this quote:

"Allow the President to invade a neighboring nation whenever he shall deem it necessary to repel invasion, and you allow him to do so, whenever he may choose to say he deems it necessary for such purpose—and you allow him to make war at pleasure. Study to see if you can fix any limit to his power in this respect, after you have given him so much as you propose.

"The provision of the Constitution giving this war-making power to Congress, was dictated, as I understand it by the following reasons. Kings had always been involving and impoverishing their people in wars, pretending generally, if not always, that the good of the people was the object. This our convention undertook to be the most oppressive of all kingly oppressions; and they resolved to so frame the Constitution that no one man should hold the power of bringing this oppression upon us."

Lincoln's statements against the Polk Mexican War Resolution are equally applicable to the Johnson Tonkin Bay Vietnam War Resolution.

In 1968, the President who embarked on the Tonkin Bay policy without benefit of either Congressional or public debate based upon full information, declined to seek reelection. The dissent that should have been heard at the time the Resolution was pending before the Congress eventually rendered campus and public meetings of all kinds into critical anti-war protests. Much of the ugly, unruly, and frequently illegal nature of the dissent against the war must be attributed to the short-circuiting of dissent in the first place.

By dissent, I should make clear, I mean the whole spectrum of debate, as it is through debate that disagreements and even clashes of conflicting viewpoints can bring about a sound policy able to gain majority support.

I saw this occur many times when I was in the Senate.

To the extent that dissent today is centered around the Vietnam War, around racial injustice, and in general opposition to repressive standards of society, the dissent is still largely from young people, but it is far from being limited to them.

The disruption of college campuses, the invasion of buildings, and the interference with the rights and movements of others have taken some of these young people, and others, far beyond legitimate dissent. Resort to violence has no place in a country where free speech is protected, both in theory and in practice. To the extent that groups or individuals resort to violence to impose their minority opinion upon the majority, they are subject to the full penalties of the law, and they should expect to be held accountable, if government by law is to prevail.

Without government by constitutional checks and balances the legal rights, freedoms, and personal liberties of both the dissenters and those dissented against go down the drain of Anarchy.

The attitude toward the War that inspires a few to commit acts of violence or physical trespass against the activities of others, also permeates the thinking of many dissenters who do not resort to violence. The political phenomenon of 1968 was the attraction by Senator Gene McCarthy of thousands of young people into political action on his behalf. They accomplished more than they yet know.

But how astonishing it is to hear many of them talk about "dropping out" of political activity because they did not prevail the first time out. Many of those who felt called upon to retire from the burdens of citizenship after the Chicago convention had not even cast their first ballot!

The ideals that most of these activists on our campuses espouse are those of political honesty, a fair shake for the underdog, and inspiring national leadership that stirs the best instincts of Americans. All these ideals call for fighters, for they cannot be won easily, nor achieved in weeks or months. Most will take many years.

This is not because of any organized conspiracy against young people. It is, rather, a reflection of the purpose of the Bill of Rights. It does not intend that a group of college students either, should impose their will upon others without need to explain and win acceptance of their ideas.

Those who want to make their voices heard in the determination of public policy must have staying power. They must accept the challenge of the Bill of Rights to discuss, argue, and take full part in the political processes until they convince a majority they are right. They have no more right to short-circuit this process than does government have the right to short-circuit their full participation.

Professor Henry Steele Commager, of Amherst, stated the case very well for the necessity of dissent within our constitutional system of government when he wrote in the Saturday Review issue of December 18, 1965:

"The point is that when a nation silences criticism and dissent, it deprives itself of the power to correct its errors. . . .

"It cannot be too often repeated that the justification and the purpose of freedom of speech is not to indulge those who want to speak their minds. It is to prevent error and discover truth. There may be other ways of detecting error and discovering truth than that of free discussion, but so far we have not found them."

It is this means of discovering truth that is supposed to distinguish us from all totalitarian forms of government, including Communist forms. To the charge that dissent misleads an enemy into thinking we may abandon a policy, Mr. Commager replies:

"If government, or those in positions of power and authority, can silence criticism by the argument that such criticism might be misunderstood somewhere, then there is an end to all criticism, and perhaps an end to our kind of political system. For men in authority will always think that criticism of their policies is dangerous. They will always equate their policies with patriotism, and find criticism subversive.

"And as for the argument that criticism may give aid and comfort to some enemy, that is a form of blackmail unworthy of those who profess it. If it is to be accepted, we have an end to genuine discussion of foreign policies, for it will inevitably be invoked to stop debate and criticism whenever that debate gets acrimonious or the criticism cuts too close to the bone. And to the fevered mind of the FBI, the CIA, and some Senators, criticism always gives aid and comfort to the enemy or cuts too close to the bone."

Justice Robert Jackson, speaking for the Supreme Court in the case of West Virginia vs. Barnett went to the heart of the meaning of dissent under our constitutional system when he wrote:

"Freedom to differ is not limited to things that do not matter much. That would be the mere shadow of freedom. The test of its substance is the right to differ as to things that touch the heart of the existing order."

There is a great need for increased dissent against the fast-developing government by executive supremacy and secrecy in our nation. The constitutional right to dissent guaranteed by the First Amendment to the Constitution is one of the checks against the development of police-state tactics.

Government by executive supremacy and secrecy throughout history have spelled out the denial or loss of individual freedom and liberties under law. It makes no difference, as far as protecting human rights is concerned, if government by executive supremacy and secrecy takes the form of some brand of Communism, Fascism, Absolute Monarchy, Military Junta Dictatorships, or the semantic trappings of an alleged Democracy with a subservient legislature and judiciary, and an unchecked presidency. Tragic examples of mockery governments that pretend to be democratic exist in too many places in the world. Unfortunately many of them are buttressed by American military and foreign aid, and sometimes by American troops.

Our Dr. Jekyll and Mr. Hyde foreign policy has not gone unnoticed by other nations in the world which exhibit a growing disenchantment with the incompatibility of our professions with our practices in respect to the inherent right of a people to determine for themselves the form of their government without intervention by the United States in support of dictatorships of varying degrees.

It is charged that too frequently, when the chips of freedom are down in countries where the people are struggling against the imposition of a government of executive supremacy, the United States walks out on freedom and supports military dictatorship. Such has been our policy too often in Latin America.

Not so many years ago we walked out on freedom in Cuba and supported a ruthless, fascist dictator—Batista. His misrule brought his overthrow by a Communist dictator—Castro. In times past we have walked out on freedom in Nicaragua, Ecuador, Guatemala, Peru, and more recently, in the Dominican Republic, Argentina, and Brazil. Is there any wonder that the President's emissary to Latin America is not having his pathway strewn with flowers of welcome? Could it be that flowers are a symbol of peace and not of military intervention and economic exploitation?

The world takes note that in Vietnam we support mockers of freedom who serve as Quisling military dictators hiding behind a facade of democratic labels. It is tragic that American men are being sacrificed to main-



tain them in power. It is tragic that we support the corruption of Thieu and Ky. It is tragic that American military commanders are permitted to sacrifice lives on Khesanh and Hamburger Hill in the name of military strategy and then shortly thereafter withdraw from the very same heights because they never were of strategic importance.

How much longer are the American people going to stand by and permit the White House, State Department, Pentagon Building, yes, and the Congress to continue authorizing the senseless slaughter of American boys in Vietnam through stepped-up escalation of the War.

How much longer are the American people going to stand by and permit our government to maintain 50,000 soldiers in South Korea and, in addition, pour millions of dollars of economic and military aid into South Korea while its non-democratic President Park seeks to join with the Thieu-Ky police state in Vietnam and the Chiang Kai-shek totalitarian regime in Taiwan, in laying down terms which they insist we must agree to, before we may negotiate a settlement with North Vietnam which would permit us to withdraw our troops.

It is in the field of foreign policy that the morality of our nation is being questioned around the world and with much justification. We have become a militaristic nation. No other nation comes anywhere near approaching us in maintaining military forces abroad, no other nation compares with us in conducting military interventions beyond its perimeter of national defense and security.

We have not kept faith with the ideal that we have taught to our young for decades; namely, that we seek to substitute the rule of law for the jungle law of military might, as a means of settling threats to the peace of the world.

The initiation in 1953 of the Eisenhower-Nixon-Dulles military-containment policy in Asia scuttled that ideal. This policy has lead us rapidly into constructing an American military lifeline around the world to replace the shattered and destroyed British lifeline. The British Empire before its fall was a diplomatic and economic empire maintained by military power. It fell.

We are supplanting it with an American military empire and it too, in its time, is destined to fall because it is morally insupportable. War and the threat of war will be the inevitable products of the Eisenhower-Nixon-Dulles military-containment policy.

Dulles's threats of massive retaliation including nuclear threats—his pactmania resulting in 42 security pacts with 42 nations pledging the lives of American soldiers to defend foreign governments, many of questionable reliability and desirability—his obsession that the U.S. has the right and duty to militarily oppose any threatened spread of Communism—were all sanctioned by the Eisenhower-Nixon Administration. This unilateral U.S. military-containment policy has created a serious moral crisis in American foreign policy and has produced great disunity throughout our nation. It is rapidly becoming recognized that our national disunity will continue to worsen until our government stops slaughtering American boys in Asia and restrains our military-industrial complex from escalating a nuclear armament race that, if not stopped, will lead us eventually to a nuclear holocaust from which no nation will survive as a victor, if, indeed, any survives at all.

To show how militaristic we have become, I would point out that in implementing the 42 security treaties, which the Eisenhower-Nixon-Dulles Administration negotiated, we have arranged to have military installations all over the world, totalling 429 major bases and 2,972 minor ones. This is a total of 3,401 installations in 30 different countries. They are manned by one million military

men at a cost of 4 to 5 billion dollars a year. We are in the process of adding to the preparedness for instant defense of anyone, anywhere in the world, by creating a "fast deployment fleet" which will deploy permanent, floating war bases in several oceans, carrying the equipment for immediate landing of American Battalions. The present Administration's attempt to justify a scientifically unsound ABM system by playing upon the fears of our people is but a proposal to escalate the nuclear armament race.

This burgeoning American military might around the world raises basic moral issues that the American people cannot and must not ignore. War will never again be the road to peace. War will only lead to more war.

Modern war destroys a nation's morality. More and more disclosures by scientists are coming to light concerning the shocking consequences of some of our military policies in the conducting of the Vietnam War. Our scorched-earth bombing, the brutalities of our napalm bombing, our use of chemicals, not only to defoliate jungle areas but to destroy food crops as well, our indiscriminate bombing resulting in the killing of many thousands of civilians, are all adding to the moral crisis in our foreign policy. We are being bombarded with criticisms from around the world, questioning our moral standards, or lack of them.

We have spawned in this country, without knowing it, a vast and extensive complex of civilian bureaucrats, military officers, scientific engineering and business concerns for whom war preparation in general and the Vietnam War in particular are a normal way of life. It maintains them in power and blood-money profits.

They now manage and spend \$80 billion a year of public money on our military-industrial complex.

Listen to General Shoup, the former Commandant of the U.S. Marines discuss these problems:

"Now, however, we have numerous contingency plans involving large joint Airforce-Army-Navy-Marine task forces to defend U.S. interests and to safeguard our Allies wherever and whenever we suspect Communist aggression. We maintain more than 1,517,000 Americans in uniform overseas in 119 countries. We have eight treaties to help defend 48 nations if they ask us to—or if we choose to intervene in their affairs. We have an immense and expensive military establishment, fueled by a gigantic defense industry, and millions of proud, patriotic and frequently bellicose and militaristic citizens. How did this militarist culture evolve? How did this militarism steer us into the tragic military and political morass of Vietnam?"

General Shoup continued in his recent Atlantic Monthly article to state:

"The punitive air strikes immediately following the Tonkin Gulf incident in late 1964 revealed the readiness of Naval Air-Forces to bomb North Vietnam. (It now appears that the Navy actually had attack plans ready even before the alleged incident took place.) So by early 1965, the Navy carrier people and the Airforce initiated a contest of comparative strikes, sorties, tonnage dropped, 'Killed by air' claims and target grabbing which continued up to the 1968 bombing pause.

"Much of the reporting on air action has consisted of misleading data or propaganda to serve Airforce and Navy purposes. In fact, it became increasingly apparent that the U.S. bombing effort in both North and South Vietnam has been one of the most wasteful and expensive hoaxes ever to be put over on the American people."

General Shoup continues:

"For years up to 1964, the chiefs of the armed services, of whom the author was then one, deemed it unnecessary and unwise for U.S. forces to become involved in any ground war in Southeast Asia.

"In 1964, there were changes in the composition of the joint chiefs of staff, and in a matter of few months the Johnson Administration, encouraged by the aggressive military, hastened into what has become the quagmire of Vietnam."

General Shoup then makes this comment: "Actually, however, the military commanders have directed the war in Vietnam; they have managed the details of its conduct. It has been popular to blame the civilian administration for the conduct and failures of the war rather than to question the motives of the military. But some of the generals and admirals are by no means without responsibility for the Vietnam miscalculations.

"Militarism in America is in full bloom and promises a future of vigorous self-pollination—unless the blight of Vietnam reveals that militarism is more a poisonous weed than a glorious blossom."

If we are to meet the moral challenges of a foreign policy dedicated to making peace rather than continuing war making and risking starting new wars we must return to constitutionalism in foreign policy and restrict the use of military power. This course of action is in the interest of both our people and our government. It should be sought at once. Growing dissent is demanding it. Moral values cry out for it.

Now is the time to bring the American military under the control and checks of our constitutional system based upon government by law rather than by the exercise of arbitrary power by presidents, secretaries of state and defense, joint chiefs of staff, CIA, Formosa and Tonkin Bay Resolutions.

Now is the time for the American people to demand a foreign policy that commits us to a military withdrawal from Asia and elsewhere in the world where we are maintaining a unilateral military posture of dominance.

Now is the time for us to return to the foreign policy role of offering to abide by the binding jurisdiction of adjudication through multilateral negotiations of threats to the peace of the world conducted under the aegis of international tribunals and treaties—such as the United Nations.

Yes, now is the time for us to practice our professed ideals of substitution of the rules of law of the United Nations Treaty for the jungle law of military might as we have come to practice it in Vietnam, and threaten to practice it elsewhere in Asia.

Unless the killing of American men in Southeast Asia is stopped quickly, domestic disunity is certain to increase because a foreign policy that conscripts our youth into military fodder to be consumed in an immoral and unjustifiable war will be repudiated by our people. It is being repudiated by thousands of our citizens, and it should be.

I wish to say to each member of this graduating class that irrespective of whether you agree with specific manifestations of dissent, lawfully expressed, never forget that the Constitutional right to dissent is one of the basic guarantees of personal freedom which we inherited from the statesmanship of the framers of the Constitution. It is in times of crisis, such as now, involving our nation's foreign and domestic policies that the citizen-statesmanship obligations of each one of us demands that we help keep inviolate the constitutional right to dissent. Unless we all live up to that obligation we will enhance the danger that government by the arbitrary, capricious, unchecked discretion of mere men will be permitted by an apathetic or acquiescent public to supplant the guarantees of the Bill of Rights. Among those guarantees is the right to lawfully dissent, demonstrate, and petition in opposition to policies of our government which dissenters believe should be stopped or modified.

The history of dissent in our country is replete with examples of demands for changes in government policy by the public after

dissenters had persuaded the majority that their case on the merits was, in fact, in the public interest. The mounting dissent since the Tonkin Bay Resolution—in opposition to our military intervention in Vietnam—in opposition to our military containment policy in Asia—in opposition to our escalating the armament race—in opposition to our failure here at home to feed the hungry, house the poor, employ the jobless, doctor the sick, face up to racism, provide adequate educational opportunities for all the young in the ghettos and poverty areas without discrimination—dissent mounting to a crescendo has already produced many changes in our government's foreign and domestic policies. Many more changes must come about if unity is to be restored in America.

Sincere, honest, factual dissent, conducted within our constitutional framework of self-government, must continue to be used as an effective check against government officials and policies which seek to resort to repressive tactics against the exercise of dissent.

#### TO ARM THE ARVN: \$6.2 BILLION

Mr. SYMINGTON. Mr. President, an article in the Armed Forces Journal of June 21, "To Arm the ARVN: \$6.2 Billion," which consists primarily of a colloquy between Senator ROBERT BYRD and the Deputy Chief of Staff, Logistics, is indeed interesting.

A few years ago, when considering our growing economic problems, I used to say, "There does not appear to be any problem with respect to our foreign commitments that another billion dollars cannot help solve."

Perhaps that should be changed to "There does not appear to be any problem with respect to our foreign commitments that another \$6.2 billion cannot help solve."

I ask unanimous consent that the article in question be printed in the RECORD.

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

#### TO ARM THE ARVN: \$6.2 BILLION

The total estimated cost of the Defense Department's program to modernize the South Vietnamese Army is \$6.2-billion, the Army has disclosed.

MGen Henry A. Miley, Jr., Army's Deputy Chief of Staff Logistics, presented the program's total cost at a Senate Appropriations Committee hearing on Fiscal Year 1969 supplemental appropriations. The Army is requesting supplemental appropriations for FY '69 in the amount of \$246.4-million for the modernization program.

The Army's modernization schedule calls for \$323-million worth of equipment and ammunition to be delivered to the South Vietnamese Army in the balance of FY '69, and \$814-million worth to be delivered in FY '70.

The modernization program began in March 1967, with a decision to provide the South Vietnamese Armed Forces with M-16 rifles. The broader program was approved six months later.

Here are the details of the modernization program, as spelled out in an exchange between General Miley and Senator Robert C. Byrd (D-WVa) in the recently released Senate Appropriations Committee testimony:

#### "SOUTH VIETNAM ARMY MODERNIZATION

"Senator BYRD. How much of this request is directly related to the program to modernize the South Vietnamese Army?

"General MILEY. The answer is \$246.4-million.

"Senator BYRD. I assume that the present

program to modernize the South Vietnamese Army began with the decision to provide them with the M-16 rifle. Is this correct?

"General MILEY. It is correct that the decision to provide the Vietnamese Armed Forces with the M-16 rifle was the first step in modernizing those forces, but that decision was made in March 1967, based primarily on the characteristics of the rifle. The broader ARVN modernization and improvement program was approved about six months later.

"Senator BYRD. What is the total estimated cost of the program to modernize the South Vietnamese Army, how much has been provided to date, and what is the schedule by fiscal year to complete this program?

"General MILEY. The total cost of the program, considering all appropriations, to improve and modernize the Vietnamese Army is about \$6.2-billion. This includes equipment, consumables and ammunition. It is subject to adjustment as requirements continue to be refined and as the pace of combat is changed by future events.

"The PEMA portion of these costs is estimated at \$4.4-billion, \$3.7- of which is for ammunition.

"Our records indicate that as of the present, equipment valued at approximately \$400 million and ammunition worth \$370-million have been delivered.

"The current schedule calls for deliveries of equipment and ammunition by fiscal year as set forth below:

	Millions
Balance of fiscal year 1969-----	\$323
Fiscal year 1970-----	814
Fiscal year 1971-----	[Deleted]
Fiscal year 1972-74-----	[Deleted]

"Senator BYRD. Who has the responsibility to determine just what type of equipment is to be provided?

"General MILEY. The commander of the U.S. Military Assistance Command, Vietnam is responsible for developing and approving the authorization documents which specify the types of equipment required by the RVNAF. The Secretary of Defense, based upon recommendations of the JCS, approves the supply of items against the requirements in these documents.

"Senator BYRD. Provide for the record a detailed statement on this program, specifically discussing the types of equipment that are to be provided.

"General MILEY. The current plan for improvement and modernization of RVNAF has evolved in four stages, each culminating in a formal plan. The first plan was submitted in May 1968, shortly after initiation of the Paris talks." (Remainder classified.)

#### FORMER SENATOR PAUL H. DOUGLAS RECEIVES THE MURRAY-GREEN AWARD

Mr. WILLIAMS of New Jersey. Mr. President, at the 14th annual AFL-CIO community services conference, Paul H. Douglas, of Illinois, our friend and former colleague, was awarded that union's highest honor—the Murray-Green Award.

Paul H. Douglas' career as a soldier, teacher, U.S. Senator, statesman, and humanitarian is in the highest ideal of service to America. Paul Douglas is one of those rare men whose life embodies the whole spirit of a nation. A Maine farm boy, a professor and Ph. D., a novelist, a decorated marine, and a loved leader, Paul H. Douglas stands for the aspirations and the accomplishments of the men and women throughout our history who have made our Nation great. He holds countless degrees and has been

active in many causes, but if I were asked what exactly Paul Douglas does, I must answer that he represents the conscience of America.

Whether leading a fight for tax reform, conservation, or civil rights, Senator Douglas has unequivocally demonstrated his integrity with and concern for the American people. Paul H. Douglas, of Illinois, wrote the first slum clearance and urban renewal legislation which became law in 1949.

He raised the minimum wage to \$1 an hour, and wrote the Railway Retirement Act, thereby liberalizing benefits for railroad workers.

When other men spoke of equal opportunity in jobs, housing, education, and health care, Paul Douglas acted. He worked for the successful vote in the historic 89th Congress that led to the bold Housing and Urban Development Act of 1965, and also introduced for the administration the demonstration cities program. He led the fight for the 1957 Civil Rights Act, the first passed in 80 years, and sponsored the 1960 Civil Rights Act and later the 1964 act that integrated public accommodations. The aforementioned legislation is merely a small sampling of the results of a career marked by dignity and moved by the highest conviction.

Before coming to the Senate in 1949, Senator Douglas coauthored the Roosevelt administration's Social Security Act. Since that time, Paul Douglas has had the courage and perseverance to work for causes that take a long time to win. He worked for years on behalf of medicare, truth in lending, consumer protection, civil rights laws and Federal aid to education.

I feel that no better words can describe this unique man than those he spoke at the Amherst College commencement in 1966:

That what is most needed in the world is love—or energized good will—which, if given a chance and practiced with devotion can in most cases melt antagonisms within a democratic society and reconcile opposites.

That the Athenians did well to make the owl and olive tree their symbols to denote wisdom and peace. But freedom tempered with love is the only atmosphere in which true wisdom and peace can flourish. And to preserve and maintain all these virtues, a strong admixture of Spartan courage is needed. Thermopylae was necessary that Socrates might practice his dialectic.

With that special combination of love and courage, Paul H. Douglas, of Illinois, serves his world well.

Mr. President, I ask unanimous consent that an article from the Machinist and one from the AFL-CIO News describing the presentation of this award to Senator Douglas be reprinted in the RECORD at this time.

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

[From the Machinist, May 29, 1969]

#### MURRAY-GREEN AWARD GOES TO PAUL DOUGLAS

American trade unionists gave their highest award to former Sen. Paul Douglas of Illinois last week and the old fighter returned the compliment.

At the AFL-CIO's national conference on



community services in Washington, D.C., Douglas received the Murray-Green Award for a lifetime of striving for social and economic justice. Leo Perlis, AFL-CIO Community Services director, presided.

Making the presentation, Joseph A. Beirne, vice president of the AFL-CIO and president of the Communications Workers' Union, called Douglas "the catalyst whose foresight and courage turned so many of our ideals into reality."

Since long before he was summoned by President Roosevelt from the University of Chicago to draft the original Social Security Act, Beirne declared, Douglas has worked to improve the lives of all Americans.

In his 17 years in the Senate, Beirne continued, "COPE's official scoreboard shows Paul Douglas voted 76 times on the right side of the issue, zero times on the wrong side."

A long-time member of the Teachers' Union, Douglas gave the trade-union movement most of the credit for his achievements in public life.

"We could not have passed Medicare or put a floor under wages without your help. Most of the unions helped us in the long battle for civil rights. They were the backbone of our successful movement to pass Truth-in-Lending and aid for depressed areas. The political history of those two decades would have been far more arid without your help," he told the conference delegates.

Accepting the award in behalf of "the great mass of men and women who gave me their support," Douglas asked that the \$5,000 award be divided among five organizations working in the public interest: The Joint Committee on Apprenticeship, the Consumers Federation of America, the Indiana Dunes National Lakeshore Trust Fund and the Hyde Park Neighborhood Club of Chicago.

[From the AFL-CIO News, May 31, 1969]  
MURRAY-GREEN AWARD: LABOR'S TOP HONOR GIVEN SENATOR DOUGLAS

Former Sen. Paul H. Douglas (D-Ill.), whose dedication to liberal causes put him in the forefront of many of labor's battles, received the AFL-CIO's top honor, the Murray-Green Award, in ceremonies highlighting the 14th Annual AFL-CIO Community Services Conference.

Speaking of his 18 years in the Senate, Douglas told an audience of 800 at the award banquet:

"The efforts of the progressive bloc in behalf of the great mass of the American people would have been relatively ineffective if we had not had the American labor movement on our side. We could not have passed Medicare or put a floor under wages without your help."

He cited unions for their aid "in the long, continuing battle for civil rights" and said "they were the backbone of our successful movement to pass truth-in-lending and aid for depressed areas. The political history of those two decades would have been far more arid without your help."

The Murray-Green Award is given by the AFL-CIO in the name of the late William Green, who was president of the former AFL, and the late Philip Murray, who led the former CIO. In accepting the award, Douglas specified that the accompanying \$5,000 be used "for purposes in the public interest."

The four recipients he designated are: The Joint Committee on Apprenticeship, consisting of the representatives of the building trades unions and of Negro and other minority groups (\$1,000).

The Hyde Park Neighborhood Club of Chicago (\$1,000), "... one of the few communities that has been able to maintain racial integration over many years, instead of this being—as is so common—merely a fleeting transition between being a segregated white community to being a segregated black one."

The Indiana Dunes National Lakeshore Trust Fund (\$2,000), to purchase recreational land.

The Consumers' Federation of America (\$1,000), "to help provide expert representation for that numerous and long suffering body of citizens in their dealings with regulatory and public bodies..."

In presenting the award, AFL-CIO Vice Pres. Joseph A. Beirne cited Douglas's voting record, saying: "Certainly no man more nearly matches labor's own image... COPE's official score card shows Paul Douglas voted 76 times on the 'right' side of the issue—zero times on the wrong side."

Beirne, who is outgoing chairman of the AFL-CIO Community Services Committee, called Douglas "the catalyst whose foresight and courage turned so many of our ideals into reality." He listed many of the senator's achievements in the social welfare field from co-authoring the original social security law to introducing the first truth-in-lending bill in the Senate.

Federation Pres. George Meany, noting how parallel are the contributions and aims of Douglas and the AFL-CIO Community Services, called him "a rare public servant who gives complete adherence by his actions as well as his words to the principle of public service as a public trust."

Meany cited Douglas's record as "life-long champion of all that is human and compassionate" and noted that the senator's career has encompassed being "a teacher, a member of the trade union movement (still a member of the Teachers'), an impartial arbitrator for the printing industry in his home city, member of the city council, a soldier with honors for heroic achievement in action and a United States senator for 18 years."

Douglas, recalling organized labor's long struggle against exploitative working conditions, Douglas said:

"Most of these abuses, and others as well, have now been cured, and cured primarily because of the activity of unions as well as the middle class of reformers. I am proud that I have been a member of my own union for nearly half a century, and I feel that it has greatly improved conditions in the teaching profession."

He observed that while the labor movement is not perfect and at times will make mistakes, "it is humane at heart, and we must see to it that this spirit continues to be dominant. The record is so good that we cannot permit it to be sullied by unworthy acts."

#### RAIL ACCIDENTS SOAR

Mr. HARTKE. Mr. President, today, the Wall Street Journal has published a front-page article on the increasing rate of railroad accidents.

Unless the industry and the Government make an immediate and drastic improvement in railroad safety, there will be many more front-page stories on railroad accidents.

I hope that it will not take a series of appalling railroad accidents to alert the Nation to this pressing problem.

As one railroad official states:

So far we've been lucky... one of these days we are going to wipe a whole town right off the map.

Already this year two towns—Laurel, Miss., and Crete, Nebr.—were almost wiped off the map. Let us take the necessary actions before a whole town is eliminated.

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

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

RAIL WRECKS: RAILROAD ACCIDENTS SOAR TO NEARLY 100 PER DAY, BUT BLAME IS IN DISPUTE—NEW GOVERNMENT REGULATION MAY RESULT—SPEEDS CUT—"SO FAR WE'VE BEEN LUCKY"—A STATIONARY ENGINE DERAILS

(By Todd E. Fandell)

CHICAGO.—"So far we've been lucky," says a top official of a Midwestern railroad. "One of these days we're going to wipe a whole town right off the map."

The man is talking about railroad accidents, and he isn't exaggerating. Already this year, Laurel, Miss., and Crete, Nebr., were almost wiped off the map. In Laurel, a derailment resulted in explosions of tank cars that killed two people, hospitalized 33, demolished 54 homes and two factories and damaged 1,350 homes, four factories, six schools, five churches and 100 small businesses. Total damage was \$3.5 million. In Crete, a derailment ruptured a tank car, which spread a deadly chemical mist over the town, killing nine persons and injuring 40.

Those figures are astonishing enough, but here are some more:

There now are around 30,000 railroad accidents a year—approaching 100 a day. The number of accidents where damage to railroad property total \$750 or more was 8,028 in 1968, up 83% from 4,378 in 1962, despite a decline in miles traveled.

There now are about 15 derailments a day, compared with nine in 1964.

Last year 2,359 persons were killed in railroad accidents and 24,608 were injured. In contrast, 351 persons died in airline accidents.

And in 1967, the latest year for which figures are available, accidents cost the nation's railroads \$266.3 million in out-of-pocket expenses—a figure equal to more than half of the net income of all U.S. railroads that year.

#### SOME CAUSES

What's the matter? It depends on whom you talk to, but there apparently are several reasons for the rash of accidents. Negligence, faulty rolling stock and improper maintenance or defects in track are about equally to blame as the immediate causes of the accidents. But the underlying causes are in dispute or unknown.

"There is nothing being done in the way of research," says the president of one big road. He says he was appalled at the inadequacy of the answers he was given when he recently began a personal investigation into a costly rise in the number of derailments on his line. He says he would ask for the cause and be told it was a broken rail. But no one ever seemed to know how or why the rail broke. "To say the cause is a broken rail and drop it at that is ridiculous," he says. "But that's what we've been doing."

One reason rails are breaking is that roads are using bigger, longer, heavier and faster trains on the same old track and roadbeds. But why the tracks and roadbeds haven't been improved along with the rolling stock seems to be unanswerable. Unions blame the managements. The managements blame the unions and the Government. And the Government says it doesn't know who's at fault—but that somebody better do something quick to halt the rise in wrecks.

Indeed, mounting public concern is likely to prompt Congress to give the Department of Transportation broad powers to establish and enforce comprehensive safety regulations for the railroads, which are the only major mode of transportation not covered by copious safety rules.

#### SAFETY CANNOT BE LEGISLATED

Talk of such regulation doesn't sit well with railroad officials. "Safety can't be

legislated," asserts Thomas M. Goodfellow, president of the Association of American Railroads. Some railroad executives claim legislation would stifle their own efforts to solve the problems. Other railroad executives say that instead of legislating safety the Government should let the roads raise rates so they could afford to buy better equipment and make more frequent repairs. In support of this argument, they say that richer roads have better safety records than the poorer ones.

The richer roads do, in fact, have better safety records. The well-heeled Union Pacific, for instance, had 4.2 accidents per million miles traveled in 1967. The loss-ridden Missouri-Kansas-Texas Railroad had the worst record that year, 33.3 accidents per million miles. The Katy's track is so bad that a few years ago an engine derailed while standing still.

On the whole, claims Harold C. Crotty, president of the Brotherhood of Maintenance of Way Employees, "rail and tie replacement work has been neglected and, as a direct consequence, railway accidents caused by track and roadway defects have increased."

#### CUTTING TOP SPEED

Mr. Crotty says that a decline in maintenance of way workers to 88,000 from 251,000 in 1951 reflects a decline in inspection and maintenance standards. The roads reply that the drop in maintenance workers instead reflects improved work methods, materials and mechanization. And some road executives say they could afford to hire more maintenance workers were it not for union "featherbedding" practices in other areas that eat up railroad money.

Wherever the blame rests, a number of roads are taking steps to cut down the accident rates. Some have ordered lower maximum speeds for freight trains. The Soo Line, for instance, has trimmed its freights' maximum speed to 40 miles an hour from 60. "It was one of a number of steps we took to do something short range about the accident problem while we stepped up study efforts to discover causes and long-term solutions," says a spokesman. A large Western road has cut its top speed to 50 from 70 miles an hour.

The cutting of speeds hasn't been publicized, and most industry officials don't like to talk about it. "That's rather embarrassing and sure won't help us in Washington," says one official, who fears legislators will interpret the moves as admission of unsafe conditions.

#### NATIONAL COMMITMENTS

Mr. FULBRIGHT. Mr. President, I wish to make some additional comments in connection with the consideration of Senate Resolution 85, which was approved last night by the Senate.

These statements provide additional information of the extent to which we have gone in making military and financial commitments without the approval of Congress.

To illustrate the fundamental proposition of the national commitments resolution; namely, redressing the constitutional imbalance that has developed, I have indulged in a little experiment. I have selected certain of the executive acts that have concerned me and juxtaposed the kind of congressional requests for action that were received or considered at about the same time as the executive action. This illustrates, in the

most absurd light, the state to which Congress or the Senate has fallen.

To further demonstrate that this is not a partisan inclination on the part of the Executive, I have taken samples from each administration, beginning with

President Roosevelt. I ask unanimous consent that they be printed at this point in the RECORD.

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

#### EXECUTIVE

September 1940 (Roosevelt)

By Executive agreement, Roosevelt exchanged overage American destroyers for British bases in the Western Hemisphere.

May 1950 (Truman)

In the tripartite declaration regarding the Middle East, the U.S., U.K., France declared that they "would immediately take action, both within and outside the United Nations, to prevent such violation" [of frontiers or armistice lines].

May 1958 (Eisenhower)

The North American Air Defense Command Agreement was effected by an exchange of notes "delegating to an integrated headquarters the task of exercising operational control over combat units of the national forces made available for the air defense of the two countries."

June 1958 (Eisenhower)

President Eisenhower made clear that in accordance with the Mutual Defense Treaty with the Philippines and the deployments of troops resulting from it, an armed attack against the Philippines would involve an attack against U.S. forces stationed there and against the United States and would instantly be repelled.

March 1962 (Kennedy)

Rusk assured Thai Foreign Minister Khoman of "the firm intention of the United States to aid Thailand, . . . in resisting Communist aggression."

May 1963 (Kennedy)

President Kennedy, in a press conference stated, with reference to the Middle East, "we would support appropriate measures in the United Nations, adopt other courses of action of our own to prevent or to put a stop to such aggression, which, of course, has been the policy which the United States has followed for some time."

September 1963 (Kennedy)

The U.S.-Spanish Base agreement was renewed, declaring that "a threat to either country, and to the joint facilities . . . would be a matter of common concern . . . and each country would take such action as it may consider appropriate within the framework of its constitutional processes."

April 1965 (Johnson)

President Johnson sent American armed forces to the Dominican Republic.

February 1966 (Johnson)

Humphrey, in Bangkok, declared that the United States would provide all necessary assistance to enable Thailand and the other countries of Southeast Asia threatened by Communist aggression to defend themselves.

Humphrey, in Korea, declared: "As long as there is one American soldier on the line of the border . . . the whole and the entire power of the United States of America is committed to the security and defense of Korea."

#### LEGISLATIVE

Senate was asked to approve 4 treaties of which 3 defined the application of a U.S.-U.K. treaty to Canada, Australia and New Zealand, and one was an Inter-American "Convention on the Provisional Administration of European Colonies and Possessions in the Americas."

The Senate received draft bills (1) to authorize certain persons to wear decorations; (2) to provide for the education of dependent minor children of military and civilian personnel stationed overseas.

Not a single Executive request for Congressional action in the foreign policy field was received.

The Administration submitted draft legislation to amend the Foreign Service Act of 1946.

The Senate approved amendments to the Statute of the International Atomic Energy Agency enlarging its Board of Governors.

The Senate was asked to approve agreements (1) for the maintenance of certain lights in the Red Sea; (2) for the exchange of official publications; and (3) on Diplomatic Relations (Vienna Convention).

The Committee on Foreign Relations acted on amendments to the Convention on International Civil Aviation, which concerned the procedure for calling extraordinary conferences.

Two treaties were sent up to the Senate: (1) amendments to the United Nations Charter, enlarging the Security and Economic and Social Councils; and (2) extension of the International Wheat Agreement framework for 1 year.

The Senate was asked to ratify Convention on the Settlement of Investment Disputes. (Non-controversial, it was approved 72-0 in May.)



## EXECUTIVE

August 1966 (Johnson)

Dean Rusk declared: "No would-be aggressor should suppose that the absence of a defense treaty, congressional declaration, or U.S. military presence grants immunity to aggression."

July 1967 (Johnson)

Administration announced the dispatch of three C-130 Hercules military transport planes to "provide long-range logistic support for the Congolese Government in meeting the mercenary-led rebellion."

Mr. FULBRIGHT. Mr. President, since World War II, we have entered into the following treaties which commit the United States to send armed forces to defend 43 countries in various areas of the world: 1947, Inter-American treaty of reciprocal assistance with 21 other American Republics—Rio Treaty; 1949, North Atlantic Treaty with 14 other governments; 1951, security treaty with Japan—superseded by new treaty in 1960; 1951, security treaty with Australia and New Zealand; 1951, mutual defense treaty with the Philippines; 1953, mutual defense treaty with Korea; 1954, Southeast Asia collective defense treaty with seven governments; and 1954, mutual defense treaty with Republic of China.

In addition to the above defense treaties, the United States, although not a member, joined in a declaration with members of the Baghdad Pact—CENTO—agreeing to cooperate with members for their security and defense and to enter into agreements with the members "designed to give effect to this cooperation."

According to a letter dated August 15, 1967, the Department of State interprets U.S. obligations under our defense treaties to be individual rather than collective. That letter states:

Under each of our multilateral treaties, the commitment to extend assistance in the event of an armed attack is individual and requires no collective finding or decision by a multilateral organization. The Rio Treaty provides that in the event of an armed attack against an American state "each one of the said Contracting Parties undertakes to assist in meeting the attack" (Art. 3(1), emphasis added). The Treaty goes on to provide that "each one of the Contracting Parties may determine the immediate measures which it may individually take" (Art. 3(2), emphasis added). In the North Atlantic Treaty, "each" of the signatories "in the exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the party or parties attacked by taking forthwith, individually and in concert with the other parties, such action . . ." (Art. 5, emphasis added). In the Southeast Asia Collective Defense Treaty and in the Anzus Security Treaty "each party" agrees that "it" will act to meet the common danger (Art. IV in both). The same is true of the bilateral treaties with the Philippines, Korea, Republic of China and Japan. Thus, under each of

## LEGISLATIVE

The Senate was asked to approve the Convention on Facilitation of International Maritime Traffic and to enact bills (1) authorizing certain Foreign Service and State Department officers to administer oaths; and (2) authorizing certain persons to wear decorations.

The Administration requested Senate advice and consent to amendments to the Convention of Intergovernmental Maritime Consultative Organization enlarging its executive organ and submitted a bill to authorize retirement credit for certain alien employees of the Foreign Service.

these treaties there is an individual obligation independent of any collective action.

With regard to actions taken in response to attack by subversion, the Department of State says:

The question posed in your letter of August 1 is asked also in regard to actions taken in response to attack by subversion. All of our defense treaties call for consultation in the event of a threat other than armed attack—such as externally supported subversion. Article 6 of the Rio Treaty provides for a meeting of the Organ of Consultation "if the inviolability or integrity of the territory or the sovereignty or political independence of any American State should be affected by an aggression which is not an armed attack . . . or by any other fact, or situation that might endanger the peace of America." The Organ of Consultation can determine "the measures which must be taken . . . to assist the victim of the aggression or, in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the continent." Article 4 of the NATO Treaty provides that "[t]he Parties will consult together whenever in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened." Substantially similar language exists in the Anzus and SEATO Treaties (Arts. III and IV(2), respectively). Thus, when the threat takes the form of subversion rather than armed attack, each multilateral treaty calls for consultation. No individual obligation of unilateral action is imposed. The same is true by virtue of similar language under the bilateral treaties with the Philippines and Korea. Under the Japanese treaty consultation is called for "whenever the security of Japan or international peace and security in the Far East is threatened."

Not only has the United States committed itself to come to the defense of our treaty partners, apparently we have also assumed the obligation of insuring their military and economic stability. By way of illustration, since World War II, the United States has furnished the 43 countries we are committed to defend over \$90 billion in economic and military assistance. A breakdown of this assistance by treaty area and country is attached.

Moreover, the United States has a worldwide network of military assistance agreements and military bases and training missions both within and without the framework of our defense treaties. The report of the Congressional Conference on the Military Budget and

National Priorities, which was issued on June 1, 1969, had this to say about U.S. bases overseas:

The United States now has military installations around the world, including 429 major and 2,972 minor overseas military bases staffed by a million men. These cost us billions of dollars, disturb our international balance of payments, and create implicit commitments to the countries involved which return to haunt us when crises erupt. And yet most of these bases are maintained simply because they were set up long ago, not because a public evaluation of our national objectives indicates they are needed.

Congress should be asking why such bases should be established and what national commitments are involved in their maintenance. Such basic decisions are now made by the Executive Branch in a context which minimizes debate, avoids consideration of the costs as well as the benefits, and often does not even bring before Congress or the American people the fundamental decisions at the time they are made.

Many of our overseas installations were originally created to serve military needs that no longer exist. But the Defense Department has developed new rationalizations for keeping these bases—particularly the desire to maintain a U.S. military presence as a base for political influence. Recognizing the drive among the peoples of these countries for national independence and greater democracy, we do not want our primary relationship defined by military bases or advisory missions. Our interests would often be better served if the bases and the military advisors were gone.

In fiscal year 1969, Defense Department appropriations to carry out our treaty obligations in Southeast Asia and the Far East amounted to approximately \$35 billion. This figure includes costs for maintaining troops in such places as Japan, 40,000; Korea, 55,000; Okinawa, 40,000; Thailand, 40,000; and the Philippines, 25,000. In addition, it is estimated that the annual cost for carrying out our NATO commitments is approximately \$12 to \$14 billion. It is safe to say, therefore, that well over half of the present Defense Department budget is directly related to carrying out obligations which we assumed pursuant to defense treaties concluded between 1947 and 1954, 15 or 20 years ago.

Obviously, since that time, the world situation has changed drastically and many of the reasons advanced for entering into these treaties are no longer valid. Such being the case, the time is appropriate for Congress to reexamine the validity for continuing U.S. participation in these agreements. This is in keeping with Secretary Rogers' statement when he appeared before the Committee on Foreign Relations on March 27, 1969. At that time he said:

It is clear that our involvements need constantly to be reviewed in the light of current conditions and the availability of our resources.

I ask unanimous consent to have printed in the RECORD a statement on U.S. overseas grants and loans through 1968.

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

## U.S. OVERSEAS GRANTS AND LOANS, FROM 1946 THROUGH 1968

[In millions of dollars]

Treaty	Economic	Military	Total
Inter-American.....	\$11,239.6	\$1,147.2	\$12,386.8
NATO.....	27,940.5	18,760.2	46,700.7
SEATO.....	20,557.0	12,716.6	33,273.6
Australia and New Zealand.....	169.2	576.5	745.7
Republic of China.....	2,291.1	2,796.3	5,087.4
Japan.....	3,076.5	1,065.5	4,142.0
Korea.....	4,630.6	2,825.3	7,455.9
Philippines.....	1,487.3	535.9	2,023.2
Total.....	56,635.8	13,218.6	69,854.4

<sup>1</sup> Does not include the total amount of military assistance furnished to Pakistan and Laos. This is classified.

<sup>2</sup> This figure takes into consideration fact that certain countries are members of more than one defense treaty.

## THE PESTICIDE PERIL—XXI

Mr. NELSON. Mr. President, according to this morning's New York Times, the cause of the death of millions of fish in a 200-mile stretch of the Rhine River has been confirmed as the insecticide endosulfan.

Dutch scientists had earlier identified the insecticide as the source of the contamination and German analysts have confirmed its presence in the dead fish they examined.

Endosulfan is used to dust fruit trees and vineyards. It is suspected that the area near St. Goar on the Rhine was dusted last week and that some of the insecticide drifted into the river.

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

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

[From the New York Times, June 26, 1969]

## SOURCE OF FISH POISONING IN RHINE IDENTIFIED AS INSECTICIDE

(By David Binder)

BOON, June 25.—A poisonous wave of insecticide washed out of West German waters today after killing millions of Rhine River fish and some ducks during the last six days. It is still lingering in the Netherlands, where about 100 tons of dead fish have washed up.

The source of the poison was identified by Dutch chemists last night as an insecticide called endosulfan and marketed as Thiodan (it is a sulphurous acid ester). German analysts in Düsseldorf said today that their own tests showed "with great probability" that the Dutch estimate was correct, but they did not rule out other sources.

Endosulfan, used to dust fruit trees and vineyards, is distributed by three West German concerns at Frankfurt, Stade and Düsseldorf.

German investigators said that the manufacturers, including the huge Höchst dye works, just west of Frankfurt, were not at fault.

Rather, they are working on the theory that either someone dumped more than 200 pounds of the poison into the river near St. Goar or dusted the vineyards and fruit trees around St. Goar with endosulfan from the air last Wednesday and possibly again on Friday.

Dead fish and ducks began appearing just downstream from St. Goar last Thursday morning.

The Dutch Institute of Public Health, which identified the poison, said that one microgram—less than a three-millionth of an ounce in a quart of water was enough to kill most fish.

Destruction of fish life in Germany alone was estimated by the North-Rhine Westphalia state government at more than \$500,000.

But fears that the river life, including micro-organisms, had been permanently damaged, were allayed by tests at Honnef, near Bonn, and Griete, near Düsseldorf, showing that fish now remain alive in the river. Yesterday, fish from other rivers dipped in the lower Rhine died within seven minutes.

About 300 people are investigating the poison wave along the German, Dutch and French banks of the Rhine, which for years has been termed "the sewer of Europe" by governments and the press.

Yesterday, the Netherlands Government charged that the North-Rhine Westphalia authorities had been negligent in having failed to advise the Dutch of the oncoming contamination.

Today, the Agriculture Minister of the state, Diether Denke, issued a reply, saying that the state Institute for Hydrography had sent a contamination warning to all German waterworks along the middle Rhine at 8:30 A.M. last Friday. The German Waterworks Authority was supposed to have passed this warning on to the Dutch immediately, but failed to do so.

In any case, the state authorities disclosed today that the river police at Duisburg, 40 miles upstream from the Dutch frontier, warned their colleagues in the Netherlands at 8:30 A.M. Monday of the oncoming poison wave, 12 hours before it reached the border.

The Germans maintain that this provided adequate time for the Dutch to shut the conduits taking Rhine water to purification plants and thence to major drinking-water reservoirs in the Netherlands. However, they are taking steps to insure that any future contamination perils will be announced promptly to all concerned along the river.

In a telephone interview, an official of the Rhineland-Palatinate state government at Mainz said that "everyone of us who has legs is working on the case," trying to clarify the innate state government at St. Goar, a wine-growing county with a population of 53,000.

He said that the investigation was complicated by the fact that the poison traces had practically vanished from the region, swept downstream by the seven-mile-an-hour current.

## FRENCH CONDEMN INSECTICIDES

PARIS, June 25.—French conservationists charged today that insecticides such as the one that has polluted the Rhine River were responsible for deaths of people as well as wildlife.

They appealed to the new Minister of Agriculture, Jacques Duhamel, to impose a ban, held up, they said, in the Ministry for three years because of pressure from chemical companies.

Antoine Reille, spokesman for the Federation of Societies for the Protection of Nature, said in an interview that worldwide conservation organizations were seeking an international agreement to halt pollution by organochlorine insecticides.

Last Saturday, a day before the Rhine alert, Mr. Reille's office had issued a warning that blackhead gulls nesting in the Loire Valley were laying eggs without shells.

It blamed the same insecticides that, it said, were responsible for sterilizing up to half the heron population of Britain and half of the 50 pairs of peregrine falcons surviving in France.

Mr. Reille said that European conservationists were concerned about the threat of the Rhine pollution to the bird-breeding grounds of the Waddenzee, in the Netherlands.

He angrily denied statements by West German officials Sunday that the insecticide in question was not harmful to human life.

Following an antimosquito campaign with similar chemicals in southwestern France, he said, an incomplete canvass of physicians disclosed 75 cases of poisoning of human beings, four of them fatal.

## ADDRESS BY DANIEL P. MOYNIHAN

Mr. SCOTT. Mr. President, on June 1, Daniel Moynihan, Assistant to the President for Urban Affairs, gave the commencement address at Notre Dame University. I ask unanimous consent that his address, entitled "Politics as the Art of the Impossible," be printed in the RECORD.

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

## POLITICS AS THE ART OF THE IMPOSSIBLE

I take for my theme a sentence from Georges Bernanos: "The worst, the most corrupting of lies are problems poorly stated."

My charge is similar. It is that much of the intense difficulty of our time is in nature conceptual, and that it arises from a massive misstatement of our problems. Intellectuals if this view is correct, have done their work badly and there is little prospect that their mistakes will soon be undone. As ours was perhaps the first society consistently to expect the future to be better than the past, the apprehension that we may have profoundly mistaken the nature of our difficulties, so that we must expect years of effort to resolve the wrong problems and in presumably unavailing ways, strikes with special force. A certain nostalgia arises for a future that now appears lost. It becomes necessary to live much more in the present than has been the American mode.

If this be no great pleasure, it can, nonetheless, be stimulating. Here a sub-theme can be taken from another alert Frenchman—when asked what he had done during The Terror, the Abbe Sieyes answered, "I survived." This must now be a very great concern of those Americans whose lives, in Midge Decter's formulation, are devoted to the direction of their thought. Anyone old enough to have had any intellectual contact with the 1930's will take my meaning. The men of both the left and right who dominated, even terrorized, that time lived intense but brief lives. Their intellectual corpses are still stacked in the odd corners of universities, government departments, and the like where they do whatever it is they do. No one much cares, for they were subsequently judged to have been appallingly wrong about American society and, worse, were seen to have been unforgivably intolerant of any who hesitated to embrace their all-encompassing credos. Archibald MacLeish has remarked of his fellow poets that: "There is nothing worse for our trade than to be in style." The equivalent for those whose concern is government is submission to the noisiest problems of the moment to the exclusion of the most important ones.

What then are the "problems poorly stated" of our time? They are various but have, it seems to me, a unifying characteristic; namely, the rejection by those seeking a more just, more equal society of any indications that the society is in fact becoming more just and more equal. Society is seen in historical terms: what is not altogether acceptable is altogether unacceptable gradations are ignored and incremental movements are scorned. Those who by disposition are incrementalists, or for whom the contemplation of society has led to a conviction that incremental change is a necessity not a choice in human affairs, are baffled by this attitude and resentful of it. The exchanges that follow are bitter and unproductive. It is at all events my view that this is so because the problems at issue have so far been defined in fairly traditional political terms when what in fact is at issue is an immense stirring, little understood, if indeed understandable, of cultural dimensions. Fundamental ethical and moral issues—religious issues—are involved: issues which politics, especially



the politics of a liberal democracy, are uniquely unable to resolve.

Two years ago, in the Phi Beta Kappa oration at Harvard, I argued that in fact we were witnessing the onset of the first heresies of liberalism. Heresy is an unloved term, especially in a liberal society, but it has real meaning: the rejection of beliefs fundamental to the dominant, pervasive world view of the society involved. Of necessity, the heresies of liberalism would be procedural in nature, for it is in process that a liberal society defines itself. In thinking about the subject, I have not been able to get much farther than this, but neither have events moved so as to cast greater doubt on the thesis than that which must attend any such large assertion. To the contrary, the rejection of the *authority* of liberal processes, the code that holds it is bad form to club the Dean, that civic statutes must be abided by, that rules of order and civility will be followed at meetings—all that—continues apace, and the pace if anything quickens. As Robert A. Nisbet continues to remind us, when authority relations collapse, power relations take their place; and this process, too, has advanced. Violence, which is the means by which power relations are maintained, is considerably more widespread now than it was two years ago, and surely vastly more common at the end of the decade of the 1960's than it was at the beginning of it.

Nothing suggests that the pattern of former times will quickly reassert itself. To the contrary, the indications are that we rose to a new plateau of internal violence in the mid-1960's and that the most we can hope for is to keep from yet another escalation.

Such violence has, of course, made its way onto university campuses and this has led to great apprehension for the future of academic freedom. There are analogues, indeed precedents, for the violence of the streets, the poor, the police, and suchlike. But nothing like the present pattern of threats to and actual assault on university institutions and university members has ever yet occurred. Here, in particular, it would seem a future has been lost to us.

This had led to great despair among academic intellectuals: far greater than the news media have yet let on. For probably the first time in our history, professors speak of going into exile. Nor is the alarm simply that of Bourbons. A Marxist historian such as Eugene Genovese speaks with not a little alarm of the "pseudo-revolutionary middle-class totalitarians . . . of the left wing student movement," and one learns that even Professor Marcuse has suggested that professors ought to be treated differently from the oinkish common swine.

The strongest view, from a notably unhysterical pen, in the recent assertion by Arnold Beichman, writing in *Encounter*, to the effect that university faculties "have quietly decided that for the foreseeable future the university is no longer a place where truth is to be pursued. What has been tacitly ratified is a decision that the American university is primarily (not secondarily) the springboard for upward social mobility as the ascriptive right for ethnic minorities."

This can be overcome. Beichman accurately (but almost alone in the flood of commentary) notes that ethnic mobility has always been a prominent component of higher education—certainly so from the time Catholics began to establish competitive institutions with Protestants. One recalls Yeats' letter of 1904 to Lady Gregory:

"I have been entirely delighted," he writes, "with the big, merry priests of Notre Dame, all Irish and proud as Lucifer of their success in getting Jews and non-conformists to come to their college and of the fact that they have no endowments."

One recalls far more vividly growing up in New York City in the poverty-ridden 1930's, and yet possessing in that Notre Dame football team a symbol of tribal might and valor

that can stir the blood atingle to this day. O, the golden Saturday afternoons when, in the name of every Irish kid caught in the social wreckage of the eastern slums, thunder indeed shook down from the skies and those mighty Polish tackles swamped the Navy!

If the demands of newer groups come as a shock to some, it is at least in part because this group function of higher education has tended to be ignored by those groups for which it has been functioning. Yet, the role was obvious enough; and it was not less clear that it would become, if anything, more pronounced to the degree that universities became more central institutions of the society. In the concluding paragraph of *Beyond the Melting Pot*, Glazer and I wrote that: "Religion and race define the next stage of the American peoples." We were not wrong, and one is mystified still that the proposition was viewed at the time by such skepticism on the part of so many. (Not a few of whom, it may be added, have become committed to ethnic studies, pursue the matter with a single-minded zeal that is notoriously the accompaniment of sudden religious conversion.)

Simultaneously, if somewhat incompatibly, universities have been mini-bastions of class privilege. This phenomenon has been evident enough in the insistence by almost all parties to intramural disputes that those involved are exempt from punishment for deeds that would send lesser persons—without the walls—to court at very least and prison in all likelihood. But again, this is nothing new.

Indeed, some good could come of this if the excesses of the moment were to serve to restore some perspective on just what universities are and what they can do. They are institutions inhabited by younger and older persons of often very great abilities, but usually of very limited experience. With respect to their individual specialties, the judgment of the professors is singularly valuable. But their collective judgment is no better—could, indeed, be worse—than that of the common lot of men. This is not an incidental, random fact; it is a fundamental condition of human society, and the very basis of democratic government.

When William F. Buckley, Jr., wrote that he would far rather entrust his governance—by which he would include the preservation of his civil liberties and his intellectual freedom—to the first hundred persons listed in the Boston telephone directory than to the faculty of Harvard College, he was saying no more than what Thomas Jefferson or Henry Adams would have thought self-evident. The remark was greeted with considerable derision in Cambridge at the time, but it may be stated with certainty that more than one tenured professor of that ancient institution has come of late to see its truthfulness with excruciating clarity.

All this is to the good. What is bad is that the diffusion of violence to the intellectual life of our society is likely to lead to even greater failure to correctly state our problems than has been the case to date. This is so for the most elemental of reasons. Intellectual freedom in the American university has now been seriously diminished. It is past time for talking about what might happen; it has happened. We would do well to clear our minds of cant on that subject. Especially in the social sciences, there is today considerably less freedom than there was a decade ago; and we should expect that it will surely be ten to twenty years before what we would hope to be a normal state will be restored.

I deem it essential that this almost suddenly changed situation be more widely understood; otherwise, the sickness of the time will gradually come to be taken for a normal condition of health—and that would be a blow not merely to the age, but to the culture. But if we do perceive our circumstance for what it is, if we do come to accept that for reasons of prudence, or cowardice, or in-

competence or whatever, faculties have been everywhere allowing principles and men to be sacrificed, we will at least retain the understanding that something has gone wrong, something that it may be possible someday to right.

It is important then to survive, with our faculties, as it were, as little diminished as possible, and to seek to understand the times—which is to say to state the problems of the time correctly.

Few individuals can hope to contribute more than a small increment to this effort; but more, then, is the reason as many as possible should seek to do so. Hence, with less hesitance than might otherwise attend the effort to make a simple abstraction about a hopelessly complex reality, I would offer, from the world of politics, the thought that the principal issues of the moment are not political. *They are seen as such:* that is the essential clue to their nature. But the crisis of the time is not political, it is in essence religious. It is a religious crisis of large numbers of intensely moral, even Godly, people who no longer hope for God. Hence, the quest for divinity assumes a secular form, but with an intensity of conviction that is genuinely new to our politics.

It is important to be clear whence this peculiar secular moral passion arises. It is from the very eighteenth century enlightenment from whence arose the American civilization that has so far followed so different a course. The rejection of Christian religion by the Enlightenment has obscured the fact, especially to Christians, that it did not constitute a rejection of Christian morality. To the contrary, it was more often in the name of that morality that the creed was attacked. It was Rousseau, as Michael Polanyi argues (although others would disagree) whose work widened the channels of Enlightenment thought so that in fact "they could be fraught eventually with all the supreme hopes of Christianity, the hopes which rationalism had released from their dogmatic framework." Whereupon, supreme of ironies, was loosed upon the world a moral fury that has wrought as much evil, in contrast with the mere brutality of the past, as mankind has ever known, an evil which may yet destroy us. The process arises from a sequence of premises which are logically unassailable, yet which in practice produce a society that is inherently unstable. Polanyi states the argument, which he correctly observes, no one has yet answered:

"If society is not a divine institution, it is made by man, and man is free to do with society what he likes. There is then no excuse for having a bad society, and we must make a good one without delay. For this purpose you must take power and you can take power over a bad society only by revolution; so you must go ahead and make a revolution. Moreover, to achieve a comprehensive improvement of society, you need comprehensive powers so you must regard all resistance to yourself as high treason and must put it down mercilessly."

Repeatedly, as this fever becomes pathological, a kind of inversion takes place which transforms violence from a means to an end to an end in itself. There are surprises but few mysteries to this process: the nineteenth century was able to read it in Russian novels; the twentieth to watch it on film. It has been the great disease of the committed intellectual of our time. Thirty years ago, Orwell wrote that: "The common man is still living in the mental world of Dickens, but nearly every modern intellectual has gone over to some or other form of totalitarianism." For that is the correct term. The total state; the politicization of all things. It would seem that Britain and America managed in the nineteenth century to escape any deep infestation of this view mostly by not thinking too closely about politics. But one result of this is that in political theory there is no serious counter argument: all one can say is

that one does not like doing good by sending men "up against the wall" to use the apparent term of the Che Guevara and the battle cry of the Barnard girls. For the disease is amongst us, and will spread. Incongruously, it appears to have taken roots within organized religion itself. The course of the coming generation is all but fixed: it will include a strong and possibly growing echelon that will challenge the authority of American institutions across the board, and will not be especially scrupulous as to how it does so. In this the extreme left is very likely to be joined by the extreme right, for to each the values and process of the present American democracy are the enemy to be destroyed.

All in all, there is cause enough for despair. As Midge Decter has put it: "When you are caught between left and right, the only way to go is down." But we are not yet down. We are a strong and competent people, increasingly, I think, aware of our troubles and dangers and shortcomings. The challenge to authority that is now upon us can strengthen and renew institutions as much as it can weaken them. And it can be fun.

There is always room, as Orwell wrote, "for one more custard pie." We are not especially well equipped in conceptual terms to ride out the storm ahead, but there are things we know without fully understanding, and one of these is the ultimate value of privacy, and the final ruin when all things have become political.

Having through all my adult life worked to make the American national government larger, stronger, more active, I nonetheless plead that there are limits to what it may be asked to do. In the last weeks of his life, President Kennedy journeyed to Amherst to dedicate a library to Robert Frost and to speak to this point. "The powers of the Presidency," he remarked, "are often described. Its limitations should occasionally be remembered."

The matter comes to this. The stability of a democracy depends very much on the people making a careful distinction between what government can do and what it cannot do. To demand what can be done is altogether in order: some may wish such things accomplished, some may not, and the majority may decide. But to seek that which cannot be provided, especially to do so with the passionate but misinformed conviction that it can be, is to create the conditions of frustration and ruin.

What is it government cannot provide? It cannot provide values to persons who have none, or who have lost those they had. It cannot provide a meaning to life. It cannot provide inner peace. It can provide outlets for moral energies, but it cannot create those energies. In particular, government cannot cope with the crisis in values which is sweeping the western world. It cannot respond to the fact that so many of our young people do not believe what those before them have believed, do not accept the authority of institutions and customs whose authority has heretofore been accepted, do not embrace or even very much like the culture that they inherit.

The twentieth century is strewn with the wreckage of societies that did not understand or accept this fact of the human condition. Ours is not the first culture to encounter such a crisis in values. Others have done so, have given in to the seeming sensible solution of politicizing the crisis, have created the total state, and have destroyed themselves in the process. Irving Kristol has warned against it in terms at once cogent and urgent:

*"The one way not to cope with this crisis in values is through organized political-ideological action. Most of the hysteria, much of the stupidity, and a good part of the bestiality of the twentieth century have arisen from efforts to do precisely this. Not only do such efforts fail; they fail in the*

*costliest fashion. And if modern history can be said to teach anything, it is that, intolerable as a crisis in values may be, it invariably turns out to be far less intolerable than any kind of 'final solution' imposed by direct political action."*

I surely do not argue for a quietistic government acquiescing in whatever the tides of fortune or increments of miscalculation bring about; and in our time they have brought about hideous things. I do not prescribe for social scientists or government officials a future of contented apoplexy as they observe the mounting disaffection of the young. I certainly do not argue for iron resistance, as other societies have successfully resisted somewhat similar movements in the past.

I simply plead for the religious and ethical sensibility in the culture to see more clearly what is at issue, and to do its work.

Sympathy is not enough. *Tout pardonner, c'est tout comprendre* is not a maxim that would pass muster with Bernanos or any who have helped us through the recent or distant past. If politics in America is not to become the art of the impossible, the limits of politics must be perceived, and the province of moral philosophy greatly expanded.

#### MIKE CORBIN, NEIGHBORHOOD YOUTH CORPS WORKER

Mr. HATFIELD. Mr. President, daily the media exposes us to the violent and destructive results of a disaffected and angry part of our country's young people. From the irresponsible actions of a few springs the impression that much of America's youth are callous, hostile; in a word, alienated. I personally regret this notion and reject it as ill-founded. The vast majority of young Americans are certainly concerned about the hypocrisy and wastefully ordered priorities that they see around them, but their persuasion is to seek constructive solutions.

Similarly, much publicity is given to those few young men and women, particularly in the Nation's poverty programs, who see fit to defect from these programs' constructive goals and pursue less than honorable activities. Too many people stand ready to chastise an entire program on the basis of isolated examples while the preponderant successes are greeted with silence.

The story of Mike Corbin, Mr. President, is just one example of individual success that I strongly believe deserves mention and commendation. Mike is a Neighborhood Youth Corps worker in Medford, Oreg. When he began the program in December of last year, he was a shy, retiring young man; uncomfortable around people, and possessed with little aptitude for work. "Once Mike knew that someone was interested in him, the transformation was amazing." During his 6 months with the Neighborhood Youth Corps, working as a maintenance crewmember in one of Medford's city parks, Mike has learned self-confidence, responsibility, and, with the help of a tutor, gained the tools and motivation to return to school.

I have telephoned my encouragement to Mike. I am proud of his accomplishments and the growth of many young men and women like Mike throughout the country. Mike Corbin's experience in the Medford, Oreg., Neighborhood Youth Corps is an example of cooperation between many Federal,

State, and municipal governmental agencies. It represents courage on Mike's part, and a successful application of the Neighborhood Youth Corps program. In recognition of both Mike Corbin's job well done and the program that gave him his opportunity, I ask unanimous consent that the letter from Mike's supervisor describing his impression of Mike's growth, be printed in the RECORD.

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

CITY OF MEDFORD,  
Medford, Oreg., June 6, 1969.

Mrs. VENITA JONES,  
Neighborhood Youth Corps,  
Cooperative Extension Service,  
Medford, Oreg.

DEAR MRS. JONES: It has come to our attention that Mike Corbin, a Neighborhood Youth Corps worker, has nearly completed his six month period of employment with us. The purpose of this letter is to first give background of Mike's work with our department thus far and second, to express our desire to retain Mike and hopefully to continue to aide his remarkable growth in both work and social skills background.

When Mike first came to us in the latter part of December, 1968, he was an extremely shy, backward, young boy. He had virtually no experience with being in or even around a work situation. He lacked confidence and as a result, a certain amount of hostility and rebellion was noted. The Park Foreman and members of the crew worked with Mike, however, and he soon realized we were on his side. All he needed to do was ask and we would help in anyway possible. Once Mike knew that someone was interested in him, the transformation was amazing. He progressed rapidly from having to be told how to perform each individual thing he did to being able to handle the entire restroom clean-up project or irrigate a flower bed or anyone of a number of other duties. Mike's social skills improved also. His self-confidence gained by mastering even simple tasks, brought him out of his shell, so to speak, and he became more at ease around the crew and the public in general. He learned that he could ask questions when he didn't understand how to do something and even that he might have a suggestion or two that he could offer. Once he learned some of the simple tasks, he was more than anxious to take on the responsibility for making sure they were done. He became attached to the members of the crew and felt that he was one of them, not someone from the outside looking in as seems to have been the case through his past history. His team spirit encouraged Mike even further, I believe, and his work habits have certainly improved beyond belief.

Mike attended school to further his scholastic abilities but unfortunately was unable to arrange transportation and finally had to stop attending class. The major problem seemed to be that he was living in White City and was without a car or driver's license. I have been told that Mike pays \$50.00 a month for his present inadequate living accommodations. It would seem to me that better accommodations, closer than White City could be found if someone would just take the initiative and help Mike.

As for the future, I feel Mike has seen that he can better himself and that all it takes is a little effort on his part. He has shown an interest in going back to school and as a matter of fact, told me that he would very much like to be able to go back to school full time next fall. His main concern was that he could make enough money between now and then so that he could support himself while going to school. Although, education is certainly important, I feel the very basic



social skills that Mike has learned thus far, while working with us here in the Park and Recreation Department are even more important.

It is our hope that Mike will receive an extension so that he can continue his work experiences with us through the summer months which, as you can well imagine, are extremely busy for Park and Recreation personnel. During the summer, the variety of duties expand considerably and there are a great many things that Mike has yet to experience as far as working with the Park Department. Mike has just barely started to "crawl" with a little more exposure, he can begin to "walk". It would seem especially critical that Mike be encouraged at this point. Time and effort have been spent and I think Mike is just starting to appreciate the results, I feel that if he is not offered a helping hand for just a little while longer, he may revert and withdraw back into his shell.

Sincerely,

MICHAEL A. STARR,  
Assistant Director.

#### SYNOPSIS OF FORCED LABOR CONVENTION

Mr. PROXMIRE, Mr. President, for the past few days, I have been speaking on the floor of the Senate in behalf of the specific human rights treaty known as the Abolition of Forced Labor Convention. In hopes of catalyzing my audience to action and with the express purpose of expediting the whole procedure, I should like to present to you today a synopsis of the convention itself.

Article I is the section containing most of the substance of the convention. It states:

Each member of the International Labor Organization which ratifies this Convention undertakes to suppress and not to make use of any form of forced or compulsory labor—

- (a) as a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system;
- (b) as a method of mobilizing and using labor for purposes of economic development;
- (c) as a means of labor discipline;
- (d) as a punishment for having participated in strikes;
- (e) as a means of racial, social, national or religious discrimination.

Article II of the convention pledges all ratifying members to take effective measures to "secure the immediate and complete abolition of forced or compulsory labor as specified in article I."

The third and fourth articles are concerned with the specific mechanics of formal ratification, registration, and date when the treaty shall come into force.

Article V provides an outlet whereby a member who has previously ratified the convention may denounce it 10 years after the date which the convention would come into force, a date 12 months after the date on which the ratification of two members has been registered with the Director-General. Such a denunciation would take effect 1 year from the date it would be registered by the Director-General of the ILO. Any party which has not, within a year following the expiration of that 10-year period, exercised the right of denunciation, will continue to be bound for another 10-year period and, thereafter, by a communication to

the Director-General, may denounce the convention at the expiration of any period of 10 years.

Article VI specifies that the Director-General shall notify all members of the organization of the registration of ratifications and denunciations and of the entry into force of the convention while the seventh article outlines the procedure whereby the Director-General of the ILO shall register the convention with the United Nations.

Article VIII provides for consideration of a revision of the convention.

Article IX is concerned with the replacement of this convention by some future one. Specifically, it provides that, if the ILO conference adopts a new convention revising this present convention in whole or in part, then, unless the new convention otherwise provides, ratification by a member of the new convention shall involve the immediate denunciation of this convention notwithstanding the provisions of the fifth article.

The 10th and last article merely calls attention to the authenticity of the text and that the English and French versions of the text of the convention are equally authoritative.

Mr. President, I can see nothing in these 10 articles which would either go contrary to our guiding principles as a nation or which would interfere with our existing State and Federal laws. On previous days, I have provided the Senate with testimonies from outstanding authorities in the field of labor and constitutional law who have explicitly stated that these provisions contained in the convention would not contravene with our judicial structure. There is no constitutional conflict which opponents of the ratification have tried to use as the basis for their reluctance to ratify. But there most definitely is a moral and ethical conflict induced by our persistent failure to act on this convention as well as the rest of the human right conventions.

Mr. President, in these troubled times, I can think of no better way for the United States to confirm its position as a leader in the field of human rights than by passing this legislation at its earliest opportunity.

#### JOE McCaffrey, WASHINGTON CORRESPONDENT

Mr. CASE, Mr. President, this month marks the 25th year that Joe McCaffrey has been a Washington correspondent.

I am sure that many, if not most, of the Members of this Chamber know Joe either on a personal basis or through his regular reports over WMAL radio and television in Washington.

He has many friends and admirers on Capitol Hill. I count Joe as a friend and able reporter and I like to recall that we were fellow townsmen in Poughkeepsie, N.Y., when both of us were younger men.

My arithmetic tells me that Joe McCaffrey became a Washington correspondent in 1944, the year before I entered Congress as the representative from the Sixth District of New Jersey.

Mr. President, I join in honoring Joe McCaffrey on this milestone in his ca-

reer, and in wishing him well in the years of productive journalistic endeavor that I know still lie ahead of him.

#### NATIONAL CITIZENS CONFERENCE ON REHABILITATION

Mr. GOODELL, Mr. President, the first National Citizens Conference on Rehabilitation is now meeting in Washington, D.C. I want to commend Miss Mary Switzer, the Administrator of Social and Rehabilitation Services at the Department of Health, Education, and Welfare, Dr. Howard Rusk, director of the Institute of Rehabilitation Medicine at the New York Medical Center, and W. Scott Allen, the assistant vice president of Liberty Mutual Insurance Co., for their outstanding dedication to the rehabilitation work in this Nation, and for the foresight that made this important conference possible. I know that the conference has brought thoughtful and dedicated people from throughout the Nation to Washington to discuss and to work on the problems they face. I am certain that all of my colleagues recognize the tremendous importance of their work and of this conference.

The Vocational Rehabilitation Act governs Federal participation in the rehabilitation of physically and mentally impaired adults. The program is administered by the Social and Rehabilitation Service of the Department of Health, Education, and Welfare, and by State vocational rehabilitation agencies. The program is to provide whatever services may be needed in assisting physically and mentally impaired persons to become self-supporting and contributing members of society.

Under the program, over 207,000 individuals were rehabilitated in fiscal 1968. However, estimates are that there are now at least 5 million persons in the United States who are in desperate need of rehabilitation services; and there is annual increase of about 500,000 individuals needing such services.

Practically all of the people served by this program are poor people. Although economic need is not required by the Federal Government as a condition for participation in the program most States apply economic need principles to varying degrees. Thus, over half of the individuals served have no incomes; 90 percent have incomes which are below what is ordinarily referred to as the poverty level."

The vocational rehabilitation program has returned tens of thousands of these people to profitable living wherein they were able to earn salaries to support both themselves and their families.

Further, the vocational rehabilitation program has proven second only to the GI bill of World War II in the amount of money which it has returned to the Government not only in increased taxes, but from people who have been put back into industry and taken off public assistance.

Since funds for rehabilitation have not been adequate in recent years, President Nixon has requested an increase of 36 percent over the 1969 budget appropriations for rehabilitation programs.

The President has rightly given priority to those programs while making every attempt to curb inflation.

It has always been the intent of Congress to make maximum use of these highly successful rehabilitation programs. I strongly urge that the President's efforts to bring them up to the level that is necessary be supported by the Congress.

#### PAN AMERICAN WORLD AIRWAYS

Mr. CANNON. Mr. President, 30 years ago, on June 28, 1939, the Dixie Clipper, operated by Pan American World Airways, lifted into the air from Long Island Sound to inaugurate transatlantic passenger service to Europe.

Some 5,000 spectators cheered and a brass band played, as the 22 passengers filed onto the yacht-type pier in Manhasset Bay and boarded the Boeing 314 Flying Boat. The plane, cruising at 150 miles per hour, took 42 hours and 10 minutes—29 hours and 20 minutes in the air—to fly to Marseilles via the Azores and Lisbon.

Pan Am now flies the Atlantic with Boeing 707's, cruising four times as fast as the flying boats and carrying as many as 161 passengers. In the same amount of time the Dixie Clipper required to reach Marseilles, the 707 on Pan Am's flight 2 flies more than halfway around the world from New York.

Pan Am has announced that it hopes to pioneer transatlantic travel once again at the end of 1969, when it is scheduled to become the first to fly the 362-passenger Boeing 747 in regular commercial service.

Thirty years ago, at the end of 1939, the airline announced that it had crossed the Atlantic 100 times. With Pan Am's introduction of the jet in 1958, the pace quickened, and the airline announced on July 2, 1962, that it had crossed the Atlantic 100,000 times. By June 28, 1969, Pan Am will have made over 187,000 crossings, and will be continuing to make 373 crossings each week as part of its service to 119 cities in 89 lands around the world.

Capt. Harold E. Gray, who piloted Pan Am's first transatlantic commercial survey flight in 1937, now serves as chairman of the board of Pan Am. Under the guidance of Captain Gray and Juan T. Trippe, who founded the airline in 1927, Pan Am has been in the forefront of airlines attempting to lower transatlantic fares, making New York to Paris travel within economic reach of a greater number of people than ever before.

#### THE GREAT SOCIETY'S POOR LAW: A NEW APPROACH TO POVERTY

Mr. GOODELL. Mr. President, I wish to call to the attention of my colleagues a study of the Office of Economic Opportunity conducted by Dr. Sar Levitan, director of the center for manpower policy studies at George Washington University. His extensive analysis, recently published in a work entitled "The Great Society's Poor Law: A New Approach to Poverty," has been called by far the

most complete and most thoroughgoing study by a nongovernmental source.

I ask unanimous consent that a review of Dr. Levitan's book by Howard W. Hallaman, formerly staff director of a study of the OEO program conducted by the Senate Subcommittee on Employment, Manpower, and Poverty, be inserted in the RECORD. Mr. Hallaman's incisive review appeared in the June issue of Community Development.

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

#### "THE GREAT SOCIETY'S POOR LAW"

(Reviewed by Howard W. Hallaman)

OEO is like the poor it seeks to serve: There! An embarrassment to the larger society, too intractable to eliminate, but too annoying to praise.

President Johnson discovered this within a year after he pushed the Economic Opportunity Act through Congress.

Candidate Nixon talked of eliminating the Job Corps altogether and seemed to threaten the very life of OEO, but President Nixon has preserved OEO and has kept at least half the Job Corps.

Prof. Daniel P. Moynihan scoured the Community Action Program and advocated that such local efforts be to be completely under city hall control, but when he became a Presidential adviser he supported continuation of CAP as an independent operation.

The Government Accounting Office launched a million-dollar study of the EOA programs, creating great fears at OEO and great expectations among OEO's enemies on Capitol Hill. But after a year, GAO gave the anti-poverty agency a positive rating.

For four years, Dr. Sar Levitan, working with Ford Foundation funds, probed deeply into OEO's operations and published numerous critiques in journal articles and mimeographed papers, sometimes raising the hackles of OEO administrators. But when he put all together in *The Great Society's Poor Law*, Levitan concluded that OEO's pluses exceed its minuses. He, too, wants OEO to continue, albeit with an abridged role more fitting its resources and place in the Federal structure.

These dual strains of criticism and support carry over into efforts to judge the Federal agency created to mastermind the attack on poverty. Ignoring the beam of Defense Department waste, we have microscopically examined the mote of OEO's shortcomings. But yet we cannot bring ourselves to do away with this modest program. So we give it enough to prevent outright starvation, but not enough to allow it to gain much strength.

In the face of this social ambivalence, Dr. Levitan offers a dispassionate study, basically objective though not entirely free of the author's opinions, as factual as meager data allow. It is by far the most complete and most thoroughgoing study by a non-governmental source.

The Economic Opportunity Act, says Levitan, focused on the causes of poverty not merely the symptoms, the most obvious of which is lack of money. Therefore, it concentrated on self-help programs and was not directly concerned with income support. While these "efforts have in one way or another helped millions," they "bypassed many who could not benefit from the self-help approach, and they failed to reach additional millions because of limited funds."

On the funding question, the author shows time and again how available funds allowed the various programs barely to scratch the surface of need for the self-help activities, much less get into major income-support programs. As the Nixon Administration has surely learned by now, there are no bargain-basement cures for poverty.

On specific programs, Levitan makes the following judgments:

Head Start has helped the participating pre-school children although by itself it is no panacea. The full-year program is preferable to the shorter summer one. The "fade-out" of achievement levels in following grades should not be too surprising in view of inadequate follow-through. "A more realistic role for Head Start is a pre-school program in the context of a strategy for a change in the primary schools offering poor children an enriched and more comprehensive education."

Because of the heavy caseloads undertaken, Legal Services has not operated much differently from traditional legal-aid organizations, in spite of the additional objectives of legal reform, education, and representing organizations of the poor. Even so, attorneys have achieved several victories in law reform. "Where the program has been effective, business and government officials may treat more warily when dealing with the poor community."

Even if the neighborhood health centers are too new to evaluate fully, the concept of one-stop health centers for the poor has already won many adherents. But so far, this has not led to a redirection of non-OEO Federal health funds, nor are the centers effectively tied into the major programs for financing individual medical care, such as Title XIX of the Social Security Act.

Although OEO had to be pushed into family planning projects, they have proven to be effective measures for combating poverty. "A separate OEO birth-control program continues to be necessary because HEW has been even slower than OEO in adopting family planning efforts."

"In urban areas there is real question as to whether VISTA has a legitimate role other than as a manpower subsidy to local agencies . . . Rural areas that lack social services, technical skills, and efficient communication with the 'outside world' would seem to provide the most fertile ground for VISTA efforts."

On some of the special rural programs, Levitan has these conclusions: "Rural loans appear to be a poor investment if the goal is achieving economic independence, but it may be an acceptable means of providing income maintenance under the guise of self-help. In assisting rural-migrant and seasonal labor, OEO could not decide whether its programs should concentrate on 'keeping 'em down on the farm' or on aiding farm laborers to move into urban areas where the jobs are. Similar issues remain unresolved in Indian assistance programs."

"The Job Corps is one institution with the potential of helping disadvantaged youths bridge the gap between aspiration and reality. The harsh fact is that it has helped only a minority of those who sought its aid, despite the relatively ample resources of those who sought it."

On these programs with fairly specific objectives, Dr. Levitan has confidence in his conclusions. But when he comes to the CAP, apart from national emphasis programs, he rejects a summary judgment on its effectiveness. And no wonder, for there is great diversity among the 1,000 CAAs. But he sees the CAAs as a definite advance over traditional welfare organizations, especially in advancing the role of the poor. "On that score," he says, "CAP must certainly be judged an innovative agency which gave the poor their first social and political role . . . The effort should be nourished, even if progress thus far has been uneven and falls short of the hopes advanced by the antipoverty warriors that CAP would eliminate the need for a welfare system by eradicating poverty."

Having surveyed all of these programs and the overall performance of OEO as well, Dr. Levitan concludes that planning, coordination, and evaluation should be removed from



its workload and given to a White House agency, not to the new Urban Affairs Council, which he thinks is too likely to ignore the needs of the poor, but to a special council, perhaps modeled after the Economic Opportunity Council of the 1967 Amendments or a proposal of the House Republican's Opportunity Crusade (1967).

The OEO remnant would then be basically an experimental and demonstration agency, using CAP as a tool for innovation. Under Levitan's proposed revision, 70 percent of CAP funds would go through the states, the remainder being used for experiment projects or direct local aid bypassing the states. The states would arbitrate local disputes for control.

Having spent 1967 as staff director of the study of the OEO program by Sen. Clark's Subcommittee, I am in fundamental agreement with Dr. Levitan's evaluation of the various programs. But when it comes to his recommendations, I must conclude that he just hasn't studied state government. For with few exceptions, state control of CAP would be a serious setback.

However, I fully concur with his final conclusion that a real attack on poverty would require far more than the modest expenditures so far committed—at least \$20 billion more. And I am afraid that he is correct in reporting, "There is little evidence that the American people are willing to assign a top priority to a real war on poverty."

This makes me think that as important as an evaluation of the administration of the Economic Opportunity Act would be an evaluation of us, the American people, and why we are unwilling to eliminate poverty when we have the economic capacity to do so.

#### NEED FOR PERMANENT FARM STORAGE LOAN PROGRAM

Mr. HRUSKA. Mr. President, yesterday, my able colleague, Senator CURTIS, introduced S. 2488, a bill to amend the Commodity Credit Corporation Act to authorize the Commodity Credit Corporation to insure loans made to farmers for the construction or purchase of facilities for storage of grain on the farm. I was pleased to join as a cosponsor of the bill.

A farm storage facility loan program to aid producers in obtaining on-farm grain storage bins and dryer equipment has been in effect since June 1949. Since the beginning of the program through the end of calendar year 1968, about \$422.7 million has been loaned to farmers through 279,312 loans which included farm storage structures with a total capacity of almost 1.3 billion bushels.

More than 25 percent of the total funds loaned and more than 20 percent of the total storage capacity built since the beginning of the program was accounted for in 1968. During last year, producers borrowed \$106.4 million through 44,249 loans for storage structures and drying facilities with a storage capacity of approximately 270 million bushels.

By contrast, only 8,491 loans were made to farmers for \$7.4 million for structures with a storage capacity of 28.9 million bushels in 1949.

By 1967, changes in eligibility requirements and numerous other revisions were made in the existing farm storage facility loan program which made the program increasingly useful and resulted in the significantly increased activity in 1968.

Following is a schedule of the number of loans made, the capacity of the struc-

tures on which the loans were made, and the dollars loaned for each of the past 5 fiscal years, together with an estimate for the current fiscal year.

#### NATIONAL TOTALS

Fiscal year	Number of loans	Amount (in million bushels)	Value (in million dollars)
1964-----	8,597	34.9	11.9
1965-----	6,070	25.2	8.7
1966-----	9,189	38.1	13.6
1967-----	8,398	40.4	15.7
1968-----	23,146	122.9	56.9
1969-----	43,000	300.0	120.0

The purpose of the facility loan program is to enable producers to store their production on the farm so that they can market it in an orderly manner. Having farm storage, of course, gives a farmer maximum flexibility in handling his crop and eliminates the necessity for his paying for off-farm storage. For commodities for which resale programs are authorized, producers may also earn storage payments for grains which are resold in structures financed with facility loans. There is little disagreement that on-the-farm storage is the most efficient, economical, and practical method of storing grain.

However, because of the inflationary pressures on our economy, it was decided by the Bureau of the Budget that the farm storage facility loan program had to be substantially reduced. The Department of Agriculture therefore announced drastic program changes which would reduce the loan activity for fiscal year 1970 to \$20 million from an estimated level of \$120 million during the current fiscal year. The number of loans for storage structures and drying facilities were to be decreased from the fiscal 1969 level of over 44,000 to less than 9,000.

While I am in sympathy with the urgent need to halt inflation, and agree that Federal expenditures must be decreased to help accomplish this goal, I do not believe that vital programs contributing to the health and stability of our agriculture community should be so substantially reduced. The announced limits are too abrupt without sufficient notice to the farming community, and the level of funding is too severely reduced.

For this reason, as the ranking Republican member of the Senate Agriculture Appropriations Subcommittee, I suggested for the subcommittee's consideration during executive session on the agriculture appropriations bill language in our report which would permit a loan program level during fiscal 1970 of approximately \$70 million. The subcommittee adopted the language and recommended that all amounts of repayments received during the coming fiscal year be made available along with \$20 million of new funding; repayments in the coming fiscal year have been estimated at about \$50 million.

During its executive session this week, the Senate Appropriations Committee approved the language recommended by the subcommittee, and it will be incorporated into the committee report to the Senate. The bill will be considered on the floor of the Senate in the near future.

The basis for stability and continuance of the farm storage loan program should not, however, be limited to language in a committee report. What is needed is legislative authority to permit the Commodity Credit Corporation to insure loans to grain growers by commercial lending institutions whenever the Secretary of Agriculture determines that insured loans will effectively carry out the purpose of maintaining an on-farm storage program. Insured loans in conjunction with the direct loan program will greatly reduce the need for Federal funds for loans. S. 2488 will accomplish this goal.

I urge my colleagues to support the committee language on this matter in the agriculture appropriations bill and to support S. 2488 when it is reported to the Senate floor for consideration.

#### FEDERAL ASSISTANCE TO THE DISTRICT OF COLUMBIA

Mr. PROXMIER. Mr. President, several weeks ago I asked the General Accounting Office to compile a table of Federal assistance to the District of Columbia for the Subcommittee on Appropriations for the District of Columbia.

With the thought that this information would be of general interest, I ask unanimous consent that my letter of request and the Comptroller General's response and table be printed at this point in the RECORD.

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

APRIL 3, 1969.

Mr. V. L. HILL,  
Assistant Director, Civil Division, U.S. General Accounting Office, Room 213 District Building, Washington, D.C.

DEAR MR. HILL: I will appreciate your office preparing for the use of this Subcommittee a detailed table showing as completely as possible total Federal assistance to the District of Columbia.

This information is desired in connection with the hearings of the Subcommittee on Appropriations for the District of Columbia for fiscal year 1970.

Best wishes.

Sincerely,

WILLIAM PROXMIER,  
U.S. Senate, Chairman, District of Columbia Subcommittee.

COMPTROLLER GENERAL OF  
THE STATES UNITED,  
Washington, D.C., June 16, 1969.

The Honorable WILLIAM PROXMIER,  
Chairman, District of Columbia Subcommittee, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: Herewith is the table of Federal Assistance to the District of Columbia that we have prepared in response to your request dated April 3, 1969.

The amounts appearing in the table are largely Federal Agency estimates extracted from The Budget of the United States, 1970 (appendix) or obtained directly from the agencies involved. The explanation and footnotes, which are part of the table, provide further details.

We trust that the information will serve your purpose.

Sincerely yours,

ELMER B. STAATS,  
Comptroller General of the United States.

#### FEDERAL ASSISTANCE IN THE DISTRICT OF COLUMBIA

The following table provides an indication of the extent that Federal program assistance

is rendered to residents of the District of Columbia, over and above local funds collected as revenues and appropriated for various expenses of the City Government. No attempt has been made to list and total all Federal expenditures in the District, such as those growing out of service, supply, and research contracts awarded by Federal agency headquarters offices or the payrolls of these headquarters offices. Emphasis, instead, has been placed on community action, job, and training programs, such as those administered by OEO and the Department of Labor, which are more directly related to the involvement of District residents. No opinion is expressed or implied concerning whether Federal assistance to the District of Columbia is relatively greater or less than such assistance to the various states.

The table shows the amount of the Federal payment to the District of Columbia and subtotals of the Federal grant assistance to the benefit of District residents (1) through the D.C. Government and (2) through other public agencies. Subtotals are presented also of (1) the non-grant Federal assistance received by the District of Columbia organizations and groups and (2) the non-grant Federal assistance received by agencies with jurisdictions encompassing a more inclusive National Capital area because separation cannot be made of the non-grant benefits as they apply to the District and to its environs.

Salary payments made by the Federal Government have not been included in the table because they are similar to salary payments by the private sector, and Federal program assistance is not particularly reflected in these amounts. Unemployment insurance, Federal retirement, and similar maintenance payments also have been excluded because the payments into these systems have been made by worker and employer, and the payments out thus represent, in part, the repayment of worker earnings rather than payment of Federal program benefits. Social security payments differ from the other maintenance and retirement payments since they are not as clearly related to earnings and the repayment of withholdings, although withholdings are paid into the system. The payments in part represent other features, such as disability, health, and welfare, that identify them partly as Federal program assistance. However, the payments, in excess of \$80 million annually to District residents, have not been included in the table because of the mixed nature of the program features.

Program expenditures have not been included where it appears that the assistance does not specifically benefit the District's citizens. For example, several million dollars are paid by HEW annually to private universities in the District for research work. However, because the private universities' students (except Howard University) are not in any significant degree District citizens and the research is not especially aimed at the solution of specific District problems, these funds have not been included in the table.

Federal contributions are made, through the National Park Service, for the operation and maintenance of various parks in the District of Columbia. The costs of these operations, as shared by the District of Columbia and the Federal Government, are as follows:

[In millions]			
	1968	1969	1970
Federal Government...	\$7.0	\$9.2	\$10.3
District of Columbia Government.....	5.4	5.9	6.9
Total.....	12.4	15.1	17.2

The Federal share of cost has not been included as Federal assistance to the District because it is not clear in what proportion the expenditures benefit D.C. residents and others.

Consideration has been given to whether the Government of the District of Columbia benefits from the authorization provided it to use the United States Treasury facilities and services. The Treasury acts as a depository for all District revenue; prepares individual checks for most District expenditures, for which it is reimbursed; and lends money to the District—without interest for some short-term cash requirements and at average Treasury rates for other borrowings. Because of uncertainties in estimating comparative costs under assumptions that (1) the District would borrow on the open market through the issuance of tax exempt municipal bonds with attendant underwrit-

ing expenses, (2) that the District would develop capability to issue its own disbursement checks, or (3) that the District would arrange for the services of a commercial bank as a depository and as a source of short term cash requirements, the net benefit to the District of Columbia is not clear and, consequently, has not been included in the table.

The data, in general, were extracted from the Budget of the United States Government, fiscal year 1970 (appendix) or were obtained from agency records; the amounts shown for fiscal year 1968 are generally obligations and the amounts for fiscal years 1969 and 1970 are generally the agencies' budget estimates. The individual footnotes state other sources and estimating methods. None of the data has been audited, although care has been used in collection and compilation procedures.

## FEDERAL ASSISTANCE IN THE DISTRICT OF COLUMBIA

	Fiscal year 1968	Fiscal year 1969 (estimated)	Fiscal year 1970 (estimated)
Federal payment to the District of Columbia.....	\$70,000,000	\$90,000,000	\$90,000,000
Federal grant assistance to the District of Columbia:			
Through the District of Columbia government <sup>1</sup> .....	103,545,000	196,052,000	133,226,000
Through agencies other than the District of Columbia government:			
United Planning Organization—to local contractors <sup>2</sup> .....	21,484,758	19,159,662	19,160,000
Office of Economic Opportunity—to local contractors.....	22,627,979	20,460,000	22,185,000
Department of Housing and Urban Development—to National Capital Housing Authority.....	6,373,000	6,500,000	7,000,000
Department of Agriculture—food stamp bonus—through banks, etc.....	1,841,460	2,375,703	2,500,000
Department of Labor—to local contractors.....	19,169,406	11,257,000	11,257,000
Department of Health, Education, and Welfare—Medical Facilities Construction Act of 1968 <sup>3</sup> .....			15,000,000
Total, Federal grant assistance.....	175,041,603	255,804,365	210,328,000
Federal assistance, other than grants, to the District of Columbia:			
Commission of Fine Arts.....	102,000	115,000	115,000
Commission on Revision of the Criminal Laws of the District of Columbia.....	0	0	150,000
Smithsonian Institution <sup>4</sup> .....	6,000	25,000	65,000
St. Elizabeths Hospital <sup>5</sup> .....	4,676,000	5,296,000	5,156,000
Howard University <sup>6</sup> .....	5,174,400	9,034,240	9,003,200
Freedmen's Hospital <sup>7</sup> .....	6,937,000	9,030,000	31,309,000
General Services Administration <sup>8</sup> .....	2,200,000	2,200,000	2,200,000
Civil Service Commission:			
Services, administrative expenses, and payments <sup>9</sup> .....	1,250,000	1,254,371	1,250,000
Increase in unfunded liability of civil service retirement fund <sup>10</sup> .....	45,050,000	50,660,000	56,300,000
General Accounting Office audit.....	280,000	300,000	375,000
Federal City College.....	0	0	400,000
Total, nongrant Federal assistance.....	65,675,400	77,914,611	106,323,200
Federal assistance other than grants to National Capital region:			
National Capital Planning Commission.....	940,000	1,047,000	1,248,000
Washington Metropolitan Area Transit Authority.....	1,626,000	49,479,000	126,112,000
Metropolitan Washington Council of Governments.....	908,834	2,289,364	2,262,108
Washington airports.....	3,603,000	3,693,000	3,46,000
Total National Capital region.....	7,077,834	56,508,364	133,091,108
Grand total.....	317,794,837	480,227,340	539,742,308

<sup>1</sup> Grant information and estimates furnished by the District of Columbia Government Budget Office as of Apr. 1, 1969. Summary follows:

[In thousands of dollars]			
Agency	Fiscal year		
	1968 actual	1969 estimated	1970 estimated
Highways and traffic.....	37,163	112,742	10,134
Public schools.....	19,809	20,559	20,779
Public welfare.....	20,702	19,989	27,156
Urban renewal.....	3,560	13,837	39,584
Public health.....	10,151	12,105	10,370
All other.....	12,160	16,820	25,203
Total.....	103,545	196,052	133,226

<sup>2</sup> United Planning Organization fiscal year ends Sept. 30.

<sup>3</sup> Consists of \$7,500,000 for grants and \$7,500,000 for loans. Total authorized through 1972: grants \$40,052,000 and loans \$40,575,000. The District of Columbia Medical Facilities Construction Act of 1968 provides Federal project grants in addition to those available under various programs provided by the Medical Facilities Acts (title VI of the Public Health Service Act, including the Hill-Burton program, title II or pt. C of title I of the Mental Retardation Facilities and Community Health Construction Act of 1963).

<sup>4</sup> Represents appropriations received and requested by the Smithsonian Institution for operation of a neighborhood museum which appears to be of special benefit to the District of Columbia residents. Total appropriations of \$38,400,000 have been requested for the Smithsonian for fiscal year 1970. However, the Smithsonian is considered primarily of national benefit rather than strictly as a benefit to District residents.

<sup>5</sup> Federal contribution to cost of patient care of District of Columbia residents in St. Elizabeths Hospital:



	1968	1969	1970
A. Per diem cost for patient care excluding repairs and construction.....	\$77.24	\$19.23	\$21.27
B. Per diem cost paid by District of Columbia government.....	\$14.47	\$15.95	\$17.94
C. Portion of per diem cost paid by Federal Government.....	\$2.77	\$3.28	\$3.33
D. Patient days—District of Columbia residents.....	1,687,932	1,614,760	1,548,330
E. Total cost of patient care for District of Columbia residents contributed by Federal Government.....	\$4,675,571.64	\$5,296,412.80	\$5,155,938.90

<sup>6</sup> Since 32 percent of Howard University students (school year 1967-68) were recorded as having been born in the District of Columbia, we considered 32 percent of the obligations and estimates, budget of the United States, fiscal year 1970 (appendix) as assistance to the District of Columbia:

	1968	1969	1970
Salaries and expenses.....	\$15,534,000	\$18,231,000	\$20,445,000
Construction.....	636,000	10,001,000	29,890,000
Less construction of new teaching hospital at Freedmen's.....	16,170,000	28,232,000	50,335,000
Total, Howard University.....	16,170,000	28,232,000	28,135,000
Assistance to District—32 percent of above.....	5,174,400	9,034,240	9,003,200

<sup>7</sup> According to Freedmen's Hospital officials the vast majority of patients are residents of the District of Columbia. In addition to obligations and estimates for salaries and expenses, we have included the estimated cost of construction of the new teaching hospital which was included in funds for construction at Howard University for fiscal year 1970.

<sup>8</sup> Represents estimated value of rent-free office space provided to the District of Columbia government by GSA and the savings in operating expenses of the District Procurement Office due to privilege of purchasing through GSA, as estimated by District of Columbia government officials.

<sup>9</sup> Estimated costs applicable to the District of Columbia government which are included in Civil Service Commission funding. Estimates by Civil Service Commission for 1969.

<sup>10</sup> The District of Columbia government and its civil service employees are members of the civil service retirement system, the costs of which are shared by the employees and the Federal Government. The Federal Government, however, has not deposited into the retirement fund its full share of contributions needed to provide retirement benefits. It, in effect, owes the funding of these retirement benefits to the employees of the Federal agencies in the system. The amount that has not been funded by the Federal Government (deficiency) is increasing each year primarily because Federal payments into the fund were not made or were insufficient in amount, especially in the earlier years. The Federal payments into the fund have been insufficient because benefits have been liberalized, interest income cannot be earned on the unfunded liability, and the pay raises provided result in unplanned increases in annuities. The deficiencies precluded the drawing of interest and the accumulating of the income needed to provide for the retirement annuities on an actuarial basis.

The Federal Government's deficiency in the retirement fund at June 30, 1968, was \$52.6 billion, having increased during fiscal year 1968 by about \$4.5 billion. Such annual increases in the unfunded liability represent the increase in the amount needed to provide for the retirement due the employees in the Federal Civil Service Retirement System. The Federal Government is liable for making provision for and paying retirement annuities.

Since the District's Civil Service employees constitute about 1 percent of the total in the system, it is estimated that about 1 percent of the annual increase in the unfunded liability (\$45 million for fiscal year 1968, for example) pertains to the Federal Government's obligation to provide its share of the retirement benefits for District employees. The Federal Government now provides for retirement costs in current annual appropriations to agencies, but provision has not been made for the deficiency. It is assumed that retirement annuities will be paid and accordingly, the annualized amounts of the deficiency are included as a measure of the impact of Federal financing in addition to that included in District appropriations and other Federal payments and grants.

<sup>11</sup> Estimated income from the endowment fund of \$7,241,706 provided by the fiscal year 1969 second supplemental appropriation act to the Department of Health, Education, and Welfare for the Federal City College in lieu of a land grant.

<sup>12</sup> Federal participation in WMATA is anticipated at about 46 percent of the total estimated cost of \$2.5 billion. In San Francisco, Federal participation in the San Francisco Bay Area Rapid Transit System is about 8.4 percent of the total estimated cost of \$1.3 billion. Net obligations incurred by WMATA for fiscal year 1968, as shown in the Budget of the United States Government, fiscal year 1970 (appendix) total \$1,626,000. Obligations, as estimated in the Budget for fiscal years 1969 and 1970 are \$49,479,000 and \$43,173,000 respectively. Additional Federal support for fiscal year 1970, designated in the Budget as Sharebond proceeds, is estimated to be \$82,939,000. The total estimated Federal support of WMATA for fiscal year 1970, therefore is \$126,112,000. At June 1, 1969, it appears that obligations for fiscal year 1969 will be less than estimated in the budget since only about \$6 million have been made available for obligation to date in 1969.

<sup>13</sup> Consists of grant supplements from HUD, HEW, Justice, and the Department of Transportation for regional planning and control.

<sup>14</sup> Actual and estimated operating losses for the National Capital Airports, consisting of the Washington National and Dulles International Airports.

Mr. PROXMIRE. Mr. President, I would suggest that those having an interest in this information carefully note the introductory statement which outlines the manner in which the table was compiled, as well as the footnotes which clarify certain individual items.

#### THE INTERNATIONAL GRAINS ARRANGEMENT

Mr. HARTKE. Mr. President, last year, on June 12, the Senate approved the International Grains Arrangement by a vote of 62 yeas to 21 nays, and immediately after that the operative provisions of the agreement went into effect on July 1, 1968.

The new International Grains Arrangement established minimum prices for wheat which were on the average 20 cents a bushel higher than those established under the International Wheat Agreement which had been in force from 1949 to 1967, greatly expanded the varieties of wheat which were covered by the agreement and established the gulf ports of the United States as the base points for determining f.o.b. prices.

The series of events that have transpired within less than 1 year have fully confirmed the worst fears which were expressed by opponents of the treaty. The high prices established by the new convention have encouraged uneconomical production of wheat abroad. At the

same time the United States is one of the few countries which is reducing its acreage of wheat planting, so that it, in effect, is penalizing itself. The United States has become a residual supplier, and the U.S. taxpayers have had to increase appropriations to the Commodity Credit Corporation in order to hold the unsold surpluses.

Immediately after Senate action on the arrangement, the Department of Agriculture in June 1968, imposed export taxes or "inverse subsidies" on wheat exported from the United States to raise the price quotations abroad to the minimum established in the grains arrangement. These export taxes on wheat from the United States ranged from 21 cents a bushel in July 1968 on U.S. No. 1 Hard Winter wheat of ordinary protein, to 24 cents in September 1968 and were at 17 cents per bushel in April 1969—see table 1. This means that the U.S. farmer now receives \$1.52 a bushel for this type of wheat, and with the 17-cent export tax per bushel the wheat is sold abroad for \$1.69, still 4 cents a bushel below the minimum price of \$1.73 established in the grains arrangement.

#### UNECONOMIC PRODUCTION TO CREATE A WORLD GLUT OF WHEAT

In calendar year 1968, the world wheat crop was a record 305 million metric tons, 10 percent above the preceding year—1967—and 7 percent above the 1966 record year; a 32-percent increase over the 1960-64 average. All wheatgrowing countries except Argentina had bumper crops.

At the start of the current crop year—July 1, 1968—it was estimated that the amount of wheat held in storage throughout the world exceeded 1 billion bushels. See table 2 showing the wheat supply of major exporting countries from 1960 to 1968.

It is expected that world wheat production in 1969 will be 9 percent above last year.

According to the U.S. Department of Agriculture—the "World Agricultural Situation, Review 1968 and Outlook for 1969," February 18, 1969—the high level of world wheat production in the past 3 years primarily reflects larger harvests in the Soviet Union which is not a signatory of IGA. Average annual production in the U.S.S.R. was 75 million tons during 1966-68, compared with 48 million during 1963-65. The U.S.S.R. harvested its second largest crop of wheat in 1968. Government domestic procurements were about 13 million tons in excess of domestic needs and the U.S.S.R. again is in a position to increase net exports. There will be an increase in exports to Eastern Europe and perhaps to the United Arab Republic and Cuba.

The Department further stated that—as shown in table 2—the United States and the four other major exporters—Canada, Australia, Argentina, and France—have reversed positions in terms of wheat supply during the 1960's. While total supply of wheat has gone down, the combined supply in Argentina, Australia, Canada, and France has gone up.

U.S. wheat exports during the first

half of the 1968-69 crop year were about 25 percent below the same period a year earlier and prospects are bleak for a full recovery in the latter half of this year. Although lower sales in the first quarter—July to September—may be explained by heavy foreign buying in June to avoid the higher IGA minimum prices effective July 1, lower sales in the second quarter can only be explained by lower demand and increased competition. Buying in anticipation of the U.S. longshoremen's strike in December caused some pickup in exports to Europe.

**THE UNITED STATES REDUCES ITS WHEAT ACREAGE WHILE OTHER NATIONS INCREASE PRODUCTION**

In 1968 Australia planted 26 million acres of wheat compared with 23 million in 1967 and 21 million in 1966. Canada had an 0.7-million-acre reduction in area in 1968, but produced an average wheat crop. Moisture reserves in western Canada should be exceptionally good for planting the 1969 spring wheat crop.

In the United States, production of wheat was 60 million bushels more than anticipated—from 1,510 million to 1,570 million bushels—while exports are expected to fall about 190 million below earlier expectations—from 790 million to about 600 million bushels.

Meanwhile the U.S. Department of Agriculture has set the national wheat acreage allotment for the United States for 1969 at 51.9 million acres, a 13 percent reduction from last year; further reductions can be expected from the sign-up through March 21, 1969, under the voluntary storage differential program.

Seeding of winter wheat in the U.S. for the 1969 harvest was 6 million acres less than in the previous year. Despite a record crop in 1968, the area in production in the United States was 3.5 million acres less than in 1967.

**UNITED STATES AS A RESIDUAL SUPPLIER**

Between 1955 and 1967, when the International Grains Arrangement was in force, the United States became the residual supplier of wheat, mostly on concessional terms. One-half to two-thirds of our exports of wheat and wheat flour were on concessional terms, while other suppliers, Canada, Australia, Argentina, and France sold primarily on commercial terms—see table 3. In the future, however, even our Government-financed programs will be reduced, as the unrealistically high prices under the grains arrangement encourage uneconomic production and competition abroad. India and Pakistan through U.S. assistance with fertilizers, new varieties of seed and irrigation, have greatly increased their production of wheat—see table 5. U.S. wheat shipments to India and Pakistan were down to 54 million bushels for July-December 1968, compared with 147 million bushels during the same 6 months a year earlier.

**FUTURE PROSPECTS**

Secretary of Agriculture, Clifford M. Hardin, in testifying on March 5, 1969, before the House Appropriations Committee Subcommittee on Agriculture, pointed out that American agriculture has expanded its capacity to produce

faster than the growth rate of aggregate demand and that it is expected that this excess capacity to produce will continue through 1980 even under the most favorable assumption. He added:

One may disagree as to the best approach to this problem of excessive supplies—but there should be no disagreement that excess capacity does exist in our national agricultural "plant" and that it centers mainly in grain. Crop yields continue to increase faster than needs expand.

With these prospects for increasing production for American farmers, the high prices set by the International Grains Arrangement can only result in the encouragement of foreign, less economic, production, diminishing exports for the United States, resulting in lowered prices for the American farmer and mounting expenses for the U.S. Government.

U.S. exports of farm products in fiscal year 1967 were \$6.8 billion, dropped to \$6.3 billion in fiscal year 1968, and are expected to fall to \$6.0 billion in fiscal year 1969.

In 1968 direct Government payments to farmers were \$3.5 billion, \$400 million higher than in 1967 because of substantial increases in payments to producers who participated in the feed grain program. A record 1968 crop raised the wheat supply for the current marketing year to 2.1 billion bushels, an increase of 160 million bushels from a year earlier. Domestic disappearance and exports may fall within a range 1.3 and 1.4 billion bushels this marketing year, so that the carryover, July 1, 1969, may climb to the area of 700 to 775 million bushels.

In March of this year Congress was hurriedly asked for a supplemental appropriation for an additional \$1 billion to permit the Commodity Credit Corporation to carry on its program of loans to farmers, because of the unexpectedly heavy production of commodities.

Representative WHITTEN, chairman of the subcommittee, pointed out that as of March 7, 1969, the value of commodities on hand and under loan from the CCC was estimated at \$5.1 billion. The Senate cleared the bill for the White House on March 27, 1969.

It is obvious that the United States, despite programs to limit acreage, faces the prospect of mounting surpluses with the resultant increasing expense to the Government for storage, loans, and diversion payments. The high prices set under the International Grains Arrangement encourage uneconomic production, competition, and advantages for foreign producers and reduced prices and returns for the American farmer.

The fictitiously high prices now set under the International Grains Arrangement have clearly not helped the American farmers to obtain additional income for their products. During the Foreign Relations Committee hearings and the Senate consideration of the agreement, it was predicted that high minimum world prices could only result in increased surpluses of wheat, and this is exactly what has happened.

Thus it is apparent that the U.S. Gov-

ernment must resort to policies which will obtain for American producers the highest possible exports of American wheat and other commodities for cash at competitive world prices. American wheat farmers have a great comparative advantage in being able to produce wheat more economically than foreign producers.

We must face up to the realization that the income of our farmers is a matter of internal domestic policy and that the maintenance of a fair share of the national income for the farmer is a matter for our national decision to see that he is adequately compensated. The aim of our export policy should be to sell as much of our production as can be moved through competitive pricing. The minimums in the International Wheat Convention must be reduced. This will move wheat into international channels, reduce the domestic surplus, raise the domestic price to the farmer, and diminish the budgetary cost to the Government of storing surpluses.

**DURATION OF THE INTERNATIONAL GRAINS ARRANGEMENT**

The International Grains Arrangement entered into force on July 1, 1968, and is to remain in force for 3 years, through June 30, 1971.

Under article 21 of the arrangement, any country which considers its interests have been seriously prejudiced may bring the matter to the attention of the International Wheat Council, which may refer the matter to the Executive Committee or the Prices Review Committee. Within the Council two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries are required for a decision granting relief. If no relief is granted by the Council, however, and the country concerned still considers that its interests as a party to the convention have suffered serious prejudice, it may withdraw from the convention at the end of the crop year by giving written notice. The weighted votes allotted exporters and importers under the Convention are shown in the attached table 4.

Also, under article 8 of the Grains Arrangement, provision is made for review of and adjustments in minimum prices by the Prices Review Committee and the Wheat Council which shall decide whether provisions of the convention shall be suspended and if so to what extent.

On April 3 and 4, 1969, representatives of the five major wheat exporter nations who are members of the IGA—the United States, Argentina, Australia, Canada, and the European Economic Community—met in Washington to discuss problems which have arisen under the convention. The communique issued at the end of the meeting disclosed no more results than the following:

Ways and means of resolving these difficulties were explored and it was agreed that the necessary adjustments would be made collectively and individually by the exporting countries to overcome them and to foster the effective operation of the arrangement.

The United States should press for a



substantial reduction in the minimum price levels now established under the IGA and also for the removal of the arbitrary distinction in the IGA between types of wheat which now benefit foreign producers to the disadvantage of American growers. In addition the United States should use every means to press for the removal of the variable levies

which the EEC imposes on products entering the Community, the proceeds of which are then used to finance subsidies on EEC exports.

I ask unanimous consent that six tables be printed in the RECORD.

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

TABLE 1.—SELECTED PRICE SERIES OF INTERNATIONAL SIGNIFICANCE

Year and month	Wheat, Canada No. 1, Northern, in store, Fort William-Port Arthur export (class II)		Wheat, U.S. No. 1, Hard Winter, ordinary protein, f.o.b. gulf ports <sup>1</sup>						Wheat, U.S. No. 2, Hard Winter, c.i.f. United Kingdom, nearest forward shipment	
	Buyer's price		Export certificate or payment						Seller's price	
	Canada dollars per bu.	Dollars per m.t.	Dollars per bu.	Dollars per m.t.	Dollars per bu.	Dollars per m.t.	Dollars per bu.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.
<b>1968</b>										
February.....	1.92	65.19	1.71	62.83	-0.11	-4.04	1.82	66.87	29.95	70.75
March.....	1.94	65.95	1.73	63.57	-0.05	-1.84	1.78	65.40	30.83	72.83
April.....	1.94	65.95	1.68	61.73	.00	.00	1.68	61.73	29.81	70.42
May.....	1.93	65.74	1.64	60.26	.00	.00	1.64	60.26	29.83	70.47
June.....	1.97	66.89	1.71	62.83	.13	4.78	1.58	58.06	31.00	73.24
July.....	1.99	67.53	1.73	63.57	.21	7.72	1.52	55.85	31.30	73.93
August.....	2.00	68.03	1.73	63.57	.23	8.45	1.50	55.12	30.23	71.40
September.....	2.01	68.27	1.74	63.93	.24	8.82	1.50	55.12	30.47	71.97
October.....	1.98	67.15	1.73	63.51	.18	6.61	1.56	57.32	31.50	74.41
November.....	1.96	66.57	1.73	63.57	.15	.51	1.58	58.06	31.57	74.58
December.....	1.96	66.77	1.74	63.93	.17	6.25	1.57	57.69	31.45	74.28
<b>1969</b>										
January.....	1.96	66.74	1.72	63.20	.15]	5.51]	1.57	57.59]	30.92	73.04
February.....	1.97	66.81	1.71	62.83	.16	5.88	1.55	56.95	30.76]	72.65
Year and month	Wheat, Northern Manitoba No. 2, c.i.f. United Kingdom, nearest forward shipment		Wheat, Argentine Up-River, c.i.f. United Kingdom, nearest forward shipment		Wheat, Australian, c.i.f. United Kingdom, nearest forward shipment		Corn, Argentine, c.i.f. United Kingdom, nearest forward shipment		Corn, U.S. No. 3, yellow, c.i.f. United Kingdom, nearest forward shipment	
	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.
	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.
<b>1968</b>										
February.....	32.82	77.52	29.61	69.94	28.75	67.91	27.40	64.63	24.95	58.94
March.....	33.53	79.20	30.15	71.21	28.92	68.30	27.40	64.63	24.62	58.17
April.....	33.09	78.17	29.00	68.50	29.00	68.50	26.04	61.51	23.91	56.47
May.....	33.05	78.07	29.00	68.50	29.00	68.50	26.04	61.50	23.82	56.28
June.....	33.73	79.68	29.25	69.09	29.25	69.09	27.03	63.85	23.47	55.44
July.....	33.67	79.52	29.50	69.68	29.50	69.68	26.50	62.60	23.36	55.18
August.....	33.93	80.15	30.12	71.16	29.12	68.80	25.11	59.31	22.50	53.15
September.....	33.60	79.36	29.00	68.50	29.12	68.80	25.08	59.24	22.17	52.36
October.....	33.46	79.04	28.65	67.67	29.12	68.80	24.35	59.52	22.85	53.97
November.....	33.56	79.28	29.00	68.50	28.96	68.40	25.19	59.50	23.78	56.17
December.....	33.69	79.57	29.75	70.27	28.88	68.21	25.86	61.08	24.69	58.31

TABLE 1.—SELECTED PRICE SERIES OF INTERNATIONAL SIGNIFICANCE—Continued

	Wheat, Northern Manitoba No. 2, c.i.f. United Kingdom, nearest forward shipment		Wheat, Argentine Up-River, c.i.f. United Kingdom, nearest forward shipment		Wheat, Australian, c.i.f. United Kingdom, nearest forward shipment		Corn, Argentine, c.i.f. United Kingdom, nearest forward shipment		Corn, U.S. No. 3, yellow, c.i.f. United Kingdom, nearest forward shipment	
	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.	Pounds per l.t.	Dollars per m.t.
<b>1969</b>										
January.....	34.09	80.53	30.19	71.31	28.88	68.21	25.84	61.05	25.19	59.50
February.....	33.89	80.05	30.28	71.53	28.88	68.21	25.78	60.90	24.66	58.24

TABLE 2.—WHEAT SUPPLY IN MAJOR EXPORTING COUNTRIES, 1960-68  
[Million metric tons]

Country	Year beginning <sup>1</sup>								
	1960	1961	1962	1963	1964	1965	1966	1967	1968
Canada:									
Stocks.....	16.3	16.5	10.6	13.3	12.5	14.0	11.4	15.7	18.2
Production.....	14.1	7.7	15.4	19.7	16.3	17.7	22.5	16.1	17.7
Supply.....	30.4	24.2	26.0	33.0	28.8	31.7	33.9	31.8	35.9
Australia:									
Stocks.....	1.7	.8	.5	.6	.6	.7	.4	2.2	1.4
Production.....	7.4	6.7	8.4	8.9	10.0	7.1	12.7	7.5	14.3
Supply.....	9.1	7.5	8.9	9.5	10.6	7.8	13.1	9.7	15.7
Argentina:									
Stocks.....	1.2	.8	.2	.5	2.2	3.3	.2	.2	1.4
Production.....	4.0	5.7	5.7	8.9	11.3	6.1	6.2	7.3	5.9
Supply.....	5.2	6.5	5.9	9.4	13.5	9.4	6.4	7.5	7.3
France:									
Stocks <sup>2</sup> .....	1.9	2.3	1.7	3.2	2.3	2.0	2.6	1.7	1.8
Production.....	11.0	9.6	14.1	10.2	13.8	14.8	11.3	14.0	14.8
Supply.....	12.9	11.9	15.8	13.4	16.1	16.8	13.9	15.7	16.6
Total, 4 countries:									
Stocks.....	21.1	20.4	13.0	17.6	17.6	20.0	14.6	19.8	22.8
Production.....	36.5	29.7	43.6	47.7	51.4	45.7	52.7	44.9	52.7
Supply.....	57.6	50.1	56.6	65.3	69.0	65.7	67.3	64.7	75.5
United States:									
Stocks.....	35.7	38.4	36.0	32.5	24.5	22.2	14.6	11.6	14.6
Production.....	36.9	33.5	29.7	31.2	34.9	35.8	35.7	41.4	42.7
Supply.....	72.6	71.9	65.7	63.7	59.4	58.0	50.3	53.0	57.3
Soviet Union:									
Production.....	46.3	52.3	54.4	40.0	57.7	46.5	85.0	64.0	75.0

<sup>1</sup> Year beginning July 1 for United States and France, Aug 1 for Canada, and Dec 1 for Australia and Argentina.  
<sup>2</sup> Beginning with 1967, stocks are Aug. 1.

Source: U.S. Department of Agriculture, "The World Agricultural Situation: Review of 1968 and Outlook for 1969," Foreign Agricultural Economic Report No. 50, Feb. 18, 1969, Washington, D.C.

TABLE 3.—VALUE OF U.S. EXPORTS OF WHEAT AND FLOUR, INCLUDING GOVERNMENT-FINANCED PROGRAMS (PUBLIC LAW 480 AND AID)

	[In millions of dollars]					
	Average, 1955-59	Average, 1960-64	Annual, 1964-65	Annual, 1965-66	Annual, 1966-67	Annual 1967-68 (preliminary)
Total.....	709	1,196	1,240	1,402	1,312	1,278
Commercial.....	240	400	249	465	666	511
Government financed programs	469	796	991	937	646	767

Source: U.S. Department of Agriculture, "Foreign Agricultural Trade of the United States," March 1969, p. 5, Washington, D.C.

TABLE 4.—WHEAT: ACREAGE, YIELD PER ACRE, AND PRODUCTION IN SPECIFIED COUNTRIES, YEAR OF HARVEST AVERAGE 1960-64, ANNUAL 1967 AND 1968<sup>1</sup>

Continent and country	Acreage <sup>2</sup>			Yield per acre			Production				
	Average, 1960-64 (thousand acres)	1967 (thousand acres)	1968 <sup>3</sup> (thousand acres)	Average, 1960-64 (bushels)	1967 (bushels)	1968 <sup>3</sup> (bushels)	Average, 1960-64 (thousand metric tons)	1967 (thousand metric tons)	1968 <sup>3</sup> (thousand metric tons)	1967 (million bushels) <sup>4</sup>	1968 <sup>3</sup> (million bushels) <sup>4</sup>
<b>North America:</b>											
Canada	26,785	30,121	29,424	20.1	19.7	22.1	14,649	16,137	17,680	592.9	649.6
United States	48,481	59,004	56,039	25.2	25.8	28.5	33,254	41,487	43,453	1,524.3	1,596.6
Mexico	1,971	1,883	1,772	29.4	40.1	37.2	1,577	2,057	1,793	75.6	65.9
Guatemala	83	93	96	10.6	9.5	13.2	24	24	34	.9	1.3
<b>Total<sup>5</sup></b>	<b>77,325</b>	<b>91,100</b>	<b>87,335</b>	<b>23.5</b>	<b>24.1</b>	<b>26.5</b>	<b>49,505</b>	<b>59,705</b>	<b>62,960</b>	<b>2,193.8</b>	<b>2,313.4</b>
<b>South America:</b>											
Argentina	11,651	14,470		22.6	17.8		7,164	7,000		257.2	
Brazil	1,015	890		8.6	15.1		238	365		13.4	
Chile	2,090	1,730		21.3	25.4		1,213	1,196		44.0	
Colombia	350	168	230	13.0	17.5	20.0	124	80	125	2.9	4.6
Ecuador	166	161	166	13.7	13.7	14.4	62	60	65	2.2	2.4
Peru	377	370	370	14.6	13.9	11.9	150	140	120	5.1	4.4
Uruguay	1,107	544		14.1	9.7		424	144		5.3	
<b>Total<sup>5</sup></b>	<b>16,995</b>	<b>18,565</b>	<b>18,790</b>	<b>20.4</b>	<b>17.9</b>	<b>20.3</b>	<b>9,455</b>	<b>9,260</b>	<b>10,355</b>	<b>332.9</b>	<b>380.5</b>
<b>Europe:</b>											
<b>EEC:</b>											
Belgium	513	492	497	57.1	61.8	56.3	798	828	761	30.4	28.0
France	10,459	9,721	10,208	41.3	54.4	51.6	11,746	14,383	14,340	528.5	526.9
Germany, West	3,430	3,495	3,618	50.7	61.2	61.5	4,731	5,819	6,060	213.8	222.7
Italy	11,000	9,913	10,550	27.6	35.5	32.0	8,261	9,564	9,200	351.4	338.0
Luxembourg	48	38		33.9	47.4		44	49		1.8	
Netherlands	326	381	375	65.8	71.2	66.8	583	739	682	27.1	25.1
<b>Total, EEC</b>	<b>25,776</b>	<b>24,040</b>	<b>25,288</b>	<b>37.3</b>	<b>48.0</b>	<b>45.2</b>	<b>26,163</b>	<b>31,382</b>	<b>31,193</b>	<b>1,153.0</b>	<b>1,142.5</b>
Austria	683	782	756	38.3	49.2	42.5	712	1,045	874	38.4	32.1
Denmark	299	225	230	59.8	68.8	67.2	487	421	421	15.5	15.5
Finland	598	623		25.9	29.9		422	507		18.6	
Greece	2,690	2,315	2,538	23.5	29.3	22.0	1,722	1,848	1,519	67.9	55.8
Ireland	294	189	219	43.9	49.6	48.6	351	255	290	9.4	10.7
Norway	21	8	7	38.0	48.6	42.0	22	11	8	.4	.3
Portugal	1,754	1,680	1,631	11.0	12.4	15.7	526	566	698	20.8	25.6
Spain	10,251	10,549	9,760	14.8	19.5	21.1	4,120	5,598	5,606	205.7	206.0
Sweden	683	628	605	46.1	65.5	61.2	858	1,130	1,008	41.5	37.0
Switzerland	257	255		49.0	62.2		343	432		15.9	
United Kingdom	2,064	2,305	2,417	58.6	62.4	60.6	3,293	3,912	3,988	143.7	146.5
<b>Total, Western Europe<sup>5</sup></b>	<b>45,370</b>	<b>43,599</b>	<b>44,325</b>	<b>31.6</b>	<b>39.7</b>	<b>38.5</b>	<b>39,019</b>	<b>47,107</b>	<b>46,400</b>	<b>1,730.8</b>	<b>1,704.9</b>
Albania	283			12.8			99				
Bulgaria	3,057	2,619		25.2	44.9		2,100	3,200		117.6	
Czechoslovakia	1,739	2,296		35.5	40.0		1,682	2,500		91.9	
Germany, East	1,027	1,317		46.1	56.1		1,288	2,012		73.9	
Hungary	2,594	2,609		26.2	38.3		1,849	2,716		99.8	
Poland	3,619	4,344		28.2	33.3		2,781	3,934		144.5	
Romania	7,256	7,166		19.5	29.7		3,823	5,300		213.1	
Yugoslavia	5,135	4,645	4,942	25.9	38.1	32.5	3,618	4,820	4,370	177.1	160.6
<b>Total, Eastern Europe<sup>5</sup></b>	<b>24,710</b>	<b>25,296</b>	<b>26,235</b>	<b>25.6</b>	<b>36.4</b>	<b>32.4</b>	<b>17,240</b>	<b>25,082</b>	<b>23,100</b>	<b>921.6</b>	<b>848.8</b>
<b>Total, Europe<sup>5</sup></b>	<b>70,080</b>	<b>68,895</b>	<b>70,560</b>	<b>29.5</b>	<b>38.5</b>	<b>36.2</b>	<b>56,259</b>	<b>72,189</b>	<b>69,500</b>	<b>2,652.5</b>	<b>2,553.7</b>
<b>U.S.S.R. (Europe and Asia)<sup>5</sup></b>	<b>160,000</b>	<b>165,600</b>		<b>11.5</b>	<b>14.2</b>		<b>50,000</b>	<b>64,000</b>	<b>65,000</b>	<b>2,351.6</b>	
<b>Africa:</b>											
Algeria	4,733			10.0			1,290	1,350		49.6	
Ethiopia	914			10.4			259				
Morocco	3,905	4,389	4,885	9.7	9.1	18.3	1,036	1,090	2,411	40.0	88.6
Sudan	47			23.0			30	86		3.2	
Tunisia	2,661	2,014		6.0	5.5		432	300	400	11.0	14.7
United Arab Republic	1,440	1,450		38.4	38.0		1,504	1,500		55.1	
Kenya	267	372		16.2	22.9		117	232		8.5	
South Africa, Republic of	2,851	3,050		11.1	12.3		861	1,023		37.6	
<b>Total<sup>5</sup></b>	<b>17,625</b>	<b>18,415</b>	<b>19,810</b>	<b>11.9</b>	<b>12.1</b>	<b>14.4</b>	<b>5,685</b>	<b>6,080</b>	<b>7,510</b>	<b>223.4</b>	<b>275.9</b>
<b>Asia:</b>											
Cyprus	178	149		10.8	23.8		52	97	30	3.5	1.1
Iran	4,925			20.4			2,740	4,000	4,400	147.0	161.7
Iraq	3,060			8.7			726	700		25.7	
Israel	128	222	222	19.5	36.4	28.1	68	170		8.1	6.2
Jordan	604	673	680	8.1	12.3	9.4	133	226	173	8.3	6.4
Lebanon	142	150	150	9.8	17.1	11.0	38	70	45	2.6	1.7
Turkey	16,400	17,800	18,000	15.6	18.6	17.6	6,980	9,000	8,600	330.7	316.0
Syria	2,750			9.7			728	600	450	22.0	16.5
China, mainland	62,500	60,500		12.7	14.0		21,600	23,000		845.0	
Afghanistan	5,700			14.3	15.9		2,200	2,550		93.7	
India	33,123	31,172	34,755	12.0	13.6	18.0	10,809	11,528	17,000	423.6	624.6
Japan	1,475	907	796	34.4	40.4	46.7	1,381	997	1,011	36.6	37.1
Korea, South	328	375	389	30.1	30.4	28.4	269	310	301	11.4	11.1
Nepal	330	305		15.0	19.6		135	163	178	6.0	6.5
Pakistan	12,301	13,385	15,370	12.1	12.1	15.2	4,065	4,393	6,375	161.4	233.6
<b>Total<sup>5</sup></b>	<b>144,820</b>	<b>144,660</b>	<b>151,095</b>	<b>13.3</b>	<b>14.8</b>	<b>15.6</b>	<b>52,295</b>	<b>58,290</b>	<b>64,610</b>	<b>2,141.7</b>	<b>2,374.0</b>
<b>Oceania:</b>											
Australia	15,805	22,711		19.3	12.2		8,298	7,548		277.3	
New Zealand	197	308		46.3	48.4		248	405		14.9	
<b>Total<sup>5</sup></b>	<b>16,002</b>	<b>23,018</b>		<b>19.6</b>	<b>12.7</b>	<b>20.4</b>	<b>8,546</b>	<b>7,953</b>	<b>14,020</b>	<b>292.2</b>	<b>515.1</b>
<b>World total<sup>5</sup></b>	<b>502,850</b>	<b>530,300</b>	<b>540,300</b>	<b>16.9</b>	<b>19.2</b>	<b>20.0</b>	<b>231,750</b>	<b>277,280</b>	<b>293,960</b>	<b>10,188.2</b>	<b>10,801.1</b>

<sup>1</sup> Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow; thus, the crop harvested in the Northern Hemisphere in 1968 is combined with preliminary forecast for the Southern Hemisphere harvests, which begin late in 1968 and end early in 1969.

<sup>2</sup> Harvested acreage as far as possible.

<sup>3</sup> Preliminary.

<sup>4</sup> Metric tons converted to bushels at 36.7433.

<sup>5</sup> Estimated totals include allowances for producing countries not shown.

<sup>6</sup> Production estimated.

Note: Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. agricultural attaches and Foreign Service officers, results of office research, and related information.

Source: U.S. Department of Agriculture, "Wheat Situation," pp. 50 and 51, November 1968 Washington, D.C.



TABLE 5.—Weighted votes allotted under the international grains arrangement

Exporters (1000 votes)	
Argentina	125
Australia	125
Canada	300
EEC	125
Greece	5
Mexico	5
Spain	5
Sweden	10
United States	300
Importers (1000 votes)	
Barbados	1
Bolivia	6
Costa Rica	4
Cuba	1
Denmark	3
Dominican Republic	3
Ecuador	2
EEC	234
Finland	1
Guatemala	4
India	40
Iran	9
Ireland	12

TABLE 5.—Weighted votes allotted under the international grains arrangement—Con.

Importers (1000 votes)	
Israel	6
Japan	225
Netherlands	2
(Antilles-Curaco)	
Korea	11
Lebanon	8
Liberia	5
Nigeria	7
Norway	18
Pakistan	21
Portugal	22
Saudi Arabia	11
South Africa	18
Switzerland	25
Trinidad and Tobago	6
Tunisia	2
UAR	22
UK	270
Vatican	1
Source: Department of Agriculture, Export Marketing Service, Wheat Subsidy and Market Branch, Mr. Keith Severin (DUS-3927).	

TABLE 6.—WHEAT: SUPPLY AND DISAPPEARANCE, UNITED STATES, CANADA, FRANCE, AUSTRALIA, AND ARGENTINA  
AVERAGE 1955-59 AND 1960-64, ANNUAL 1965-68

[In million bushels]					
United States					
Year beginning July 1	Supply			Disappearance	
	Beginning carryover <sup>1</sup>	Production	Total <sup>2</sup>	Domestic <sup>3</sup>	Exports including flour
Average:					
1955-59	1,031	1,095	2,134	598	450
1960-64	1,228	1,222	2,455	605	721
1965	817	1,316	2,134	732	867
1966	535	1,312	1,849	680	744
1967	425	1,524	1,950	652	761
1968 <sup>4</sup>	537	1,598	2,136	730-780	
Canada					
Average:					
1955-59	617	466	1,083	159	294
1960-64	509	538	1,047	148	407
1965	513	649	1,162	157	585
1966	420	827	1,247	163	516
1967	568	593	1,161	158	335
1968 <sup>4</sup>	668	628	1,296		
France					
Average:					
1955-59	63	355	447	326	60
1960-64	84	432	539	352	102
1965	73	542	644	368	178
1966	98	415	540	359	111
1967	70	513	601	366	177
1968 <sup>4</sup>	58	545	625		
Australia					
Average:					
1955-59	62	168	230	74	100
1960-64	34	305	339	78	234
1965	27	260	287	83	180
1966	24	467	491	91	316
1967	84	277	361	101	225
1968 <sup>4</sup>	35	480	515		
Argentina					
Average:					
1955-59	57	226	283	142	91
1960-64	36	263	299	134	113
1965	123	223	346	127	204
1966	15	230	245	141	81
1967	23	257	280	148	80
1968 <sup>4</sup>	52	295	347		

<sup>1</sup> From previous crops.<sup>2</sup> Supply and disappearance for United States, Canada, and France include imports. Australian and Argentine imports are generally insignificant, with exception of 1966 for Argentina.<sup>3</sup> Preliminary.<sup>4</sup> Beginning 1967, crop year started in August.

Note: Compiled from records of Foreign Agricultural Service, Grain and Feed Division.

Source: U.S. Department of Agriculture, "Wheat Situation," p. 49, November 1969, Washington, D.C.

## IMPACTED AID PROGRAM

Mr. MURPHY. Mr. President, today a distinguished group of California educators were in Washington to testify on the impacted-aid program, a critical program if California school districts are to provide the educational programs essential for our students. I ask unanimous consent that my statement before the Subcommittee on Education, strongly supporting the impacted-aid program, and an insertion, be printed in full in the RECORD.

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

## STATEMENT BY SENATOR GEORGE MURPHY

Senator MURPHY. Mr. Chairman, first, I want to welcome to Washington, Assistant Superintendent Charles Briscoe of the Alameda Unified School District, Dr. Gordon E. Harrison, Superintendent, Moreno Valley Schools; Dr. John Nicoll, Superintendent, Vallejo School District; Dr. James Cowan, Assistant Superintendent, San Juan School District and Dr. Francis Laufenberg, Assistant Superintendent, Long Beach School District, and Dr. Bluford F. Minor, Asst. Superintendent, San Diego who have come to testify on a program which is so critical to many school districts in my state.

Superintendent Briscoe and his associates have been so helpful in supplying me with supporting data to enable us to defeat efforts to cripple or destroy the impacted-aid program.

The impacted-aid program is a badly needed and most popular educational program in California. Four hundred forty-six applicant districts receive financial assistance under the impacted-aid program in forty-seven of California's fifty-eight counties. One hundred twenty-nine of these four hundred forty-six applicant districts received over \$100,000 in impacted aid. Over 3.6 million pupil educational programs are affected by these funds. Without this federal assistance, the education programs in the various schools would have to be reduced or eliminated or taxes would have to be increased, and in many cases, prohibitively increased. According to information furnished to me, a discontinuance of P.L. 874 funds for these 61 applicant districts for whom P.L. 874 represents over ten per cent of their total current expenditures, which would mean that 29 would have to increase their tax rate from 21¢ to \$1.00, 17 between \$1.00 and \$2.00, and 13 over \$2.00.

The impacted-aid program was enacted by the Federal Government in recognition of its responsibilities to assist school districts where federal tax-exempt property and federal activity have placed educational burdens on the local school system.

Since coming to the Senate, I have been a strong supporter of the impacted-aid program, and I have resisted repeated efforts to harm it.

In 1966, I opposed the Administration's effort to cut Public Law 874 by \$34 million.

Also in that same year, it was my amendment that deleted Administration language which would have eliminated junior college eligibility under the impacted-aid program.

In 1967, I secured from the Administration a ruling that California junior colleges would remain eligible for impacted-aid assistance despite a restructuring of our junior college system.

Last year, in the Second Supplementary Appropriations Act, Congress appropriated funds for the impacted-aid program, but the Johnson Administration refused to fund it.

To spotlight this issue and to point out that the Administration was allowing the appropriation authority to expire, an amendment of mine was added to the foreign aid bill prohibiting the carrying over of certain foreign aid funds until the President funded the impacted-aid program. This passed the Senate by a vote of 37 to 36. This once again indicated the strong support and the clear intent of the Congress that the impacted-aid program should be funded.

Later, I co-authored an amendment to the Labor-HEW Appropriations bill with Senator Mundt reappropriating \$91 million for the FY 68 impacted-aid program and further exempted the impacted-aid program from the Revenue Control and Expenditure Act. This passed the Senate 59 to 5. As a result, we were finally able to get these needed funds to the impacted districts.

Mr. Chairman, for the year 1967-1968, California's entitlement was \$74,092,122. It has been estimated that California's entitlement for 1968-1969 is over \$80 million.

For one district in my state, the Travis Unified District in Solano County, impacted-aid assistance represents 49.13% of the total current expenses. In many other districts, although not as large, impacted-aid funds are significant. As the China Lake School District indicated to me last year: "The School District at this Naval Station is a slave of Federal and State legislation because it has no way to make up losses thru local taxation. Funds must be made available thru PL 874 if China Lake School District is to survive."

Thus, Mr. Chairman, the issue for many school districts, if the impacted-aid program is not funded, is survival. I intend to do everything I can to see that the impacted-

aid program is not only continued but also that it is funded to allow all school districts to receive their entitlements. I ask unanimous consent that a statement of the impacted-aid program in California prepared by the State Department of Education be printed in the RECORD.

#### STATEMENT OF PUBLIC LAW 874

The California State Department of Education and the California school districts that receive federal financial assistance under the provisions of Title I of Public Law 81-874 have a sincere and critical interest in the continuance by Congress of that law. The purpose of this statement is to demonstrate that interest and to present data showing the extent of the federal obligation in California and the critical need of California school districts for continuing financial assistance under the act.

#### I. EXTENT OF PARTICIPATION IN PUBLIC LAW 874

Since the enactment of Public Law 874, applicant school districts in California have received assistance under the act varying from 25 per cent of the total national payments under Section 3 in 1950-51 to 17 per cent in 1966-67, the last year from which data are available. With this aid California also has shown average daily attendance of eligible pupils under the act ranging from 21 per cent in 1950-51 to 16 per cent in 1966-67.

Table 1 shows the average daily attendance of federally connected pupils and net entitlements under Section 3 of Public Law 874 for the applicant districts in the State of California compared with the national totals for the same fiscal years.

TABLE 1.—AVERAGE DAILY ATTENDANCE OF FEDERALLY CONNECTED PUPILS AND NET ENTITLEMENTS UNDER SEC. 3 FOR THE STATE OF CALIFORNIA COMPARED WITH THE NATIONAL TOTAL FOR THE FISCAL YEARS 1960-61 THROUGH 1967-68

Fiscal year	Average daily attendance			Net entitlements		
	National	California	Percent	National	California	Percent
1967-68 <sup>1</sup>		403,166		\$74,092,122		
1966-67	2,298,160	375,887	16.36	\$388,145,667	66,337,584	17.09
1965-66	2,114,273	354,063	16.75	349,947,872	61,999,788	17.72
1964-65	2,014,100	329,523	16.36	311,300,948	52,768,626	16.95
1963-64	1,903,355	320,441	16.84	284,262,603	49,638,925	17.46
1962-63	1,841,017	316,992	17.22	259,317,010	46,386,434	17.89
1961-62	1,754,269	303,328	17.29	232,889,656	42,439,009	18.22
1960-61	1,621,560	280,796	17.32	203,154,222	36,085,002	17.76

<sup>1</sup> National totals are not available at this time.

#### II. NUMBER OF APPLICANT DISTRICTS AND THE AVERAGE DAILY ATTENDANCE OF ELIGIBLE PUPILS

Under the provisions of Section 3 of Public Law 874 there are 446 applicant districts that have received entitlements (in 1967-68) located in 47 of the state's 58 counties. In these applicant districts there are 403,166 units of average daily attendance of pupils enrolled who are eligible under the act; 59,492 units of average daily attendance are pupils of parents who reside on federal property with a parent employed on federal property; 343,674 are pupils whose parents reside on federal property or whose parents work on federal property. In these applicant districts there are a total of 3,646,736 units of average daily attendance of pupils whose educational program is affected by the financial assistance received under Public Law 874. Thirty Eight per cent of all the districts in the state are applicant districts. The total average daily attendance of these applicant districts constituted 74 per cent of the total average daily attendance of the state for the 1967-1968 school year.

Table 2 is a summary by counties of the average daily attendance reported by 446 applicant districts under Section 3 of Public Law 874 for the fiscal year 1967-68. The data were taken from the financial reports of the districts on U.S. Office of Education Form RSF-3. See page 4 for Table 2.

#### III. DEPENDENCE OF CALIFORNIA SCHOOL DISTRICTS UPON PUBLIC LAW 874

Table 3 shows a comparison of assistance under Public Law 874 and the total current expense in selected California school districts for the fiscal year 1967-68. The table shows the per cent of current expense that was provided from 3(a) entitlements, 3(b) entitlements, and total entitlements. Examination of the table will show that South Bay Elementary school district had 20.02 per cent of its current expense from 3(b) entitlements alone, and 20.08 per cent of its current expense from the total entitlement. The other districts had percentages of 3(b) entitlement ranging downward. It should be pointed out that these per cents are for selected districts having a high ratio

of 3(b) entitlement to current expense, or receiving a great deal of P.L. 874 money. This does not fully demonstrate the criticalness of this federal assistance because other districts which might not meet the criteria of the selected districts in the table, nevertheless receive enough entitlement to significantly increase the district income on a per pupil basis.

Table 4 also exhibits the criticalness of aid under Public Law 874 to California school districts. The table lists 129 districts that each received in 1967-68 in excess of \$100,000 under the provisions of Public Law 874. The largest amount (\$5,923,194) was received by the San Diego Unified School District. See page 8 for Table 4.

#### IV. EFFECT OF DISCONTINUANCE OF PUBLIC LAW 874

Table 5 exhibits the local district tax rate increase required to replace federal financial assistance under Public Law 874. The table assumes that the present level of educational services would be provided and that a local tax would be levied to replace the federal assistance. The table includes districts which received assistance in excess of 10 per cent of their total current expenditures during 1967-68 from Public Law 874. See page 13.

The following tabulation indicates the increases in tax rates required to replace such support:

#### INCREASE IN LOCAL TAX RATE REQUIRED TO REPLACE FINANCIAL ASSISTANCE UNDER PUBLIC LAW 874

Increase in tax rate required	Number of districts—	
	To replace all entitlements	To replace 3(b) entitlements
0 to \$0.20	2	21
\$0.21 to \$0.40	7	7
\$0.41 to \$0.60	12	6
\$0.61 to \$0.80	6	6
\$0.81 to \$1.00	4	5
\$1.01 to \$1.20	6	6
\$1.21 to \$1.40	4	2
\$1.41 to \$1.60	4	5
\$1.61 to \$1.80	2	
\$1.81 to \$2.00	1	1
\$2.01 to \$2.20		
\$2.21 to \$2.40		
Over \$2.40	13	2
Total	61	61

Tax rate increases based on 95 percent of actual assessed valuation.

Any curtailment at all in federal financial assistance to other applicant districts would have a lesser effect than shown in Table 5, but the effect would still be critical because educational services in the district would suffer.

We hope that this information will be helpful to you in considering the extension of Public Law 874. We believe that the data speak for themselves and will demonstrate the fact that California school districts are critically in need of this federal financial assistance, and that the discontinuance of even the 3(b) entitlements will jeopardize the educational program in these districts, affecting a large percentage of the total number of pupils in California.

We sincerely believe that the federal government has an obligation in respect to the federal activities being carried on in California and are wholeheartedly in support of the obligation accepted by the federal government to provide support under Public Law 874. We desire to see the principles therein embodied continued.



TABLE 2.—SUMMARY BY COUNTIES OF ADA REPORTED BY 466 APPLICANTS UNDER PUBLIC LAW 874 IN COL. 6 OF TABLE 3, P. 3 OF THE FINAL REPORT FORM RSF-3 (1967-68)

County	Number of applicants	Pupils residing on Federal property—parent employed on Federal property (Line 1)	Pupils residing on Federal property—parent not employed on Federal property (Line 2)	Pupils whose parents are employed on Federal property not residing on Federal property (Line 3)	Total section 3 pupils (Line 4)	Total, all pupils (exclusive of pupils for whom tuition is received) (Line 8)
Alameda	18	1,694	15	28,529	30,238	251,069
Alpine	1	24	3		27	96
Contra Costa	13	229		10,610	10,839	147,266
Del Norte	1	60	32	64	156	4,330
El Dorado	7	7		497	504	6,125
Fresno	3	9	12	183	204	2,378
Humboldt	2	282	122	303	707	1,806
Imperial	4	481	117	433	1,031	7,496
Inyo	6	159	160	261	580	3,488
Kern	10	6,624	27	2,121	8,763	39,419
Kings	8	1,868	19	1,919	3,806	12,753
Lake	1		10	21	31	329
Lassen	10	312	7	1,277	4,288	4,288
Los Angeles	40	2,882	50	54,343	57,275	1,146,873
Marin	11	2,108	32	3,765	5,905	45,623
Mariposa	3	239	4	78	321	1,124
Mendocino	3	123	39	108	270	893
Merced	12	1,124	126	4,384	5,634	29,082
Modoc	2	44	26	185	255	2,268
Mono	1	12		1	13	83
Monterey	11	5,115	26	8,066	13,207	49,836
Napa	3	7		3,869	3,876	18,045
Nevada	6	2		322	324	4,885
Orange	24	1,345	2	17,805	19,152	304,256
Placer	15	170		2,136	2,306	20,113
Riverside	14	1,420	40	8,396	9,856	83,549
Sacramento	15	2,600	18	30,517	33,135	177,766
San Bernardino	28	3,985	203	20,533	24,721	177,521
San Diego	44	9,516	215	64,788	74,519	319,594
San Francisco	1	2,034		6,950	8,984	112,244
San Joaquin	9	87		5,728	5,815	60,206
San Luis Obispo	7	62		1,030	1,092	12,801
San Mateo	13	4		5,032	5,036	96,442
Santa Barbara	13	4,440	61	10,936	15,437	34,693
Santa Clara	23	154		10,970	11,124	232,021
Shasta	4	51	58	431	540	7,178
Siskiyou	2		8	104	112	1,551
Solano	12	4,612	66	15,330	20,008	44,731
Sonoma	9	165	8	1,581	1,754	15,423
Stanislaus	8			1,993	1,993	33,261
Sutter	2	3,061		737	3,798	12,567
Trinity	2	45		89	134	519
Tulare	2	51		25	76	801
Tuolumne	1			17	17	34
Ventura	20	2,215	30	13,291	15,536	100,690
Yolo	2	9	5	623	637	7,505
Yuba	2	61	93	1,987	2,141	11,715
Totals	446	59,492	1,634	342,040	403,166	3,646,736

† Includes Office of County Superintendent of Schools.

TABLE 3.—COMPARISON OF ASSISTANCE UNDER PUBLIC LAW 874 AND TOTAL CURRENT EXPENSE IN SELECTED CALIFORNIA SCHOOL DISTRICTS, 1967-68

County and district	Assistance under Public Law 874 (sec. 3 entitlements)			Total current expense	Percent of expense from Federal assistance		
	Total	Sec. 3(a)	Sec. 3(b)		Total	Sec. 3(a)	Sec. 3(b)
Alameda County:							
Livermore Valley Joint Unified	\$739,690	\$945	\$738,745	\$6,537,058	11.32	0.02	11.30
Oakland Unified	1,310,997	51,035	1,259,962	44,769,170	2.93	.11	2.81

TABLE 3.—COMPARISON OF ASSISTANCE UNDER PUBLIC LAW 874 AND TOTAL CURRENT EXPENSE IN SELECTED CALIFORNIA SCHOOL DISTRICTS, 1967-68—Continued

County and district	Assistance under Public Law 874 (sec. 3 entitlements)			Total current expense	Percent of expense from Federal assistance		
	Total	Sec. 3(a)	Sec. 3(b)		Total	Sec. 3(a)	Sec. 3(b)
Contra Costa County:							
Mount Diablo Unified	\$694,798	\$66,156	\$628,642	\$31,086,501	2.24	0.21	2.03
Richmond Unified	609,268	5,986	603,282	30,691,127	1.99	.02	1.97
Kings County: Lemoore	106,953		106,953	642,451	16.65		16.65
Lassen County:							
Herlong	88,618	53,060	35,558	226,796	39.07	23.39	15.68
Janetville	16,112	1,111	15,001	101,581	15.86	1.09	14.77
Lake	1,666		1,666	8,569	19.44		19.44
Long Valley	6,528		6,528	37,463	17.43		17.43
Los Angeles County:							
Long Beach Unified	1,665,563	509,088	1,156,475	55,049,628	3.03	.93	2.10
San Angeles Unified	3,929,684	370,160	3,559,524	417,434,645	.94	.09	.85
Monterey County: Monterey Peninsula Unified	2,454,556	1,582,711	871,845	12,110,188	20.27	13.07	7.20
Napa County: Napa Valley Unified	552,877		552,877	9,497,151	5.82		5.82
Orange County: Garden Grove Unified	519,326		519,326	27,037,192	1.92		1.92
Riverside County: Riverside Unified	512,553	8,190	504,363	16,699,548	3.07	.05	3.02
Sacramento County:							
Grant Joint Union High	642,842	15,409	627,433	9,122,544	7.05	.17	6.88
Rio Linda	721,724		721,724	5,101,482	14.15		14.15
Sacramento Unified	917,524		917,524	33,116,183	2.69		2.69
San Juan Unified	1,541,126	19,216	1,521,910	30,566,013	5.04	.06	4.98
San Bernardino County:							
Barstow Unified	946,980	345,588	601,392	7,702,745	12.29	4.48	7.81
San Bernardino Unified	950,760	3,465	947,295	25,237,732	3.77	.01	3.76
San Diego County:							
Chula Vista City	858,402		858,402	7,644,837	11.23		11.23
San Diego Unified	5,923,194	1,760,073	4,163,121	90,011,401	6.58	1.96	4.62
South Bay	544,349	1,667	542,682	2,711,167	20.08	.06	20.02
Sweetwater Union High	726,147	481	725,666	11,687,572	6.22		6.22
Vista Unified	517,279		517,279	4,490,058	11.52		11.52
San Francisco County: San Francisco Unified	1,735,500	640,771	1,094,729	78,959,245	2.20	.81	1.39
Santa Barbara County: Lompoc Unified	2,287,275	1,369,435	917,840	8,258,192	27.70	16.59	11.11
Solano County:							
Crystal Union	87,645		87,645	568,247	15.42		15.42
Fairfield	567,406	1,667	565,739	3,464,401	16.38	.05	16.33
Travis Unified	1,132,532	1,123,081	9,451	2,305,014	49.13	48.72	.41
Vallejo City Unified	1,208,455	299,279	909,176	11,473,478	10.53	2.61	7.92
Sutter County: Wheatland-East Nicolaus Unified	1,009,513	964,307	45,206	2,392,424	42.20	40.31	1.89
Tuolumne County: Bellevue	2,361		2,361	17,354	13.60		13.60
Ventura County: Oxnard Union High	706,404	145,904	560,500	9,502,025	7.43	1.54	5.98

TABLE 4.—CALIFORNIA SCHOOL DISTRICTS WHICH RECEIVED IN EXCESS OF \$100,000 FROM PUBLIC LAW 874 IN 1967-68

County and district	Fiscal ADA	Amount	
		Total sec. 3 entitlement	Sec. 3(b) entitlement
Alameda:			
Alameda Unified	12,139	\$860,661	\$391,582
Berkeley Unified	16,958	263,207	263,207
Castro Valley Unified	10,385	124,594	124,594
Fremont Unified	32,238	339,444	339,444
Hayward Unified	32,019	448,602	448,602
Livermore Valley Joint Unified	10,394	739,690	738,745
Oakland Unified	64,301	1,310,997	1,259,962
Pleasanton Joint	3,356	110,564	102,508
San Leandro Unified	11,089	142,866	142,866
San Lorenzo Unified	17,481	263,837	263,837
Contra Costa:			
Mount Diablo Unified	48,987	694,798	628,642
Richmond Unified	45,016	609,268	603,282
Humboldt: Klamath-Trinity Unified	1,368	147,749	66,471

TABLE 4.—CALIFORNIA SCHOOL DISTRICTS WHICH RECEIVED IN EXCESS OF \$100,000 FROM PUBLIC LAW 874 IN 1967-68—Continued

County and district	Amount		
	Fiscal ADA	Total sec. 3 entitlement	Sec. 3(b) entitlement
<b>Kern:</b>			
China Lake Joint.....	2,737	\$713,390	\$1,666
Indian Wells Valley Joint.....	1,788	108,342	107,786
Kern Joint Union High.....	20,919	518,367	97,510
Muroc Unified.....	4,233	993,762	43,632
<b>Kings:</b>			
Central Union.....	2,052	473,371	8,334
Lemoore.....	1,574	106,953	106,953
Lemoore Union High.....	1,296	142,051	49,116
Lassen: Lassen Union High.....	1,062	103,769	56,098
<b>Los Angeles:</b>			
A-B-C Unified.....	15,661	136,723	136,723
Antelope Valley High.....	5,870	467,565	467,565
Bellflower Unified.....	13,277	123,019	123,019
Compton City.....	22,084	191,543	191,543
Downey Unified.....	20,913	119,553	119,553
La Canada Unified.....	4,991	100,652	94,667
Lancaster.....	7,117	442,952	442,952
Long Beach Unified.....	82,917	1,665,563	1,156,475
Los Angeles Unified.....	656,008	3,929,684	3,559,524
Los Angeles City College.....	59,274	141,863	139,268
Norwalk-La Mirada Unified.....	34,502	154,679	154,679
Palmdale.....	4,119	199,738	199,738
Palos Verdes Peninsula Unified.....	16,209	141,133	138,613
Pomona Unified.....	21,744	297,545	297,545
Torrance Unified.....	36,241	297,230	297,230
Marin: Novato Unified.....	11,510	869,955	263,837
<b>Merced:</b>			
Atwater.....	3,819	467,815	200,016
Merced City.....	6,705	158,207	158,207
Merced Union High.....	5,689	236,431	169,017
<b>Monterey:</b>			
Monterey Peninsula Unified.....	19,476	2,454,556	871,845
Pacific Grove Unified.....	4,065	115,616	114,986
NAPA: Napa Valley Unified.....	14,781	552,988	552,877
<b>Orange:</b>			
Anaheim Union High.....	20,306	240,765	240,765
Garden Grove Unified.....	52,491	519,326	519,326
Huntington Beach Union High.....	11,943	220,540	220,540
Ocean View.....	12,246	131,260	131,260
Orange Unified.....	25,319	173,266	173,266
San Joaquin.....	4,757	374,057	44,309
Santa Ana Unified.....	27,416	370,790	370,790
Tustin.....	9,111	112,786	112,509
Tustin Union High.....	5,239	144,940	76,563
Westminster.....	13,787	170,013	170,013
Placer: Roseville Joint Union High.....	2,422	159,627	83,545
<b>Riverside:</b>			
Alvord Unified.....	8,824	118,136	118,136
Corona Unified.....	13,970	106,322	106,322
Moreno Valley Unified.....	6,169	811,989	404,026
Riverside Unified.....	28,459	512,553	504,363
<b>Sacramento:</b>			
Center Joint.....	1,281	269,188	25,280
Elk Grove Unified.....	8,091	126,957	126,957
Folsom-Cordova Unified.....	11,781	989,981	476,797
Grant Joint Union High.....	8,676	642,842	627,433
Los Rios Joint Junior College.....	14,496	256,694	256,694
North Sacramento.....	6,878	153,067	153,067
Rio Linda.....	12,678	721,724	721,724
Sacramento Unified.....	53,686	917,524	917,524
San Juan Unified.....	53,728	1,541,126	1,521,910
<b>San Bernardino:</b>			
Adelanto.....	2,103	496,984	47,226
Barstow Unified.....	10,955	946,980	601,392
Chaffey Union High.....	10,028	133,143	133,143
Colton Joint Unified.....	11,948	150,111	150,111
Morongo Unified.....	3,473	378,823	93,721

TABLE 4.—CALIFORNIA SCHOOL DISTRICTS WHICH RECEIVED IN EXCESS OF \$100,000 FROM PUBLIC LAW 874 IN 1967-68—Continued

County and district	Amount		
	Fiscal ADA	Total sec. 3 entitlement	Sec. 3(b) entitlement
<b>San Bernardino—Continued</b>			
Ontario-Montclair.....	17,275	\$166,680	\$166,680
Redlands Unified.....	12,546	267,617	267,617
Rialto Unified.....	12,189	213,275	211,700
San Bernardino Unified.....	39,215	950,760	947,295
Victor.....	2,756	110,008	110,008
Victor Valley Joint High.....	2,566	192,612	84,268
<b>San Diego:</b>			
Cajon Valley.....	12,700	189,876	189,876
Chula Vista City.....	18,276	858,402	858,402
Coronado Unified.....	4,055	514,759	307,154
Escondido.....	6,553	115,425	115,425
Fallbrook.....	2,451	261,409	81,951
Fallbrook Union High.....	1,081	111,955	60,432
Grossmont Union High.....	18,710	485,141	485,141
La Mesa-Spring Valley.....	15,914	299,051	299,051
Lemon Grove.....	4,368	114,592	110,425
National.....	6,389	268,910	268,910
Oceanside-Carlsbad High.....	3,372	379,927	247,506
Oceanside Union.....	7,855	979,383	424,061
Poway Unified.....	4,290	185,395	185,395
San Diego Unified.....	143,918	5,923,194	4,163,121
Santee.....	5,370	167,096	167,096
South Bay.....	7,155	544,349	542,682
Sweetwater Junior College.....	3,221	117,642	110,722
Sweetwater Union High.....	12,622	726,628	726,147
Vista Unified.....	8,436	517,279	517,279
San Francisco: San Francisco Unified.....	112,244	1,735,500	1,094,729
<b>San Joaquin:</b>			
Manteca Unified.....	7,600	225,403	208,077
Stockton Unified.....	33,566	443,404	433,323
<b>San Mateo:</b>			
Jefferson Union High.....	7,512	122,549	122,549
San Mateo Union High.....	11,999	130,494	130,494
South San Francisco Unified.....	13,591	122,231	122,231
<b>Santa Barbara:</b>			
Allan Hancock Joint Junior College.....	2,871	102,288	74,175
Lompoc Unified.....	14,485	2,287,275	917,840
Orcutt.....	3,780	240,574	240,574
Santa Maria.....	6,427	221,545	221,545
Santa Maria Joint Union High.....	4,036	251,358	251,358
<b>Santa Clara:</b>			
Campbell Union High.....	13,341	101,843	101,843
Cupertino Union.....	22,692	199,599	199,599
Fremont Union High.....	12,383	214,280	214,280
Palo Alto City Unified.....	16,889	137,195	136,880
Santa Clara Unified.....	24,242	215,007	215,007
Sunnyvale.....	10,675	151,817	151,817
<b>Solano:</b>			
Armijo Joint Union High.....	2,809	279,528	277,602
Fairfield.....	6,908	567,406	565,739
Solano County Junior College.....	3,206	152,892	125,644
Travis Unified.....	3,668	1,132,532	9,451
Vacaville Unified.....	6,116	384,021	384,021
Vallejo City Unified.....	16,968	1,208,455	909,176
Stanislaus: Modesto City.....	12,770	118,065	118,065
Sutter: Wheatland-East Nicolaus Joint Unified.....	4,693	1,009,513	45,206
<b>Ventura:</b>			
Hueneme.....	7,002	565,184	355,722
Ocean View.....	1,698	226,545	36,807
Oxnard.....	9,500	305,024	305,024
Oxnard Union High.....	11,912	706,404	560,500
Pleasant Valley.....	5,397	286,967	161,680
Simi Valley Unified.....	18,801	191,538	191,538
Ventura Unified.....	17,236	256,434	254,544
Yuba: Marysville Joint Unified.....	9,216	303,216	299,121



TABLE 5.—LOCAL DISTRICT TAX RATE INCREASE REQUIRED TO REPLACE PUBLIC LAW 874 FUNDS

[Note: This table includes only those districts for which the Public Law 874 entitlements, during 1967-68, were in excess of 10 percent of their total current expenses for such year]

County and district	Current expense	Public Law 874 entitlement (sec. 3) total	Public Law 874 entitlement (sec. 3) only	Current district tax rate	Tax rate <sup>1</sup> increase to replace all Public Law 874 entitlement	Tax rate <sup>1</sup> increase to replace sec. 3(b) entitlement
<b>Alameda:</b>						
Alameda Unified	\$8,223,659	\$860,661	\$391,582	4.4900	0.9326	0.4243
Livermore Valley Unified	6,537,058	739,690	738,745	4.2080	1.2384	1.2368
Humboldt: Klamath-Trinity Unified	1,014,757	147,749	66,471	2.8400	1.1777	.5298
<b>Imperial:</b>						
San Pasqual Valley Unified	418,864	84,113	25,518	2.4820	.4025	.1221
Seelye	261,197	76,533	4,305	1.6820	2.5719	.1446
Inyo: Round Valley	120,933	13,890	11,390	1.9641	.3739	.3304
<b>Kern:</b>						
China Lake Joint	1,722,121	713,390	1,666	5.5000	52.2376	.1219
Indian Wells Valley Joint	884,375	108,342	107,786	2.7660	.7882	.7841
Muroc Unified	2,519,124	993,762	43,632	3.1420	3.1416	.1379
<b>Kings:</b>						
Central	989,928	473,371	8,334	1.2350	10.1484	.1786
Lemoore	642,451	106,953	106,953	1.5775	.8229	.8229
Lemoore High	1,170,700	142,051	49,116	1.6350	.2520	.0871
<b>Lassen:</b>						
Herlong	226,796	88,618	35,558	1.5500	11.6364	4.6691
Janesville	101,591	16,112	15,001	1.4500	1.4203	1.3224
Lake	8,569	1,666	1,666	1.3500	.6010	.6010
Lassen High	839,245	103,769	56,098	1.5600	.4768	.2577
Long Valley	37,463	6,528	6,528	1.3400	.4002	.4002
Los Angeles: Lancaster	3,585,370	442,952	442,952	2.0506	.6820	.6820
Marin: Novato Unified	6,804,940	869,955	263,837	3.9720	1.2486	.3786
Mariposa: Mariposa County Unified	865,984	88,208	12,916	2.8710	.4119	.0603
<b>Mendocino:</b>						
Arena	165,346	25,696	5,417	1.5300	.4543	.0957
Round Valley Unified	284,830	29,770	14,964	2.5000	.4831	.2428
<b>Merced:</b>						
Atwater	1,882,079	467,815	200,016	2.0000	2.6293	1.1218
Winton	485,221	53,059	53,059	2.1000	1.4823	1.4823
<b>Monterey:</b>						
Monterey Peninsula Unified	12,110,188	2,454,556	871,845	3.3700	2.5152	.8933
San Antonio	48,428	5,417	1,806	1.2900	.2522	.0840
Orange: San Joaquin	2,158,490	374,057	44,309	1.4452	.4373	.0518
Riverside: Moreno Valley Unified	3,152,080	811,989	404,026	1.8000	3.1951	1.5898
<b>Sacramento:</b>						
Center Joint	643,111	269,188	25,280	1.0900	9.0853	.8532
Folsom Cordova Unified	6,745,984	989,981	476,797	3.1150	1.3469	.6487
Rio Linda	5,101,482	721,724	721,724	1.8910	1.4520	1.4520
<b>San Bernardino:</b>						
Adelanto	911,288	496,984	47,226	1.6700	5.2218	.4962
Barstow Unified	7,702,745	946,980	601,392	4.2880	1.0819	.6871
Morongo Unified	2,565,326	378,823	93,721	3.0010	.7810	.1932
Wrightwood Joint	89,551	11,389	6,945	2.0580	.2135	.1302
<b>San Diego:</b>						
Chula Vista City	7,644,837	858,402	858,402	1.8200	.5607	.5607
Coronado Unified	2,617,338	514,759	307,154	2.7220	1.7560	1.0478
Fallbrook	1,435,825	261,409	81,951	1.2120	.5587	.1751
Fallbrook High	1,045,603	111,955	60,432	.9500	.1487	.0803
Oceanside-Carlsbad High	2,586,077	379,927	247,506	1.3940	.3411	.2222
Oceanside Unified	4,650,741	979,383	424,061	1.2120	.5587	.1751
South Bay	2,711,167	544,349	542,682	1.7890	1.8737	1.8737
Vista Unified	4,490,058	517,279	517,279	3.0180	1.0328	1.0328
San Luis Obispo: San Miguel Joint Unified	95,637	11,945	5,556	1.6300	.3105	.1444
<b>Santa Barbara:</b>						
Casmalia	21,767	2,916	2,916	1.7800	1.0212	1.0212
Lompoc Unified	8,258,192	2,287,275	917,840	2.6200	3.7286	1.4962
Orcutt	2,175,777	240,574	240,574	2.6400	.7467	.7467
<b>Solano:</b>						
Armijo Joint High	2,211,865	279,528	277,602	1.8999	.4976	.4942
Crystal Unified	568,247	87,645	87,645	1.5049	1.0218	1.0218
Fairfield	3,464,401	567,406	565,739	1.4514	1.5529	1.5483
Vacaville Unified	3,391,704	384,021	384,021	2.9048	.9479	.9479
Vallejo City Unified	11,473,478	1,208,455	909,176	4.2631	1.3161	9.02
<b>Sonoma:</b>						
Reservation	12,301	2,778	1,111	1.3500	256.5096	102.5854
Two Rock Unified	70,164	19,168	278	1.4300	.7551	.0109
Sutter: Wheatland-East Nicolaus Unified	2,392,424	1,009,513	45,206	2.5000	3.6369	.1628
Trinity: Lewiston	66,463	13,195	2,083	1.1200	1.0529	.1662
Tulare: Three Rivers Unified	110,655	12,084	1,528	1.6165	.1697	.0214
Tuolumne: Bellevue	17,354	2,361	2,361	1.3200	.2252	.2252
<b>Ventura:</b>						
Hueneme	3,422,370	565,184	355,722	1.6890	1.7000	1.0699
Ocean View	944,268	226,545	36,807	1.4500	.8818	.1432
Pleasant Valley	2,629,191	286,967	161,680	1.9620	.5045	.2842

<sup>1</sup> Tax rate increases based on 95 percent of assessed valuation.

## CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, has morning business been concluded?

The VICE PRESIDENT. Morning business has not been concluded. Is there further morning business? If not, morning business is concluded.

## AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 267, H.R. 12167.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12167) to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, if the distinguished Senator from Rhode Island will yield, with the understanding that he may do so without losing his right to the floor, I should like to suggest the absence of a quorum.

Mr. PASTORE. Mr. President, I yield to the Senator for that purpose, without losing my right to the floor.

Mr. MANSFIELD. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, the Atomic Energy Commission's authorization request for fiscal year 1970, as initially submitted to the Congress on January 15, 1969, by President Johnson, called for authorizations of \$2,037,500,000 for "Operating expenses" and \$481,102,000 for "Plant and capital equipment," making a total requested authorization of \$2,518,602,000.

Concurrent with the submission of a revised budget request by the new administration, the Atomic Energy Commission on April 15, 1969, submitted a revised authorization request which included \$1,963,800,000 for "Operating expenses" and \$484,252,000 for "Plant and capital equipment," for a total revised authorization request of \$2,448,052,000.

While the submission of a revised budget reflecting the views of the new administration delayed the Joint Committee somewhat in reporting the AEC fiscal 1970 authorization bill, the additional time period provided the committee with an opportunity to conduct an exceedingly thorough review of the budget.

The bill before us is the product of our efforts. I believe it is a sound and prudent measure. It is also a stringent measure. The bill would authorize appropriations to the AEC in the total amount of \$2,454,284,000 for fiscal 1970, including an increase in a prior year authorization. In the last 6 fiscal years only one other AEC authorization bill included a smaller sum than contained in the pending bill. In other words, except for the authorization bill reported by the Joint Committee for fiscal 1967, the recommended authorization for fiscal 1970 is the most austere of all the AEC authorization measures reported by the committee in the years since fiscal year 1965.

In comparison to the AEC's fiscal 1969

authorization, the proposed fiscal 1970 budget represents a \$164 million—or 6 percent—reduction; in relation to the fiscal 1968 authorization, the bill before us represents a nearly \$180 million cut-back. Of course, in terms of actual level of effort the decrease is even greater than this considering that we have been experiencing an annual cost of living increase in this country of at least 3 percent due to inflation in recent years.

Generally, the Commission's recommended authorization reflects estimated costs in two broad categories of effort, namely, military and civilian applications. Military applications primarily include the nuclear weapons and naval propulsion reactors programs, and portions of several other programs such as special nuclear materials and security investigations. Approximately 53 percent of the recommended authorization is attributable to military applications. The civilian applications of atomic energy comprise about 47 percent of the total budget. Included in the civilian category is \$121 million for the operational costs

and \$234 million for plant and capital equipment for the Nation's high energy physics program, for which the AEC acts as executive agent on behalf of the entire Federal establishment. This amount represents about 14 percent of the Commission's total recommended authorization.

As will be noted in the table on pages 3 and 4 of the report, the committee has recommended both increases and decreases in the funds to be authorized for many of AEC's programs.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the tabulations on pages 3 and 4 of the report showing in thousands of dollars the authorization of operating expenses and plant and capital equipment.

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

#### OPERATING EXPENSES

The following table summarizes the AEC's requests for operating fund authorizations under its major programs and the committee's action thereon:

#### AUTHORIZATION OF OPERATING EXPENSES<sup>1</sup>

[In thousands of dollars]

Program	AEC authorization request	Committee recommendations	Change	Page No.
Raw materials.....	57,100	56,600	-500	7
Special nuclear materials.....	324,860	323,860	-1,000	6
Weapons.....	828,300	828,300	0	9
Naval propulsion.....	121,855	125,855	+4,000	11
Space propulsion.....	47,825	49,825	+2,000	13
Reactor development and technology:				
Civilian power reactors.....	125,900	133,200	+7,300	16
Cooperative power.....	4,000	7,000	+3,000	29
Euratom.....				35
Merchant ship reactors.....				35
General reactor technology.....	47,000	46,600	-400	36
Advanced systems research and development.....	6,000	6,000	0	36
Nuclear safety.....	38,000	38,000	0	36
Operational services.....	2,600	3,000	+400	37
Total reactor development.....	223,500	233,800	+10,300	
Biology and medicine.....	90,800	90,800	0	38
Isotopes development.....	6,390	7,940	+1,550	39
Terrestrial electric power development.....	4,400	4,000	-400	41
Space electric power development.....	34,050	34,450	+400	42
Civilian applications of nuclear explosives.....	14,500	25,000	+10,500	44
Training, education and information.....	15,975	14,975	-1,000	48
Community.....	10,081	9,981	-100	48
Program, direction, and administration.....	110,900	110,500	-400	49
Security investigation.....	7,891	7,891	0	50

#### AUTHORIZATION OF OPERATING EXPENSES<sup>1</sup>—Continued

[In thousands of dollars]

Program	AEC authorization request	Committee recommendations	Change	Page No.
Physical research:				
High-energy physics.....	122,600	121,000	-1,600	51
Medium-energy physics.....	13,000	13,000	0	53
Low-energy physics.....	29,700	29,700	0	53
Mathematics and computer.....	5,850	5,850	0	53
Chemistry.....	55,200	54,000	-1,200	54
Metallurgy and materials.....	28,000	27,950	-50	54
Controlled thermonuclear.....	27,800	27,800	0	54
Total physical research.....	282,350	279,300	-3,050	
Cost of work for others and increase in selected resources.....	31,554	38,289	+6,735	55, 56
Revenues applied and unobligated balance brought forward.....	-248,531	-267,584	-19,053	55, 56
Total.....	1,963,800	1,973,782	+9,982	
Less reduction for foreign travel.....		-500	-500	
Net authorization.....	1,963,800	1,973,282	+9,482	

<sup>1</sup> A table showing the Atomic Energy Commission's appropriations request for operating expenses for fiscal year 1970 and the effects of the authorization recommendations of the Joint Committee on this appropriations request, is set forth as an appendix to this report on p. 67.

#### PLANT AND CAPITAL EQUIPMENT

The following table summarizes the AEC's request for authorization for "Plant and capital equipment" under its major programs, and the committee's action thereon. More detailed information on the specific

construction projects proposed, together with the committee's comments and recommendations thereon, is presented in section XXI of this report entitled "Plant and capital equipment," beginning at page 57.

#### PLANT AND CAPITAL EQUIPMENT AUTHORIZATIONS<sup>1</sup>

[In thousands of dollars]

	AEC request	Committee recommendations	Change
New construction projects.....	92,660	90,810	-1,850
Capital equipment not related to construction.....	173,925	172,525	-1,400
Increases in prior years authorizations: Project 68-4-f, 200 Bev accelerator, National Accelerator Laboratory, Weston, Ill.....	217,667	217,667	0
Total, plant and capital equipment authorization.....	484,252	481,002	-3,250

<sup>1</sup> A table showing the Atomic Energy Commission's appropriations request for plant and capital equipment for fiscal year 1970 and the effects of the authorization recommendations of the Joint Committee on this appropriation request, is set forth as an appendix to this report on p. 68.

The following table presents a capsule effect of the committee's recommendation summary of the authorization requested by the Commission for fiscal year 1970 and the thereon:

Program	AEC request	Committee recommendations	Change
Operating expenses.....	\$1,963,800,000	\$1,973,282,000	+\$9,482,000
Plant and capital equipment.....	484,252,000	481,002,000	-\$3,250,000
Total.....	2,448,052,000	2,454,284,000	+\$6,232,000



Mr. PASTORE. Mr. President, in so doing the committee has realigned AEC's request to some extent to provide for a higher level of effort on several of the Commission's high-priority programs. The net effect is a recommended authorization of \$2,454,284,000 for fiscal year 1970, a sum about two-tenths of 1 percent more than the amount requested in the Nixon budget.

I point out at this point that the largest increase, as I have already pointed out, falls in the category under the tabulation that I have asked to have printed in the RECORD under civilian applications of nuclear explosions. This is the Plowshare program, which, of course, is the zenith of our peaceful atom program.

On the other hand, the amount we are asking for is approximately \$64 million less than the amount requested in the budget submitted on January 15 by President Johnson.

Mr. President, as far as my own investigation and study have revealed, I am not aware of any controversy over the bill. I understand that the Senator from Wisconsin (Mr. PROXMIER) has some points to raise. The pending bill was reported by the Senate members of the Joint Committee without any dissent. It was passed by the other body on June 24 by a landslide margin—406 to 3. The 68-page committee report spells out in considerable detail the AEC's proposed fiscal year 1970 program as approved by the Joint Committee. Therefore, unless my colleagues have any questions about the bill or the committee report thereon, I shall dispense with further explanation of the bill's provisions. I ask unanimous consent to have printed at this point in the RECORD an excerpt from the committee report—No. 91-244—showing a section-by-section analysis of the bill.

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

#### SECTION-BY-SECTION ANALYSIS

##### SECTION 101

Section 101 of the bill authorizes appropriations to the Atomic Energy Commission, in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, for "Operating expenses" and "Plant and capital equipment."

Section 101(a) of the bill deals with the authorization of appropriations for "Operating expenses." The Commission's authorization request under this heading was presented to the committee in terms of costs to be incurred during fiscal year 1970, adjusted in total to the obligations to be incurred during the fiscal year.

The committee is authorizing a total of \$1,973,282,000 for "Operating expenses," not to exceed \$121 million in operating costs for the high-energy physics program category. It is the committee's intent that the amount specified for any program or category shall be exceeded only in accordance with specific arrangements which have been developed between the Commission and the committee. These arrangements include provision for periodic reporting to the committee of changes in estimates of authorized programs. These informal procedures, embodied in an exchange of correspondence between the Atomic Energy Commission and the committee, have operated efficiently. It is the committee's belief that legislative measures or other formal devices that would impose legal limitations upon the reprogramming of Commission funds are not necessary at this time.

It is the committee's intent that the procedures specified in this exchange of correspondence shall remain in effect during fiscal year 1970.

It is intended that costs incurred pursuant to the authorization contained in this act shall be generally in accordance with the analysis of the proposed bills submitted by the AEC and other background and explanatory materials furnished by the Commission in justification of the AEC's fiscal year 1970 authorization bill.

Plant and capital equipment obligations are provided in two sections of the bill. Under section 101(b), an authorization is provided for new construction projects and capital equipment not related to construction. This authorization, together with the change in a prior-year project authorization provided for in section 105, discussed below, comprise the total authorization for plant and capital equipment provided for in this bill. The AEC's request for authorization for these purposes was presented on the basis of new obligatory authority required. New construction projects authorized under subsections (1) through (8) of section 101(b) of the bill total \$90,810,000.

It is intended that the projects under this authorization be related, as in previous years, to the analysis of the proposed bills submitted by the AEC and other background and explanatory materials furnished by the Commission in justification of the AEC authorization bill. It is not intended to prevent technical and engineering changes which are considered necessary or desirable by the Commission consistent with the scope and purpose of the project concerned.

Pursuant to section 101(b) (9), appropriations are authorized for capital equipment not related to construction in the amount of \$172,525,000. This equipment is necessary to replace obsolete or wornout equipment at AEC installations. Additional equipment is required to meet the needs of expanding programs and changing technology. Examples of typical equipment include machine tools, computers, and office equipment. The committee expects to receive a report from the Commission at least semiannually on obligations incurred pursuant to this authorization.

##### SECTION 102

Section 102 of the bill provides limitations similar to those in prior authorization acts.

Subsection (a) provides that the Commission is authorized to start projects set forth in certain subsections of section 101 only if the current estimated cost of the project does not exceed by more than 25 percent the estimated cost for that project set forth in the bill.

Subsection (b) provides similar limitations for the project in other subsections of section 101, except that the increase may not exceed 10 percent of the estimated cost shown in the bill.

Subsection (c) provides limitations on general plant projects authorized by subsection 101(b) (8), whereby the Commission may start such projects only if the currently estimated cost of such project does not exceed \$500,000 and the maximum currently estimated cost of any building included in such project does not exceed \$100,000; provided that the building cost limitation may be exceeded if the Commission determines that it is necessary in the interest of efficiency and economy. Additionally, section 102(c) provides that the total cost of all general plant projects shall not exceed the estimated cost set forth in subsection 101(b) (8) by more than 10 percent.

Under arrangements previously agreed to by the Commission and the committee, the Commission shall report to the Joint Committee and the Appropriations Committees after the close of each fiscal year concerning the use of general plant project funds, and such report shall identify each project for

which the proposed new authority has been utilized.

##### SECTION 103

Section 103 of the bill authorizes the Commission to undertake engineering design (titles I and II) on construction projects which have been included in a proposed authorization bill transmitted to the Congress by the Commission. It is understood that this work would be undertaken on projects which the Commission deems are of such urgency that physical construction should be initiated as soon as appropriations for the project have been approved.

##### SECTION 104

Section 104 of the bill provides authorization for the transfer of amounts between the "Operating expenses" and the "Plant and capital equipment" appropriation as provided in the appropriation acts. The AEC appropriation acts have, in past years, provided that not to exceed 5 percent of the appropriations for "Operating expenses" and "Plant and capital equipment" could be transferred between such appropriations, provided, however, that neither appropriation could be increased by more than 5 percent by any such transfer. It is understood that any such transfer shall be reported promptly to the Joint Committee on Atomic Energy.

##### SECTION 105

Section 105 of the bill amends subsection 101(b) (4) of Public Law 90-56, the AEC's authorization act for fiscal year 1968, by increasing by \$217,667,000 the authorization for project 68-4-f, 200 Bev accelerator.

##### SECTION 106

Section 106 of the bill authorizes the Commission to conduct the project definition phase of the liquid metal fast breeder reactor demonstration program in accordance with criteria formerly submitted to the committee. The program is to be conducted under cooperative arrangements with reactor manufacturers and others without regard to the provisions of section 169 of the Atomic Energy Act of 1954, as amended. Authorization of \$7 million in appropriations for the project definition phase is included in section 101.

##### SECTION 107

Section 107 of the bill permits the Atomic Energy Commission to appoint persons as employees without regard to the provisions of section 201 of Public Law 90-364. Such positions are not to be taken into account when determining the number of employees under subsection (a) or vacancies under subsection (b) of that section.

Mr. AIKEN. Mr. President, I want to compliment the distinguished vice chairman of the Joint Committee on his very effective summary analysis of the Atomic Energy Commission's fiscal year 1970 authorization bill as reported by the Joint Committee.

I can assure my colleagues that this measure has received a very searching examination by the Joint Committee. Every effort has been made to assure the maximum national benefit for each dollar included in the authorization. As a result this bill calls for approximately \$164 million less than last year's authorization—this notwithstanding the inclusion in this year's bill of \$217 million to completely authorize construction of the 200 Bev national accelerator at Weston, Ill. Thus the total fiscal year 1970 authorization bill reflects an overall decrease of about 6.2 percent from the fiscal year 1969 authorization despite the obvious increase in the cost of doing business.

Reference to the tables on pages 3 and 4 of the committee report will reveal several places where the committee has made recommended adjustments to the requests of the AEC. There have been some increases and some decreases. The largest recommended increase—\$10.5 million—is for the Plowshare program to develop the peaceful uses of nuclear explosives. The committee believes that the state of development of domestic applications and the national commitment under article V of the Nonproliferation Treaty require that we proceed more diligently with development of this technology.

Another major addition is the \$4,000,000 increase for the naval propulsion program to restore the administration's reduction of funds for development work on improved nuclear submarine propulsion plants. Soviet advances in submarine technology, as set forth on page 12 of the committee report, indicate the urgent need to proceed with this work.

Mr. President, we ought to pay specific attention to the maintenance and improvement of our submarine fleet because, in my opinion, that has been a major deterrent to war, considering almost any factor of our defense.

I take particular pleasure in noting two other increases by the committee. I refer to the restoration of \$750,000 for the food irradiation program mentioned on page 40, and the addition of \$800,000 for development of an implantable radio-isotope heat source power converter to drive a heart pump. The latter action is discussed on page 41. These two projects exemplify the remarkable benefits that can be realized from peaceful applications of atomic energy.

As noted by the distinguished vice chairman, the net effect of these and other recommended changes in the budget is that the reported bill exceeds by \$6.2 million—or two-tenths of 1 percent—the amount requested for authorization in the budget submitted by President Nixon.

The committee's action on one other AEC program deserves particular mention. The committee has recommended authorization of the full amount requested—\$828,300,000—for the weapons program. As the committee report points out at page 10, this portion of the authorization includes \$135 million for research, development and testing of ABM components. Let me emphasize that no part of this budget is to provide for deployment of an ABM system. Accordingly, the moneys to be authorized through this legislation will be utilized and are required regardless of the decision made in this fiscal year as to deployment schedule for the Safeguard system. The bill simply provides for research only, nothing for the deployment or installation of Safeguard weapons.

Mr. President, let me say in closing that this bill was voted out by the Senate members of the Joint Committee without any dissent, and was passed by the other body by an overwhelming margin on June 24.

Mr. President, while I want to give the Atomic Energy Commission full credit for the remarkable work it has done in

the field of control of radiation—in fact over the years there has been no fatality or serious injury from any licensed reactor in this country—I would not want the Commission to think that I approve of absolutely everything it does or fails to do.

I should like to suggest that the Commission consider some improvement in its public relations system. It is true that it has done a commendable job of circulating and distributing information among the members of the scientific community. Still, many of the 200 million Americans are restive about the construction of atomic powerplants and should be better informed than they are today. I hope the Atomic Energy Commission will make an effort to see to it that not only the members of the scientific community but also the rest of the 200 million Americans receive accurate, complete information about the work being done by the Commission, particularly that part of it which relates to the construction of atomic powerplants.

Mr. PROXMIRE. Mr. President, I offer an amendment to delete \$35,585,000 from S. 2416, the bill authorizing appropriations for the Atomic Energy Commission for the fiscal year 1970. I ask unanimous consent that the reading of the amendment be dispensed with but that it be printed in the RECORD.

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

The amendment is as follows:

On page 1, line 7, it is proposed to delete "\$1,973,282,000" and insert in lieu thereof "\$1,937,397,000."

Mr. PROXMIRE. Mr. President, in essence my amendment would delete funds that were included in the bill above and beyond the amount requested by the administration in certain categories. However, it would not force specific cuts in this or that item. If the Atomic Energy Commission wished to spend more than they had originally requested on a particular item my amendment would not prevent them from reprogramming the funds. My amendment would merely make a cut in the overall appropriation for operating expenses—a cut equivalent to the amount of the Joint Committee on Atomic Energy's increases above the administration's budget request in nine areas.

I introduce this amendment because I feel very, very strongly that we must exercise stringent budget controls at a time when inflationary pressures fueled by excessive Federal spending are clearly getting out of hand. It is true that the amount that would be deleted by my amendment is relatively small, but the principle involved is very large. Just 1 week ago today we passed a supplemental appropriations bill that placed a ceiling on Federal expenditures for fiscal 1970—a ceiling that would force a cut in controllable expenditures of \$1.9 billion under the administration's budget request. Yet here today we are proposing to increase spending on atomic energy above and beyond what the administration has asked for and apparently is planning to spend. In my estimation that is not responsible decisionmaking.

It is true that, because cuts in some

operating categories offset a substantial proportion of the increases made by the committee, overall spending on operating expenses under this authorization bill would exceed the administration's budget request by only \$9,482,000.

As the able chairman of the Joint Committee has stated, this is a small percentage of the total amount. I think he said it was one-tenth of 1 percent. But at a time when we can reduce the administration's request by \$26,403,000 simply by holding specific items at the budget level, it seems foolish to give President Nixon more than he asked for in these specific items.

At this point let me discuss some of the specific areas in which the Senate is being asked to provide amounts above and beyond what the administration has asked for.

First, the committee would provide \$4 million over the amount included in the President's budget request for naval nuclear propulsion. These funds would be used by the Atomic Energy Commission for its advanced development program for nuclear propulsion reactors. In making this increase, the committee charges the administration with an "apparent lack of recognition of the significant progress the Soviets are making in submarine development and construction."

Mr. President, the Nixon administration has been accused of many wrongs by its detractors but it is rare indeed to hear that they are not sufficiently concerned about our defense posture vis-à-vis the Russians. In fact, the criticism I have read seems to lean in the other direction—that Secretary of Defense Laird and others are overstating Soviet capabilities and plans in order to gain congressional approval of certain programs.

I want to emphasize to those who are sincerely concerned about the Soviet nuclear submarine fleet and our ability to meet its threat that nothing in my amendment would prevent reprogramming some of the funds provided for—say, nuclear propulsion in outer space or additional work in nuclear submarine propulsion—if, indeed, the administration has underestimated the needs in this area.

I now move on to the next item, which happens to be the space nuclear propulsion program I just mentioned. The committee admits that planners are "having a seemingly difficult time determining what the post-Apollo program in space should be." Yet they do not hesitate to provide \$2 million above the budget request for nuclear rocket development that can be utilized only in a post-Apollo program that, by the committee's admission, has not been determined. At a time when we are scraping the bottom of the budget barrel in programs meant to bring education, health, and social services to our citizens this Senator believes it is a mistake to spend more money on outer space than the administration thinks we should spend. Let us keep an eye on our overall priorities. Our problems here on earth are more immediate.

The committee would provide the AEC with \$7,300,000 over the budget request



for civilian power reactors and \$3 million in additional funding for cooperative power. This is a very technical area—one in which I would not presume to match my expertise with that of the committee. It seems to me, however, that at a time of budget aches and pains we could ask the private sector to do a little more and the Government to do a little less. After all, this very private sector has a great deal to gain from cooperating with the Federal Government in exploring nuclear power. The reactor development they are now pursuing with Federal help should bring substantial monetary rewards when sufficient progress is made to permit private industry to sell nuclear power to the public.

The next major item is \$1,550,000 for isotopes development. Part of this increase would restore the program on low dose radiation preservation of food. The remainder would be to initiate a program on the development of a heart pump heat source power converter.

Apparently the administration was not as concerned as the committee is about the Food and Drug Administration's rejection of the Army's ham petition and its subsequent revocation of the irradiated bacon regulation. Although this subject cannot be called distasteful I would far rather see these funds for radiation preservation of food diverted into programs to feed the hungry rather than spent on the studies on finfish, bananas, strawberries, and papayas recommended by the committee.

I would hope that the American Heart Association or the National Heart Institute could fund research on a radioisotope powered heart if the development of such a device has the high urgency suggested by the committee's report.

Again I would stress to those who feel this work simply must be done under AEC sponsorship in fiscal 1970—the Budget Bureau's position to the contrary notwithstanding—that these funds could be reprogrammed regardless of my amendment.

The committee would add \$10,500,000 to the amount requested by the administration for the civilian applications of nuclear explosives—Plowshare. This is almost twice the amount requested by President Nixon. These funds would be used to further nuclear excavation programs, including the interoceanic canal study and an underground engineering device test at the Nevada test site. I would hope that we can proceed very cautiously in this program. A number of my constituents have expressed concern over the possible effects of this program on earthquake activity. These fears certainly have not been answered to my complete satisfaction. In fact I believe that a number of reputable scientists have expressed knowledgeable concern regarding this problem.

The final large increase of \$6,735,000 apparently reflects committee recommendations for increases I have already discussed which will require prefinancing for fiscal 1971. The argument against this increase would, consequently be quite similar to the points I have made regarding these other increases earlier in my statement.

In conclusion, Mr. President, I want to make it crystal clear that my amendment would not force abandonment of all the increases I have discussed on this floor today. But by cutting the overall funding for operating expenses it would hold Federal spending in this area at levels that were consistent with our action of last week when we put a ceiling on controllable expenditures for fiscal 1970.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am delighted to yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I wish to join the Senator from Wisconsin in urging that we hold down authorizations in this bill at least to the budget ceiling.

Last week I pointed out that the so-called expenditure ceiling approved by Congress was chock-full of loopholes, and I stated then that we would have to be very careful or we would end up with even more expenditures than are set out in the budget.

If we approve this increased spending it automatically raises that ceiling by whatever increase is approved here today. This was an automatic process of raising the budget and the expenditures of the Government. I think Congress must discipline its own actions, at least to the extent of holding down these expenditures to the budget level.

I shall support the amendment of the Senator from Wisconsin.

Mr. GORE. Mr. President, the distinguished Senator from Wisconsin acknowledged in his address that the subject matter here is of a technical nature in which and with which he does not lay claim to knowledge equal to that of the members of the joint committee. Yet the Senator proceeds to question the judgment of the committee in four very important, although technical, areas.

The judgment of the Joint Committee on Atomic Energy over the years has pointed the way to nuclear development, both for peacetime uses and for the development of the nuclear submarine fleet. Indeed, except for the insistence and persistence of Congress, the United States would not today occupy the pre-eminent role it enjoys in naval nuclear development, medicinal uses of nuclear energy, of industrial uses of atomic energy. I suggest to my distinguished friend from Wisconsin that the record of the Joint Committee on Atomic Energy is one in which the members of that committee take pride, and I believe justifiably.

Mr. President, I wish to make some impromptu remarks about the fields to which the Senator addresses his remarks and which his amendment would affect. I would like to take them in the order in which the Senator dealt with them.

He refers to the recommendation of the committee with respect to nuclear reactors for naval uses as "foolish." There were those who so characterized the recommendation of the joint committee when it insisted upon the development of a nuclear submarine, and when it, indeed, recommended increases over the budget in previous years and insisted upon vigorous development of a nuclear submarine fleet.

The able Senator raises some question, and an interesting one, about the sufficiency of our nuclear submarine fleet and the proficiency of our nuclear submarine fleet now. Without wishing to get into a collateral controversial issue, I respectfully suggest, incidentally, that it is the existence of our nuclear fleet with the Polaris missiles that constitutes our most credible deterrent, our greatest deterrent influence against a nuclear war. I shall not have time to go into detail on this, as the Senator did not, but I respectfully suggest that further development of nuclear reactors for use in surface vessels may hold high promise for U.S. commerce on a U.S. merchant marine fleet, as well as the most economic means to maintain the credibility of our nuclear deterrent.

The strategic defense of the United States in nuclear war has been postulated on the theory and tactic that the best way to avoid a nuclear war is to have the power to retaliate with unacceptable damage upon any potential enemy who might consider attacking the United States. This, in my opinion, is not a field which can be dismissed as "foolish."

Mr. PROXMIRE. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. This Senator did not, at any time, call this appropriation foolish. As a matter of fact, I specifically indicated that I think there is a great merit in this particular item in the appropriation and that it would be perfectly possible to reprogram still further some of the areas in the budget to cover the item, if the Atomic Energy Commission felt that it was appropriate and desirable to do so.

I think that the Senator is making a very reasoned and sensible reply, but I want to say that I did not in any way categorize that particular action by the committee as being foolish. I think it was not foolish. It is quite understandable, there is great merit behind it, but I would disagree with the contention it is foolish. I would stand with the Budget Bureau and the administration on this particular variant, but again, I want to say, I did not call it foolish.

Mr. GORE. Mr. President, I accept the Senator's amending his remarks. If I misunderstood him, I am very pleased to make the correction. I happened to be presiding at the time and was struck by the Senator's use of the word, or I thought he used that word. If I have interpreted it as in some inapplicable way, I apologize and accept the Senator's explanation of it. I am glad that the Senator does not think it is foolish.

Mr. President, on the second point raised by the distinguished senior Senator from Wisconsin, I am more tempted to agree. I refer to the comparatively small increase which the committee has recommended for the development of a nuclear rocket for possible use in space exploration and development programs. I have had serious question, as the Senator has had for some time, about the magnitude of expenditures in our space program. Needless to say, it deals with a potential which none of us can accu-

ately measure. I am not even sure that we can dream with very much prescience in this field. Like the Senator, I am inclined more toward the solution of problems on earth than upon exploration of Mars. Yet, if our country is to persist in this program, it surely should do so taking into consideration the potentialities of nuclear energy.

I have long felt, as a layman who has done perhaps a little more than the average amount of reading and study in this field, that if our country is really to possess space with maneuverability, it will need to do so with fuel other than chemical.

This leads one into a field that is beyond my competence. Yet I have had the opportunity to visit with, study, and listen to men whose competence in this field I respect, and they have convinced me that there is great promise in the development of a small nuclear engine for rocket propulsion whose energy could be contained, released, degraded, restrained, controlled, stepped up, stepped down, with greater efficiency and greater economy and greater safety than is the case with the burning of chemical fuels.

Mr. President, if our Government is to persist in an expansive and expensive, ambitious program of exploration and development of space technology, surely a nuclear rocket propulsion engine or reactor should be explored.

Therefore, though tempted to agree with the overall sentiment of the Senator in this regard, I feel that, on balance, since neither he nor others have been able materially to dent the volume of expenditure in the space program, perhaps it is wise to proceed with more rapid development of a nuclear reactor for this purpose.

I come now to the third point, civilian reactor development. In this field I think perhaps I do have some more knowledge—at least some more—than in the field I have just discussed. The able Senator refers to the desire of greater expenditure on the part of private industry in the development of nuclear power technology. Mr. President, this is a subject that has been discussed for a long, long time. It was the subject of a very long and historic legislative battle in 1954, when the Congress passed the Gore-Holifield bill, which laid down the pattern and charted the course for the development of nuclear reactors for the generation of electric power.

It was the decision of the Congress then—and I think history has borne out the wisdom of the decision—that this program should be developed in partnership between the Government and the private power industry; that the Government's part should be primarily in the development of nuclear reactor technology. This is an enormously costly area, so costly as to be beyond the economic and business grasp of a private power company. It involves such enormous expenditure in research and development, in controlling error, and in the building of one phase of a reactor, to be followed by the second, third, fourth phase, before it becomes economic to generate electricity by that technology.

Because of the proficiency of the United States in this field, led, as it has been, by the competency of the Atomic Energy Commission and its staff, the United States stands preeminent in the world in the development, use, and sale of nuclear power reactors.

Mr. President, it would be difficult to overemphasize the importance of this program. I say that because, as we look into the future, we see that the overwhelming proportion of new power generation facilities are to be nuclear. Electricity is the lifeblood of modern industry. It is the key not only to efficient, economic, industrial production, but also to the comforts and conveniences of American home life. It is imperative that we maintain our lead and improve our technology in the field of generation of electricity by nuclear reactors.

There is a very promising concept under development called the molten salt reactor. No guarantee can be given that it will result in the more economic generation of electricity, but the promise is high, and for the second year the Atomic Energy Commission has asked for more funds than either the Budget Bureau or the Joint Committee has recommended.

The Senator refers to the Budget Bureau estimate. I suggest that the Atomic Energy Commission itself, the technicians, the directors of the national nuclear laboratories, have far greater competence in this field than either the Budget Bureau or the Joint Committee; and the Atomic Energy Commission requested far more than the committee has approved or recommended. Indeed, it did so last year. It feels that it is urgent to develop further and keep on schedule technology and research and development in this very promising concept.

I will not go further, because one can speak all afternoon on the importance of nuclear power and the relative role of Government and private enterprise.

We have had a partnership that has worked well. Like the Senator, I would like to see the private sector enter into it more vigorously. But our experience has been that the private companies have only utilized, and indications are that they can only, with due regard for the economy of their operations, utilize reactor technology that has been developed by the Government programs. This is a proper role for the Government, and I suggest that we have not made an inordinate recommendation; it is a very moderate recommendation.

The Senator next refers to the development of isotopes, the heart pump program, food irradiation, and the Operation Plowshare activities. These, too, Mr. President, represent domestic uses, peacetime uses, of nuclear energy.

It is the high promise of peacetime uses of nuclear energy that has sustained the hopes of many people for an improvement of our way of life, our technology, and our industry, and the hope of being able to feed the masses of people of the future. With starvation in the world at the intolerable level we hear about daily, we must but look with alarm at the amount of food that daily and hourly goes to waste through plain deterioration and lack of preservation. Ir-

radiation holds high promise for preservation of food economically, efficiently, and safely. It surely ought to be developed.

It is easier, perhaps, to justify \$1 billion for military uses than \$1 million for domestic uses; yet I think, Mr. President, in the long run the development of the peacetime uses, the civilian uses, of nuclear energy may hold the greater hope and promise. I trust that the Senate will, as has the House of Representatives, approve the recommendation of the committee.

What is sacrosanct about the recommendation of the Bureau of the Budget? I dare say that the Joint Committee has more experience with and more knowledge of this field of activity than the entire Bureau of the Budget.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, I associate myself with everything the Senator from Tennessee has stated. He is a longtime and faithful member of the committee, and has been a conscientious and studious member.

I daresay, Mr. President, that of all the committees of the Senate, the Joint Committee on Atomic Energy, while it may be matched by other committees in efficiency and conscientiousness, and in the studious way that it arrives at its conclusions, will not be surpassed in those respects by any committee.

If Senators will look at this analysis on pages 3 and 4, they can perceive at a glance the meticulous care that was taken by the committee in analyzing each and every line item, in order to reach a conclusion.

One objection I have to the amendment originally offered by my friend from Wisconsin is the fact that he accepts all the cuts that were made by the committee, and then lumps together all the increases or realignments that were made by the committee, and adds the two figures to arrive at the amount of the deletion that he would make from this authorization bill.

I think that is most unfair to the committee, because, after all, when a committee works day in and day out on a bill, as this committee has worked on this bill, and a Senator, in proposing an amendment, says:

We will take advantage of everything you cut, but where you add a little bit, after you had made severe cuts, we will take advantage of that also, and offer an amendment to delete that amount as well.

In the long run the result will be that no committee is ever going to cut anything. If that is to be the system around here, no committee will ever be careful about cutting out anything, because after all, if the cuts are to be accepted and the increases deleted, the best thing to do is start these bills on the floor of the Senate, and not hold any hearings, not do any committee work, and not spend that time, day in and day out on it. Committees will say:



Let us just wait until we get on the floor, and have somebody get up and say, "This is what the amount should be."

The only substantial argument I have heard on the floor today, and it was a good argument, was that of the Senator from Tennessee. Realizing how he feels about the matter, I hope the Senator will go along with what I am about to propose.

I have discussed this matter with the Senator from Wisconsin, the Senator from Delaware, the Senator from Vermont (Mr. AIKEN), who is a member of our committee, and also the Senator from Utah (Mr. BENNETT), who is a member of our committee. I made this suggestion to them: In view of the argument that has been made here that only the other day we did pass a supplemental bill that established a ceiling, under the Senate amendment, that any time you add anything to any budget estimate, the President perforce has to take that amount out of some other program, which at the same time will be hurt to that extent, in view of the fact that this bill, in the aggregate, goes only \$6,232,000 over and above the budget estimate, so that we may preserve the principle that we have established a ceiling, and we do not want to set the example, today, of going through that ceiling, even by a minuscule amount when compared with the authorization bill—only 0.2 percent—I wonder whether the Senator from Tennessee, if the Senator from Wisconsin will amend his amendment to make the amount \$6,232,000 instead of \$35 million, and we would take that figure to conference, would approve the Senator's amendment, under the circumstances.

Mr. GORE. Mr. President, how would we know what items would be affected?

Mr. PASTORE. We would have to work that out in conference, and also with the Joint Committee on Atomic Energy.

As a matter of fact, under date of April 13, 1964, I wrote a letter to Mr. Seaborg, who is the Chairman of the Atomic Energy Commission, whereby we agreed that any time we make these adjustments, they cannot change them except by consultation with us. After they send their proposed change up to us, if within 15 days we do not accept it, they cannot make the change. I assure the Senator that those programs in which he is very much interested—and I know his enthusiasm, his interest, and his devotion—will be done no irreparable harm.

Mr. GORE. Mr. President, though one with trepidation pits his judgment against the collective judgment of his colleagues, I think it would be a mistake so to do, and that, in yielding in this regard, the committee would be yielding its collective judgment to what is really a fetish concerning the sanctimonious character of a budget estimate.

To me, a budget estimate does not have any such character. I do not concede that the Bureau of the Budget has a competence in this field even approaching that of the Joint Committee on Atomic Energy and its staff.

Yet this would be but a modest cut, and, with the assurances of the chair-

man of the Joint Committee that this is his judgment and the judgment of—is this the judgment of the Senator from Vermont also?

Mr. AIKEN. Yes, I think that ways could be found to save \$600 million out of the total appropriation without injuring the work of the Commission in any respect.

Mr. PASTORE. Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I send to the desk a modified amendment which removes precisely what the distinguished Senator from Rhode Island has suggested. That is, it simply cuts back the total authorization to the level that the Budget Bureau specifies.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 7, delete "\$1,973,282,000" and insert in lieu thereof "\$1,967,050,000."

Mr. PROXMIRE. Mr. President, I specify that the amendment is being offered on behalf of myself and the distinguished Senator from Delaware (Mr. WILLIAMS).

Mr. PASTORE. And the further understanding that turning back to the original figure does not turn back to the same alignment by the AEC. It will have to be adjusted to the ideas of the committee as well.

Mr. PROXMIRE. The Senator is correct.

Mr. President, I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12167) was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further consideration of S. 2416 be postponed indefinitely.

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

Mr. MANSFIELD. Mr. President, it is always a pleasure to be present in the Chamber when the senior Senator from Rhode Island (Mr. PASTORE) is in charge of a bill. That was the case today. The Senate disposed of the Atomic Energy Commission authorization with the greatest efficiency and expedition. Its expert handling by Senator PASTORE was in keeping with the magnificent record he has compiled. Senator PASTORE expressed his usual thoughtful views with compelling persuasiveness and led this measure through to overwhelming success.

And it was achieved with the excellent support of the ranking minority member of the committee, the senior Senator from Vermont (Mr. AIKEN). Senator AIKEN's equally persuasive capacity, in fact, assured this outstanding success.

Also to be commended for his contribution to the discussion on this measure is the Senator from Wisconsin (Mr. PROXMIRE). He urged his amendment skillfully and with proficient advocacy. Its acceptance was assured. Finally, the Senator from Tennessee (Mr. GORE) is to be thanked for adding his thoughtful views to the discussion. His contributions are always wise, always welcome.

I am grateful to the Senate as a whole for joining to dispose of this measure today.

#### RETENTION OF ADMIRAL RICKOVER

Mr. JACKSON. Mr. President, at this place in the RECORD I would like to call attention to the fact that the Joint Committee report on the "Naval Nuclear Propulsion Program—1969" released last week makes a pointed reference to the important and continuing contribution being made by Adm. H. G. Rickover to our Nation's nuclear submarine program. Today more than ever it is vital that Admiral Rickover's services to our country be continued. In this connection, let me quote from the foreword to the Joint Committee hearing on nuclear propulsion dated June 17, 1969:

The Committee hopes that the new leadership of the Department of Defense and the Navy will act swiftly to announce their intention to reappoint Admiral Rickover when his present term expires in January 1970 so as to avoid any conjecture to the contrary that might arise again this year based on the poor record of their predecessors in this matter for the past 16 years.

I strongly urge that Admiral Rickover's reappointment be announced as soon as possible.

#### FEDERAL LANDS FOR PARKS AND RECREATION ACT OF 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 216, S. 1708.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 1708) to amend title I of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Federal Lands for Parks and Recreation Act of 1969".

SEC. 2. Section 2(b) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (effective March 31, 1970, section 2(b) becomes section 2(a) pursuant to the provisions of Public Law 90-401, July 15, 1968), is further amended by deleting the last sentence and adding the following new paragraphs:

"Provided, however, That, notwithstanding the provisions of the Surplus Property Act of 1944, as amended, and the Federal Property and Administrative Services Act of 1949, as amended, States and their political subdivi-

sions may acquire until June 30, 1973, from the United States for public park and recreation purposes surplus Federal real property together with such improvements, equipment, and related personal property that the Secretary of the Interior has recommended to the Administrator of the General Services Administration for such acquisition based upon the suitability of the property for park and recreational uses; the accessibility of the property to major population centers; the need for park and recreation facilities in the immediate geographical area, as identified in the comprehensive statewide outdoor recreation plan required under section 5(d) of this Act; and the highest and best use of the property taking into consideration the need of future generations for parks, open spaces, and recreational opportunities. Conveyances of such property for park or recreation purposes shall be in accordance with one of the following methods as determined by the State or political subdivision thereof:

"(1) Where the State or its political subdivision originally donated the property to the United States, the surplus Federal property may be reacquired without the payment of any consideration; or

"(2) Where a State or its political subdivisions so elects, the surplus Federal property may be acquired at zero to 50 per centum of the fair market value, as determined by the Administrator of the General Services Administration in accordance with the recommendations of the Secretary of the Interior; or

"(3) Where the United States paid valuable consideration for the property to the State, its political subdivisions, or to any person, the State or its political subdivision may acquire the surplus Federal property upon the payment of the cost to the United States at the time of such acquisition.

"Deeds conveying any surplus real property disposed of under this authority shall be issued by the General Services Administration and shall provide that the property shall be used and maintained for the purpose for which it was conveyed, and, in the event that such property ceases to be used or maintained for such purposes, such property shall at the option of the Secretary revert to the United States. The deeds may also contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interest of the United States. The Secretary of the Interior may exercise all of his existing authorities under section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended, as to property transferred under this Act. The State and their political subdivisions shall compensate the United States for the administrative costs of surplus property transfers made pursuant to this Act."

"The Secretary of the Interior is directed to prepare and publish guidelines and regulations for implementing the provisions of this Act.

"Except as provided in this section, nothing in this Act shall affect existing laws or regulations concerning disposal of real or personal surplus Federal property to schools, hospitals, States, and their political subdivisions."

#### ADDRESS BY MR. HALABY TO GREATER MIAMI CHAMBER OF COMMERCE

Mr. HOLLAND. Mr. President, the tremendous forward strides made by the State of Florida, that I have the honor to represent, in the last three decades can be credited in part to a complex of air routes and to air service instituted into the State from the rest of the Nation and from abroad.

One of the first air services conceived within Florida occurred in October of 1927 when a small trimotor aircraft, bearing the insignia of Pan American World Airways, flew 90 miles from Key West to Havana to inaugurate international air service between the United States and our then friendly neighbor to the south.

Since that time, Mr. President, Pan American World Airways has become one of the largest private enterprise employers in the State of Florida and its roaring jets provide service not only to Miami International Airport but to Tampa as well.

Pan American has even more elaborate plans for the future for Florida which are also beneficial to the Nation. Some of these plans were outlined recently by Mr. Najeeb E. Halaby, president of Pan American World Airways, before the Greater Miami Chamber of Commerce. I ask unanimous consent that Mr. Halaby's remarks be printed in the RECORD.

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

#### REMARKS BY MR. HALABY

First, I'd like to say that I'm very impressed with what I've learned about your leadership training program. It's generally acknowledged now that the answers to most of the problems plaguing our cities must come from concerned citizens. What is not so widely accepted, it seems to me, is that an understanding of these problems and an imaginative search for solutions demands a lot of homework.

I can think of no better approach to this necessity for informed community leadership than a cadre of young business and professional people who have participated in an organized study of their city's problems and potentials. I am sure that Miami's future will be brighter for your efforts.

What sort of a future does Miami face in the next 10 or 15 years. I am going to limit myself to one phase of this future—your transportation needs. I believe I can qualify as a knowledgeable commentator on air transportation and I have, for whatever they are worth, a few thoughts on urban transportation in general.

Let's make two assumptions about Miami, 1985. And, by Miami, I mean the Greater Miami area which you serve as a major transportation hub.

The first assumption is that Miami will continue to experience a good measure of the phenomenal population growth which has characterized the last two decades. Dade and Broward counties more than doubled their population during the fifties. During the first nine years of this decade, the growth rate has been better than 40 per cent. By 1985, your Dade Development Board projects a population of a little better than three million for the area, which represents another increase of about 55 per cent. Even with allowances for error and sunshine optimism, this adds up to a busy, busy future.

The second assumption is that tourism will continue to be one of the area's principal industries. This, it seems to me, is a less tenable assumption—for while I am sure that your tourism will continue to flourish I would expect that, as transportation links to your developing neighbors to the south continue to improve, foreign trade will become more and more a factor in the economy of the Miami area.

But whether it is tourism or foreign trade, the combined necessity of moving things and people, of your own population growth and of Miami's unique geographical position, all point to one dominant factor which will

control your future—transportation. The character and the prosperity of Miami, 1985, will depend upon the transportation facilities it offers to both the outside world and to the three million citizens of what will then be a megalopolis south.

Now let's drop the assumptions for predictable fact. The measure of Miami's progress will be air transportation. This, I know, is one of the most air-minded cities in the world, but just in case there are any doubters here today I would like to give them a few probabilities to think about.

1. It is estimated that air travel in general will triple by 1980 and perhaps quadruple by 1985. Now, we know that our population won't increase that rapidly, so this simply means that we are tapping a new market for air travel. We are phasing out a primarily earthbound generation for one which is space-oriented. And we have today, in many of the more developed areas of the world, a mass of people who have more means and more opportunity—but no more time—to travel. The answer is air transportation.

2. Air freight is growing even more rapidly than air passenger travel. For Miami, which will probably always deal more in manufactured and fabricated products than in bulk cargo, this presents a massive opportunity for commerce to the south.

3. The air transportation industry is preparing for this expected expansion of the market for both passengers and freight with a new generation of aircraft and all the related facilities.

4. The airlines in general and Pan Am in particular are aware that getting there is but one spoke in the travel wheel. We realize that the average traveler, and particularly the vacation traveler, must be assured of the right sort of bed and board and a measure of mobility when he reaches his destination. We must begin to sell him total transportation.

In Miami, he probably won't have to worry about accommodations (at least, he won't, if you take my statistical predictions to heart), but if he's staying on the beach and wants to take his family to see Everglades National Park, he may face a problem.

In the years just ahead I think the airlines may solve this problem by adding optional local travel facilities to the air travel part of the trip.

Have I convinced you that the airplane is here to stay? I mentioned a new generation of aircraft a moment ago. Let me, very briefly, tell you what's on the shelves.

The Boeing 747 will be introduced to commercial air transportation by Pan Am some time late in December. This great, new advanced technology airplane is going to change the whole perspective of commercial aviation. For it will not only be the biggest, it will be the best commercial airliner ever produced—best in terms of passenger comfort, operational reliability, aerodynamic efficiency, flight safety, economics and general airworthiness.

To the public, understandably, the 747 is still just one big airplane. To the industry it is a qualitative achievement, the compendium of everything we have learned in 40 years of designing, building and operating all sorts of aircraft. When you have a chance to ride it, I think you will agree with me.

The aeronautical spin-off of the 747—the new, wide-bodied airbuses now building—will offer many of the same advantages as the 747 with a smaller payload, a shorter range and less commodious accommodations.

The supersonics are coming—as surely as tomorrow. You will be flying one version or another by 1980 and be trying to remember what the great debate was all about. Who was it who said that if man was meant to fly, he'd have been born with wings? An antecedent of the same man who now says that man should fly just so fast and no faster.

About all we can say of the supersonics now is that they will be faster. Of interest



to Miamians, I think, is the fact that the projected 1,800-mile-an-hour American SST will make the trip from London, Paris or Rome to Miami just 30 to 40 minutes longer than the trip from these European capitals to New York. That's just about time enough to wash up and collect your belongings.

The last item on our inventory of things to come is a whole family of VSTOL aircraft—vertical life and short takeoff and landing machines. They will revolutionize short haul transportation—trips from 10 to 200 or 300 miles—during the next decade. I urge you to watch the development of these vehicles in the form of helibuses and metroplanes closely, for they will provide a happy answer to many of your airport access, interurban and intrastate transportation problems.

Planes and people. Travel and tourism. The thrust of the future. What part will they play in the Miami story? Does the recent past give us a hint?

Five years ago your Miami International Airport handled about four and a half million passengers over a 12-month period. Last year it served 10 million. If we average the growth rate over a number of years and project it, we find that Miami's facilities will be serving 32 million air passengers by 1985. If we use the 20 percent annual growth rate of the last few years and project that, we find you'll have to be prepared to handle about 50 million air travelers by 1985. And if your air freight activity continues its present rate of doubling every five years, 1985 will see Miami airports handling two and a half million tons of airborne cargo annually.

Is Miami preparing for this sort of an air transportation future? In many large American cities the prospect is discouraging. Here in Miami, I think you have a handle on the future.

The handle, of course, is your proposed 39-square-mile airport west of the city. As one who is convinced of the need for conservation I believe it should be planned into every such development along with other needs of the community. Miami needs to carefully examine these questions: Does it need the new airport to survive and thrive as a resort city and major transportation hub in a world of constantly multiplying travel bargains? If so, how can it be done with the least disturbance to the beauty and refuge of the Everglades?

When the environmental studies now being conducted are concluded, both sides should be able to find that they are not far apart and that solutions exist for an effective and even amicable resolution of problem. In other words, the conservationist, the urban planner and the airman cannot only live together, they can profit from each other to the benefit of the community as a whole.

One of the future pluses of your proposed "air-spaceport" is that it will provide Miami with some of the finest supersonic transportation facilities in the world. Even if the sonic boom problem is not solved, you will be able to offer the SSTs straight line, overwater approaches from three directions. The final few miles of over-land approach in the landing and takeoff patterns would be subsonic in any case.

I hope you insist on the best airport-access transportation. Any transit link with the airport should be a handsome parkway—rapid, reasonably-priced with mass transportation capabilities and without the squalor of old-style highways and railways. It should provide a loop linking various passenger collection points throughout the Miami area, including the beach and extending up the Gold Coast and into the Gulf Coast area. Our developing technology will be able to provide you with a rail or ground effects system which will cover the 40 miles from airport to city center in half an hour. Within

a decade, you will have metroplanes which could provide 15-minute service to the new airport from any place on the Homestead/Miami/Ft. Lauderdale axis on the Atlantic Coast and on the Sarasota/Naples/Ft. Myers axis on the Gulf Coast.

With such transportation, plus an expressway link, your two airports should be able to accommodate that flood of 30 to 50 million passengers. Furthermore, with the proper access system you will eliminate the need of a service city on or near the new airport. The work force will be absorbed within your urban limits.

All this, while it must be planned now, is for the future. Meanwhile, you're going to be faced with some problems the day after tomorrow.

The 747, on order by many of the large airlines serving Miami, will begin moving concentrations of up to 362 passengers plus a flight crew in and out of your Miami International terminal early next year. Three or four such scheduled arrivals and departures, plus the 250-passenger Airbus schedules, plus the regular traffic you now receive, could build up a monumental traffic jam both inside and outside your present terminal if you have not planned for it.

The Port Authority's plans for expanding the terminal and improving the access-road and parking facilities are realistic and Miami is to be congratulated for its perceptive forward planning.

Miami is going to grow up as well as out during the coming growth period. Rising land costs encourage high rise construction and this in turn exerts a tremendous pressure upon conventional highway transportation. It seems to me that the Miami area has a great opportunity, while it is planning the access facilities to its new airport, to program an extension of these facilities into an area-wide rapid transit system. At the same time you should set aside sites for stolport and heliport facilities. You'll need both these short haul travel systems long before you reach the three million mark.

I'd like to conclude with a word about Pan Am and Miami. As most of you know, we identify here. Pan Am flew its first schedules here and for many years Miami was our only major base. The planes and the crews which opened up the Pacific and intercontinental services to South America and the Caribbean and established the first commercial services across the Atlantic were all at one time a part of our Miami operation. A great deal of aviation history took off from Dinner Key or from the prototype of your present international airport and most of it was Pan Am.

Over the years, though Pan Am has grown worldwide, those Miami bonds have remained intact. We serve Miami with by far the largest international schedule, our main airframe overhaul base is here, we train many of our pilots here and we are about to expand our airport operations with an enlarged flight service training school complex which will be one of the largest in the industry. As one of this area's largest employers, we feel we are very much a part of Miami and hope to play a helpful role in its future. We have grown with Miami and we hope to expand with Miami's future growth.

It is for this reason that we are gratified by the recent hearing examiner's decision to recommend Pan Am as the American carrier to compete with BOAC on the Miami/London route, beginning next January first. We hope and expect that the C.A.B. will endorse this decision, for we feel that Pan Am can do the most for Miami over this route.

The main consideration here is that we can provide the Miami/London route with open-ended service. Our route structure will enable us to create a bridge between Latin America and Europe and allow passengers in both directions to stop over in Miami.

And, unlike a domestic carrier which would deadend in London, we will tap all the European markets, including the northern European areas such as Scandinavia and Germany, which are natural markets for Florida's warm weather tourist attractions. Additionally, Miami will benefit even more directly from Pan Am's visit U.S.A. program—we spent about \$25 million last year in advertising, sales and public relations to encourage foreign tourism to this country.

I hope that the new year will see Miami a new and vital link on Pan Am's round-the-world service and that both your metropolitan area and our airline will continue the profitable and friendly collaboration which has opened up so many new horizons for both of us during the past 40 years.

I realize, in closing, that many of you young people were not around 40 years ago. But, I'm delighted to see you here today—training for future leadership and concerned with vital urban problems. It reaffirms my continuing faith in the under-30 generation and the under-40 generation. I come away with a great faith in the future of Miami and pledge you our support in building that future.

#### LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT TO MONDAY

Mr. BAKER, Mr. President, I inquire of the distinguished majority leader if he might tell us the probable outlook for next week.

Mr. MANSFIELD. Mr. President, first let me say we are rather hopeful that the pending business—S. 1708—may be disposed of this afternoon. It is the understanding of the leadership that two amendments will be offered. One will be accepted and the other will be debated.

Mr. JACKSON. Mr. President, we have reached agreement on both amendments as modified. It should not take long.

Mr. MANSFIELD. That is good news. There is then the possibility that we may take up H.R. 4152 and H.R. 4153, and I see the Senator from Delaware in the Chamber whom, I know, has an interest in those matters. However, that is only a possibility.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 noon Monday next.

THE PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, it is the intention of the leadership to lay before the Senate this afternoon, if all things go as planned, H.R. 11582, an appropriation bill for the Treasury and Post Office Departments to be considered Monday.

It is hopeful that on Monday we can lay before the Senate H.R. 11612, an appropriation bill for the Department of Agriculture.

It is anticipated that S. 1613, the Eisenhower Dam bill, S. 1689, the Hazardous Substance Act, S. 853, the Saw Tooth National Recreation Area Act, and H.R. 4153, the Coast Guard authorization; H.R. 4152, an authorization bill for certain maritime programs of the Department of Commerce will all be considered next week. The latter two, the Coast Guard and maritime bills, are in

this category, if they are not considered and disposed of this afternoon.

I hope that the Senate will keep all of these factors in mind. We will have a busy week next week. We will have before us two very important and rather large appropriation bills, and it is hoped that Senators will be in attendance assiduously as always and be prepared to take just the 1-day holiday for the Fourth of July.

#### TRIBUTE TO WILLIAM J. HILLARD II

Mr. JAVITS. Mr. President, too few of the brave young Americans who have been killed in the Vietnam war have had a chance to make a lasting impact outside the sphere of close friends and relatives. But one young man, William J. Hillard II of Randolph, N.Y., did make an impact during his civilian service with the Peace Corps in India before entering military service in Vietnam.

Mr. Hillard's mother has written to the Peace Corps forwarding copies of letters she has received from India concerning her son's personal impact upon the people he met there. The tributes he has received posthumously are all the more poignant in light of Mrs. Hillard's notation that her son had felt that he "accomplished very little" in his Peace Corps work in India.

I ask unanimous consent that Mrs. Hillard's letter, together with the enclosed letters from the Patil family and S. S. Salunkhe, be printed in the RECORD.

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

MAY 21, 1969.

PEACE CORPS,  
Washington, D.C.

GENTLEMEN: I thought perhaps you might be interested in the enclosed copies of two letters we have received from India in regard to my son, William J. Hillard II, who served as a Peace Corps volunteer in Kohlapur, State of Maharashtra, India. He was killed in Vietnam on March 15 of this year while on a combat mission. He entered the Peace Corps at 18 and was sent to India in February, 1967.

I send these because Bill felt that he had accomplished very little in his Peace Corps work and there was nothing of any real importance for him to do.

Perhaps if Peace Corps volunteers understood better just how much a part of their mission this kind of goodwill is, they might accept more easily a situation in which the work to be done is not always what they expected. Bill was, of course, very young to feel that anything except a specific accomplishment was doing his job. To make friends was something he did everywhere.

Sincerely,

Mrs. DOROTHY S. HILLARD.

DEAR MOTHER: We were shocked by the sad news of Bill's death which we learnt from Ram. I cannot believe on this news.

In the short time we knew him he had so endeared himself to all of us by his frank and amiable nature that we will never be able to forget him. He was the first foreigner that we knew but by his engaging and lovable nature he made us forget that he belonged to a different country and we came to regard him as one of us.

We can imagine what a blow this sudden loss of a young son who had such a zest for life must have been to you.

We greatly grieve for his death. May he rest in peace.

Yours in sorrow,

FATIL FAMILY (GOLDWALLAH).

DEAR MRS. HILLARD: I was greatly shocked by the news of the death of your Son Bill. Which I learned from Ram. I knew Bill for a very short time. I liked his personality and wanted to do his portrait. So I asked Ram to introduce me and was glad when Bill accepted to pose. While the portrait was being done we got to know each other. The water color portrait of his done by me may be with you.

In this brief acquaintance Bill with his frank and engaging manner made me give up my shyness and diffidence. He is the first foreigner I have known. He made me realize that people are the same all over the world.

I greatly grieve the loss of my only American friend. It must be a great shock to lose your only Son in his prime of life.

Please remember that your Son was a very good and honest young man who made many friends even in his short stay in India. All these friends like me grieve for his loss.

Yours in sorrow,

S. S. SALUNKHE,

Artist.

#### ADELA INVESTMENT CORPORATION PROGRESS REPORT

Mr. JAVITS. Mr. President, I wish to again call the attention of the Senate to the progress of the ADELA Investment Co. which was launched in 1962 under the auspices of the Economic Committee of the NATO Parliamentarians' Conference of which I was then chairman. The progress of ADELA and the lessons it has learned are an essential counterpart in the field of private investment to the presentation on public investment—U.S. Alliance for Progress—and other matters made to President Nixon on behalf of the Latin American countries by Chilean Foreign Minister Gabriel Valdez as a result of the ministerial level conference of the principal countries of Latin America at Vina del Mar in Chile in late May of this year.

Private foreign investment continues to be welcomed in almost all Latin American countries. The growth of ADELA over the past year is testimony to the fact. The most significant area of growth is represented in the fact that ADELA has become truly a joint venture with Latin American capital, and it is my strong belief that this is the trend of the future that all private enterprise companies operating in Latin America must take cognizance of. Latin American governments, on the other hand, must recognize that uncertainties about the treatment foreign capital is to receive seriously inhibit needed private capital flows and that better definitions of the fields open to investors and of the rights and obligations that investors and foreign governments must observe on a multinational basis is becoming an increasingly urgent problem.

Over the past year ending March 31, 1969, the total assets of the ADELA increased to \$117,682,435, an increase of more than \$50 million, or 72 percent, over the March 1968 figure. The return on paid-in capital has risen to 5.9 percent—on an annual basis—for the first 9 months of the current fiscal year, com-

pared to 4.2 percent for the full fiscal year ended June 30, 1968—computed on paid-in capital at the beginning of the fiscal year.

These figures indicate that the ADELA has not only made a meaningful economic impact and contribution to development through private-enterprise efforts but also proved its feasibility by producing a reasonable return for its shareholders.

ADELA's board of directors is recommending to the shareholders to further increase the authorized capital from \$50 to \$60 million. In the last 6 months, ADELA has become a truly joint venture with Latin American capital, inasmuch as approximately \$5 million—in U.S. dollars—in this latest increase of capital was subscribed by over 40 Latin American companies from Argentina, Brazil, Colombia, Mexico, and Venezuela.

The operations of ADELA in Latin America since 1962 in the sensitive area of private foreign capital investment has led to certain conclusions which provide possible useful general concepts and guidelines for international public financing institutions, for foreign investors in developing countries, and for governments of developing nations.

These include:

First. One of the greatest assets of the foreign corporation is its ability to innovate and to introduce new technology. Therefore, a foreign corporation should be looked to both as a source of risk capital unavailable from local capital markets or international leading institutions as well, and particularly, as a provider of the indispensable know-how and of technology. Therefore, the return on technology is most likely to be higher to the international corporation than the return on capital.

Second. The role of the foreign corporation in existing or new Latin American enterprise should be in the form of a joint venture without absolute control. Foreign corporations should not take over businesses or established businesses that are already managed efficiently or could be run efficiently by Latin American businessmen. Effective control also is better exercised by providing excellence of technology and management than by controlling 51 percent of a company's stock.

Third. The multinational investment company operating in Latin America performs the role of a bridge between the capital markets of the industrialized world and Latin America. One of the principal contributions of the foreign investment company is to break Latin America's semi-isolation from private international capital markets by placing Latin American securities privately and publicly and by building up greater familiarity with Latin American borrowers and investments within the international capital markets.

Fourth. An investment company should be more than a provider of money; its primary objective must be to provide entrepreneurial thinking, assistance and thrust, and to see projects through all stages from an idea or opportunity to a productive and profitable enterprise.



Fifth. Multinational investment companies should promote local, subregional, and regional capital markets in Latin America and actively promote, create, and finance multinational corporations.

Sixth. The ADELA experience has indicated that the absence of meaningful protection for minority interests, is perhaps one of the most important factors hindering the development of capital markets in Latin America.

Seventh. Modification or complete re-drafting of commercial codes is one of the most needed and most urgent tasks before the legislatures of Latin America.

#### LIMITATION ON PAYMENTS UNDER AGRICULTURE PROGRAM

Mr. WILLIAMS of Delaware. Mr. President, the House of Representatives included an amendment to H.R. 11612, the agriculture appropriations for fiscal 1970, the purpose of which was to place a limitation of \$20,000 on the amount of payments to be made to any one individual or company under the agriculture program. This bill is now pending before the Senate, but I understand that the committee has approved the deletion of this section.

I regret that this negative action was taken since, in my opinion, this is a very important amendment, and when this bill is before the Senate for our consideration an effort will be made to restore the House amendment.

These payments should be limited for two very important reasons:

First. It represents an unnecessary drain on the Federal Treasury, and certainly these unwarranted expenditures for the large corporate-type operations cannot be justified at a time when the Federal Government is already operating at a deficit averaging \$500 million per month and at a time when the American citizens are being asked to bear additional tax burdens.

Second. Under the present system these large payments to the corporate-type operations place the small farmers at a decided disadvantage. A large operator with several thousand acres can idle a substantial portion of his acreage under the various programs and discharge some of his employees, with the result that his payments to a large extent represent net income, whereas a small family type farm cannot afford to idle a portion of his acreage under these programs, since to do so would reduce the efficiency of his operation in that his machinery and his personal labor would be only partially utilized.

The effect is that as a result of these large payments the Federal Government is in a position of actually subsidizing the expansion of the corporate type of operators at the expense of the small farmers.

The limitation on these payments of \$20,000 to any one company or individual in a year would reverse this picture and give the advantage of the program to the small operators.

As an example of some of these payments I cite the following:

The list which I shall incorporate in the RECORD at the conclusion of my remarks shows that five corporate type operations each collected over \$1 million in cash payments under the various agriculture programs, with the largest of these payments being \$3,027,384 to the J. G. Boswell Co., Corcoran, Calif.

Ten large farming operations received cash payments ranging between \$500,000 and \$800,000, and at the top of this list we find two large land companies, Salyer Land Co., Corcoran, Calif., and Kern County Land Co., Bakersfield, Calif., collecting \$786,459 and \$780,073, respectively. The Delta and Pine Land Co., Scott, Miss., received \$605,796. This latter company was a wholly owned British corporation, yet it is being classified as an American farmer and is being paid over \$600,000 not to cultivate its Amer-

ican soil. The State of Montana is classified as a "farmer" and collected \$560,443 not to cultivate some of its farmland.

The next group includes 43 farming operations, each receiving cash payments ranging between \$250,000 and a half-million dollars.

Included in this group of farmers we find the Texas Department of Corrections, Sugarland, Tex., being classified as a "farmer" and receiving two payments of \$294,301 and \$75,619.

The Arkansas State Penitentiary, Grady, Ark., is classified as a "farmer" and received \$154,412, while the State of Washington, another "farmer," collected \$146,764 under these programs.

The Louisiana State Penitentiary, Angola, La., qualified as a "farmer" and collected \$114,363.

By no stretch of the imagination can these States and political subdivisions qualify under the classification of legitimate farming operations.

An interesting point arises: just suppose the Texas Department of Corrections, the Arkansas State Penitentiary, or the Louisiana State Penitentiary violated the laws relating to proper compliance of the agriculture programs and that the Government decided to prosecute and they were convicted. Just how could a penitentiary be punished?

To emphasize the extent of these large payments I am incorporating in the RECORD today a list of the 1968 recipients of payments totaling \$60,000 and over that were made under the ASCS program—excluding price support loans. I have in my office a report showing these payments in excess of \$25,000, which is available to anyone wishing to inspect it, but to conserve space I am incorporating in the RECORD only those payments of \$60,000 and over.

I ask unanimous consent that this list be printed in the RECORD.

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

1968 TOTAL PAYMENTS OF \$60,000 AND OVER UNDER ASCS PROGRAMS (EXCLUDING PRICE SUPPORT LOANS)

Name	Address	Total payments	Name	Address	Total payments
J. G. Boswell Co.	P.O. Box 877, Corcoran, Calif.	\$3,027,384	Vernon L. Thomas, Inc.	P.O. Box 8, Huron, Calif.	\$339,863
Giffen, Inc.	Box 7, Huron, Calif.	2,775,274	Barkley Co. of Arizona	Rural Route 1 Box 73, Somerton, Ariz.	336,823
U.S. Sugar Corp.	Drawer 1207, Clewiston, Fla.	1,467,498	BKW Farms, Inc.	Box 186, Marana, Ariz.	331,512
Hawaiian Commercial & Sugar Co.	Box 3440, Honolulu, Hawaii	1,273,521	J. K. Griffith	Route 2, Morton, Tex.	320,315
South Lake Farms	P.O. Box 848, Corcoran, Calif.	1,194,022	Hamakua Mill Co.	Box 3020, Honolulu, Hawaii	319,637
Salyer Land Co.	P.O. Box 488, Corcoran, Calif.	786,459	McBryde Sugar Co., Ltd.	Box 3440, Honolulu, Hawaii	317,499
Kern Co. Land Co.	Box 380, Bakersfield, Calif.	780,073	Puna Sugar Co., Ltd.	Box 3230, Honolulu, Hawaii	308,976
Vista Del Llano Farms	37423 Belmont, Firebaugh, Calif.	745,647	AK Chin Farms	Route 1, Box 12, Maricopa, Ariz.	308,625
South Puerto Rico Sugar Co.	Box 86, South Bay, Fla.	709,526	Olokele Sugar Co.	Box 3470, Honolulu, Hawaii	307,730
Delta and Pine Land Co.	Scott, Miss.	605,796	Texas Department of Corrections	Central Farm 520, Sugarland, Tex.	294,301
State of Montana	Helena, Mont.	560,443	John D. Singh	Box DD, Casa Grande, Ariz.	292,031
Oahu Sugar Co.	Box 3230, Honolulu, Hawaii	542,926	Telles Ranch, Inc.	46031 W. Nees, Firebaugh, Calif.	291,209
Waialua Sugar Co., Inc.	Box 2990, Honolulu, Hawaii	530,187	Tom J. Moore	Navasota, Tex.	289,883
Lihue Plantation Co., Ltd.	Box 3230, Honolulu, Hawaii	520,003	Youngker Farms	Box 398, Buckeye, Ariz.	289,391
Farmers Inv. Co.	Box 7, Sahuarita, Ariz.	504,389	H. H. Moore & Sons	Box 7, Navasota, Tex.	283,962
S. A. Camp Farms Co.	Bin D, Shafter, Calif.	489,641	Wilco Produce	Box 1179, Blythe, Calif.	282,148
Lee Wilson & Co. D/B/A Keiser S.	Keiser, Ariz.	473,670	Riverview Farm & Cattle	500 North Broadway, Blythe, Calif.	279,733
Pioneer Mill Co.	Box 3230, Honolulu, Hawaii	465,399	C. J. Shannon & Sons	24487 Road 140, Tulare, Calif.	278,965
Ewa Sugar Co., Inc.	Box 2990, Honolulu, Hawaii	448,191	Baughman Farms, Inc.	Liberal, Kans.	276,500
Boston Ranch Co.	Star Route 2 Box 100, Lemoore, Calif.	437,386	Newhall Land & Farming	10302 Ave. 7 1/2, Firebaugh, Calif.	272,176
Hamilton Farms	Route 1, Box 325, Eloy, Ariz.	414,602	Elmore Co.	P.O. Box 119, Brawley, Calif.	267,969
Kekaha Sugar Co., Ltd.	Box 3230, Honolulu, Hawaii	412,685	Gilkey Farms, Inc.	P.O. Box 426, Corcoran, Calif.	265,156
Talisman Sugar Corp.	Box 814, Belle Glade, Fla.	396,561	Airway Farms, Inc.	1221 Fulton, Fresno, Calif.	259,136
Red River Land Co.	Box 566, Stratfield, Ariz.	387,025	Guimarra Vineyard Corp.	Box 1969 Bakersfield, Calif.	250,802
C & V Sheep & Cattle Co., Inc.	Box 3470, Maricopa, Ariz.	385,128	Florida Sugar Corp.	Box 1001, Belle Glade, Fla.	247,010
Jack Harris Inc.	Route 1, Box 420, Coalinga, Calif.	379,075	Southdown, Inc.	P.O. Box 52378, New Orleans, La.	243,070
Westlake Farms	2331 Newton Ave., Stratford, Calif.	377,300	Bogle Farms, Inc.	Box 485, Chandler, Ariz.	242,268
The South Coast Corp.	219 Grinage St., Houma, La.	358,519	Arizona Farming Co.	Box 907, Eloy, Ariz.	239,802
Grove Farm Co., Inc.	Puhi Rural Station, Lihue, Hawaii	352,891	Goodyear Farms	Litchfield Park, Ariz.	238,629
McNair Farms	Laurinburg, N.C.	351,596	Timco	5720 S. Washoe, Mendota, Calif.	236,781
H. B. Murphy Co.	P.O. Box 74, Brawley, Calif.	347,976	Gila River Farms	Box 397, Sacaton, Ariz.	234,975
Loupahoe Sugar Co.	Box 3020, Honolulu, Hawaii	345,770	R. A. Pickens & Sons Co.	Pickens, Ark.	234,251
Honokaa Sugar Co.	do	341,253	Bruce Church, Inc.	P.O. Box 1009, Yuma, Ariz.	232,012

## 1968 TOTAL PAYMENTS OF \$60,000 AND OVER UNDER ASCS PROGRAMS (EXCLUDING PRICE SUPPORT LOANS)—Continued

Name	Address	Total payments	Name	Address	Total payments
W. B. Camp & Sons	P. O. Box 2028, Bakersfield, Calif.	\$231,978	Hammonds Ranch, Inc.	47357 West Dakota, Firebaugh, Calif.	\$136,334
Houchin Bros. Farming	Box 493, Buttonwillow, Calif.	229,811	Roberts Farms, Inc.	15366 Road 192, Porterville, Calif.	136,215
John B. McKee, Jr.	Friars Point, Miss.	228,948	Bill Weaver	502 South Houston, Lamesa, Tex.	136,105
Potter Bros., Inc.	Box 349, Arcola, Miss.	227,768	Dimler Zweygardt	Burlington Co.	136,100
Jack Elmore	Box 156, Brawley, Calif.	226,810	Clark and Roberts	1927 Jackson, Pecos, Tex.	134,085
Crowe Farms	Arcola, Miss.	223,835	W. A. Sullivan	2100 Wyoming, Pecos, Tex.	132,584
Kirby Hughes	7200 San Anna, Tucson, Ariz.	221,659	J. H. Benson Ranches, Inc.	Box 239, Brawley, Calif.	132,058
Dave Mendrin & Sons	23448 Ave. 5, Madera, Calif.	217,463	I. F. Lee	Rural Route 2, Hale Center, Tex.	131,881
Ridgeside Farms	Bakersfield Saving & Loan Building, Bakersfield, Calif.	213,384	Dan Seligman	Shaw, Miss.	131,699
George B. Willoughby	Box 860, El Centro, Calif.	208,101	W. T. Waggoner Trust Estate	Drawer 2130, Vernon, Tex.	131,651
Three Way Land Co.	Dekalb, Tex.	206,883	St. Francis Valley Farms	Marked Tree, Ark.	131,179
Howe Lumber Company, Inc.	Wabash, Ark.	206,378	Texas Hill Farms	P.O. Box 1283, Yuma, Ariz.	130,663
Joe Mendiburu	Box 5096, Oildale, Calif.	202,583	M & I Farms	P.O. Box 700, Delano, Calif.	130,111
J. E. O'Neill, Inc.	P.O. Box 2114, Fresno, Calif.	201,089	Coberly-West Co.	626 Wilshire Blvd., Los Angeles, Calif.	129,178
Price Giffen Ranch	2025 N. Fairfax, Firebaugh, Calif.	199,980	Smallwood Farms	Box 1507, Pecos, Tex.	128,981
Sullivan & Gragnani	Box 128 A, Tranquillity, Calif.	199,681	Krenmueller Farms	Route 1 Box 77, San Juan, Tex.	128,907
J. W. Olberg & Son	P.O. Box 1710, Yuma, Ariz.	197,400	Thunderbird Farms	Box 1984, Phoenix, Ariz.	128,249
Roy Flowers	Mattson, Miss.	196,679	Earl Hughes	P.O. Box 218, Gadsden, Ariz.	128,104
Community Gin	P.O. Box 3546, Scottsdale, Ariz.	196,457	715 Farms Ltd	Box D, Pahokee, Fla.	127,591
Coury Bros.	Route 1 Box 87, Queen Creek, Ariz.	196,210	R. C. Godwin	Box 1026, Hereford, Tex.	127,231
Santiago Ranch	Rural Route 3 Box 893, Bakersfield, Calif.	195,425	Hyneman Farms, Inc.	P.O. Box 30, Trumann, Ariz.	127,199
Kahuku Plantation Co.	Box 3440, Honolulu, Hawaii	194,231	E. W. Merritt Farms	Box 196, Gilbert, Ariz.	126,263
Ben Simmons	P.O. Box 744, Parker, Ariz.	190,616	Finley Bros.	Box 196, Gilbert, Ariz.	126,198
Ramond Thomas, Inc.	25810 Avenue 11, Madera, Calif.	189,828	Fridenmaker Farms	223 South 4th St., Phoenix, Ariz.	125,221
Gay and Robinson	Makaweli, Hawaii	187,401	Farm Development Corp.	Box 1201, Boise, Idaho	125,221
Cold River Trading Co.	P.O. Box T, Parker, Ariz.	185,592	Scopena Plantation	Rural Route 1, Bossier City, La.	124,157
M J & R S Allen	P.O. Box 925, Coalinga, Calif.	185,397	R. A. Rowan & Co.	20600 19th Ave., Stratford, Calif.	123,883
Irvin Co.	1296 Pepper Dr., El Centro, Calif.	184,875	Gerald R. Elmore	P.O. Box 603, Calipatria, Calif.	123,773
W. E. Young & W. E. Young, Jr.	Box 267, Calipatria, Calif.	184,181	C. M. S. Farming Co.	801 North 1st Ave., Phoenix, Ariz.	123,742
Coit Ranch, Inc.	2578 S. Lyon, Mendota, Calif.	182,204	H. K. Hammett & Sons	Box 512, Greenville, Miss.	123,106
C. J. Vignolo	Box 1268, Shafter, Calif.	180,899	Bidart Bros.	Rural Route 1 Box 860, Bakersfield, Calif.	122,929
B.V. Farms & Miller & Lux	550 Kearney, San Francisco, Calif.	180,812	M. T. Hardy	Webb, Miss.	122,799
W. J. Deal	Box 427, Mendota, Calif.	179,248	Est. Geo. C. Chance	307 South Main, Bryan, Tex.	122,792
Twin Farms	Rural Route 1, Box 91, Buttonwillow, Calif.	178,069	Brazos A. Varisco	Varisco Bldg., Bryan, Tex.	122,592
W. T. Golston Farms	Box 698, Stanfield, Ariz.	177,599	Wood Ranches	Post Office Box 247, Lemoore, Calif.	122,562
Taft McGee	Box 69, Hereford, Tex.	177,238	Rio Farms, Inc.	Edcouch, Tex.	122,537
Worsham Bros.	Box 1411, Pecos, Tex.	176,036	Boyet Farming	Post Office Box 386, Corcoran, Calif.	121,972
Wolfson Land and Cattle	Box 311, Los Banos, Calif.	175,841	Yandell Bros.	Vance, Miss.	121,943
Schramm Ranches, Inc.	Box 487, San Joaquin, Calif.	175,234	Joe I. McHugh	Box 17, Orrville, Ala.	121,718
Hill Farms	Hart, Tex.	174,815	Clarence Martin	Route 2 Box 146, Friona, Tex.	121,522
Southmountain Farms, Inc.	Route 1, Box 705, Laveen, Ariz.	174,806	Summer Peck Ranch Inc.	Post Office Box 507, Mendota, Calif.	120,991
A Duda Sons, Inc.	P.O. Box 257, Oviedo, Fla.	174,444	Wildwood Plantation	Rural Route 3, Greenwood, Miss.	120,470
E. F. Ninn & Co.	Shuqualak, Miss.	172,595	Harris Cattle Co.	Box 456, Chandler, Ariz.	120,352
Nichols Farms	13762 First Ave., Hanford, Calif.	171,684	The Delta Co.	Care of T. L. Reed III, Belzoni, Miss.	120,328
West Haven Farming Co.	24487 Road 140, Tulare, Calif.	170,674	Oscar Mayfield & Sons	Taft, Tex.	120,237
Sam Hamburg Farms	P.O. Box 547, Los Banos, Calif.	170,531	Ward Walton and Asso., Inc.	Rural Route 4, Upper Sandusky, Ohio	120,040
Southern National Bank	Lumberton, N.C.	170,044	Hugh Hudson Ranches	P.O. Box 201, Calipatria, Calif.	118,969
Sinclair Ranches	Box 234, Calipatria, Calif.	168,262	Ed Ambrose	Route 1, Box 118-B, Buckeye, Ariz.	118,376
J. A. Roberts	Rural Route 1 Box 207, Casa Grande, Ariz.	164,230	John Valov	18275 Road 28, Tulare, Calif.	117,934
Sherill-LaFollette	5001 East Washington, Phoenix, Ariz.	163,226	Peter J. Robertson	Box 578, Coolidge, Ariz.	117,632
Campbell Farming	Hardin, Mont.	162,897	Jacob S. Stephens	P.O. Box 338, Buckeye, Ariz.	117,516
Sugarcane Farms Co.	318 A Royal P., Palm Beach, Fla.	162,008	Clarence Robinson	P.O. Box 1064, Blythe, Calif.	117,323
Waddell Ranch Co.	Waddell, Ariz.	161,709	Eastland Plantation, Inc.	Doddsville, Miss.	116,978
Glen Holt	Rural Route 1 Box 27H, Parker, Ariz.	161,149	Glen Miller	Rural Route 2, Colfax, Wash.	116,844
Coyanosa Farms	Box 235, Coyanosa, Tex.	160,663	Imperial Valley Cattle Co.	Box 148, Arizona City, Ariz.	116,749
Topanga Caine Farm	Lake Cormorant, Miss.	159,984	Marble Bros.	Box 91, South Plains, Tex.	116,530
Emma Lawrence	Box 2309, Hobbs, N. Mex.	159,927	Roundaway Planting Co.	Alligator, Miss.	116,413
John A. Wheeler	Rural Route 1, Lorenzo, Tex.	159,589	J. C. Mills	Drawer G, Abernathy, Tex.	116,211
Closter Farms, Inc.	Box 698, Belle Glade, Fla.	158,754	C. T. Dearborn	P.O. Box 6055, Calipatria, Calif.	116,193
Pantherburn Co.	Pantherburn, Miss.	158,615	Vahlsing Christina Corp.	Box 386, Mathis, Tex.	116,072
J. G. Stone Land Co.	Box 146, Stratford, Calif.	158,587	Oakhurst Co.	Box 335, Clarkdale, Miss.	115,763
L-4 Ranches, Inc.	Box 366, Queen Creek, Ariz.	157,591	Em H. Mettler & Sons	Box 1298, Shafter, Calif.	115,588
Wesson Farms, Inc.	Victoria, Ariz.	156,953	Shary Farms, Inc.	Box 433, Mission, Tex.	115,429
Kesey Bros.	Box 1368, Pecos, Tex.	156,759	Robbins & Long	Rosedale, Miss.	115,273
Ercell Givens	Box 817, Abernathy, Tex.	156,583	F. C. Layton	Box 175, Tolleason, Ariz.	115,194
W. R. Mayes	Mayesville, S.C.	156,284	B. F. Harbert Co.	Robinsonville, Miss.	115,098
John Kai	Box 488, Marana, Ariz.	156,272	William H. Gray	Rural Route 1, New Market, Ala.	114,881
Engelman Farms	Box 307, Elsa, Tex.	155,011	McFarland & Hanson Ranches	Box 1497, Coolidge, Ariz.	114,671
E. F. Mauldin	Box 116, Town Creek, Ala.	154,966	Milham Farms	P.O. Box 976, Bakersfield, Calif.	114,373
Arkansas State Penitentiary	Box 500, Grady, Ark.	154,412	Louisiana State Penitentiary	Angola, La.	114,363
John J. and Ola V. Lord	P.O. Box 5761, Tucson, Ariz.	153,992	W. H. Gentry	400 Sunset, Hereford, Tex.	114,221
S. N. Knight Sons, Inc.	Box 7, Belle Glade, Fla.	153,540	Cattani Bros.	Rural Route 6, Box 215, Bakersfield, Calif.	114,052
McKittrick Ranch, Inc.	1921 Bradford, Bakersfield, Calif.	153,404	Milliken & Farwell, Inc.	Route 1, Box 157, Port Allen, La.	113,781
Amana Society	Middle Amana, Iowa	152,972	Borba Bros.	5521 22d Ave., Riverdale, Calif.	113,575
Redfern Ranches, Inc.	Box 305, Dos Palos, Calif.	152,703	Stafford Hannon	P.O. Box 1141, Brawley, Calif.	113,556
Mazzei Farms	Box 698, Arvin, Calif.	151,734	Kline Planting Co.	Alligator, Miss.	113,395
Russell Bros. Ranches, Inc.	Box 275, Calipatria, Calif.	149,755	Brooks Griffin	Elaine, Ark.	113,352
David A. Shumway	Route 1 Box 19, Queen Creek, Ariz.	149,409	Milton P. Smith, Jr.	Route 1, Box 85, Maricopa, Ariz.	113,113
Kenneth Lindemann	Box 1947, Pecos, Tex.	147,663	W. T. Touchberry	Glen Allan, Miss.	112,807
Martha M. Russell	Route 3 Box 21, San Benito, Tex.	146,772	West, Inc.	Rural Route 1, Sidon, Miss.	112,260
State of Washington	Department of Natural Resources, Ephrata, Wash.	146,764	O'Neill Farms, Inc.	P.O. Box 5, Huron, Calif.	112,202
Buckhorn Planting Co.	Rural Route 2, Greenwood, Miss.	146,518	Kennedy Bros.	79700 Ave. 54, Indio, Calif.	112,121
Trail Lake Plantation	Tralake, Miss.	146,478	John Garrett & Sons	Box 520, Clovis, N. Mex.	111,799
Isom & Isom	110-C East Florence Blvd., Casa Grande, Ariz.	145,778	Abbey & Leatherman, Inc.	Robinsonville, Miss.	111,795
Sterling Sugars, Inc.	P.O. Box 572, Franklin, La.	144,563	Raymond D. Schnepf	Route 1, Box 42, Queen Cree, Ariz.	111,602
J. H. Williams	Route 1 Box 211, Natchitoches, La.	144,532	Busby Farms	Star Route 2, Olton, Tex.	111,592
Fowler E. McDaniel	Box 6, Tulia, Tex.	143,886	B. T. Spear	Star Route, Wildorado, Tex.	111,413
New Hope Sugar Co.	314 Royal Poin, Palm Beach, Fla.	143,092	Cornestone Farm & Gin Co.	Box 7008, Pine Bluff, Ark.	111,387
R. T. Hoover Farms	Box 816, Fabens, Tex.	143,064	Schuh Bros.	377 Circle Drive, Chowchilla, Calif.	111,287
McDonald Maric McCluskey Picka	114 West 10, Kansas City, Mo.	142,778	Warner Reid	Box 694, Tulia, Tex.	111,060
Donald H. Cox	560 North Eighth, Brawley, Calif.	142,758	John Norton Farms	P.O. Box 1000, Blythe, Calif.	110,685
Jimmy Cluck	Route 2, Hart, Tex.	142,345	Weath Ranches, Inc.	Box 924, Coalinga, Calif.	109,241
Rancho Tierra Prieta	Box 938, Eloy, Ariz.	142,320	Lawrence E. Pence	Route 1, Box 93, McCall, S.C.	109,038
D. M. Bryant, Jr.	Box 540, Pond, Calif.	142,099	Silver Lake Ranches Co., Inc.	Box 1467, Del Rio, Tex.	108,839
Leyton Woolf	4419 West Royal Palms Rd., Glendale, Ariz.	141,772	Shuklian Bros., Inc.	26591 Highway 99, Tulare, Calif.	108,641
B. W. Smith Planting Co.	Louise, Miss.	140,968	G. L. Willis, Jr.	Box 558, Dimmitt, Tex.	108,630
Stephen H. Elmore	Box 156, Brawley, Calif.	140,891	Tracy Ranch, Inc.	Rural Route 1, Box 177, Buttonwillow, Calif.	107,868
Broughton Land Co.	P.O. Box 27, Dayton, Wash.	140,695	Sill Prop, Inc.	212 Sill Building, Bakersfield, Calif.	107,828
V. C. Britton Co.	P.O. Box 397, Firebaugh, Calif.	139,801	Homer Hill	Hart, Tex.	107,658
Reynold M. Mettler	P.O. Box 473, Bakersfield, Calif.	139,738	Husbandville Plantation	c/o W. T. Robertson, Holly Ridge, Miss.	107,318
McQueen Smith Farms	Rural Route 1, Prattville, Ala.	138,125	Highland Lake Farm	46 Waverly Wood, Helena, Ark.	107,223
The Desert Ranch	47375 West Dakota, Firebaugh, Calif.	138,118	Antone Borchard Co.	200 Andrita Place, Brawley, Calif.	107,196
Talia Farms, Inc.	Box 668, Stanfield, Ariz.	137,112	Coelho Farms	P.O. Box 645, Riverdale, Calif.	107,099
R. A. Ingram	Leland, Miss.	136,739	Carlson Brothers	Rural Route 1, Box 568, Marion, Ark.	106,807
Charles Roos, III	Box 501, Rio Grande City, Tex.	136,735	Torrey Wood & Son	Hollandale, Miss.	106,769
Holland Porter	Rural Route 2, Caldwell, Tex.	136,620	Cunningham Sheep Co.	Box 1188, Pendleton, Oreg.	106,472
			Four Fifths Plantation	Rural Route 3, Greenwood, Miss.	106,458
			Voth Farms, Inc.	450 G Street, Wasco, Calif.	106,277
			Adamek & Dessert	P.O. Box 787, Seeley, Calif.	105,754



1968 TOTAL PAYMENTS OF \$60,000 AND OVER UNDER ASCS PROGRAMS (EXCLUDING PRICE SUPPORT LOANS)—Continued

Name	Address	Total payments	Name	Address	Total payments
Wheeler Farms	Rural Route 1, Box 860, Bakersfield, Calif.	\$105,626	Billy Rogers Farms	Box 68, South Bay, Fla.	\$89,920
William E. Armstrong	Route 2, Lubbock, Tex.	105,526	Barham, Inc.	Care of Joe Barham, Oak Ridge, La.	89,916
Empire Farms	Route 1, Box 326, Eloy, Ariz.	105,451	Raymond O'Connell & Son	Route 1, Box 73, Brawley, Calif.	89,873
King & Anderson, Inc.	P.O. Box 745, Clarksdale, Miss.	105,418	Dearborn & Maracini	P.O. Box 6055, Calipatria, Calif.	89,777
F. J. McCarthy & Sons	Box 1138, Tulare, Calif.	105,394	Dom Echeverria	119 11th Ave., Longmont, Colo.	89,723
McCarthy Hilderbrand Farms	Route 1, Box 246-A, Eloy, Ariz.	105,212	Wm. H. Noble	P.O. Box 506, Kerman, Calif.	89,491
Armored Planting Co.	Armored, Ark.	105,021	Woodrow Lewis	500 West Toledo, Chandler, Ariz.	89,444
Kenneth Reynolds	Box 6041, Calipatria, Calif.	104,592	E. T. Jordan & Sons	Rural Route 4, Yazoo City, Miss.	89,416
Norment Foley	Box 208, Uvalde, Tex.	104,391	Schwartz Farms, Inc.	21451 20th Ave., Stratford, Calif.	89,337
Woods Co.	P.O. Box 1294, Yuma, Ariz.	104,330	Harold Senter	Rural Route 1, Wilson, Ark.	89,208
Tejon Ranch Co.	P.O. Box 1560, Bakersfield, Calif.	104,255	John B. Ford	Darling, Miss.	89,091
G. L. Pratt	31599 Road 132, Visalia, Calif.	104,148	New Ranch Corp.	375 Park Ave., New York, N.Y.	89,023
Murphy Jones	Nitta Yuma, Miss.	104,129	C & C Farms	Box 1387, Fort Stockton, Tex.	88,976
Fred Enke	1405 North Kadota, Casa Grande, Ariz.	104,049	Mike A. Burkholder	Box 1562, Pecos, Tex.	88,743
Virgil F. Marsh	Route 5, Hereford, Tex.	103,936	Kenmar Farm	Rural Route 1 Box 318, Arvin, Calif.	88,684
Neil Fifield Co.	Route 2, Box 26, Brawley, Calif.	103,729	Griset Bros.	2324 Oakmont Ave., Santa Ana, Calif.	88,634
Elvin Crow	Box 1130, Pecos, Tex.	103,606	Sweet Bros.	Widener, Ark.	88,413
John W. Nigiazio	Box 786, Hearne, Tex.	103,581	Basil Abate	Box 99, Bremont, Tex.	88,331
Palm Farms, Inc.	4016 Stockdale Highway, Bakersfield, Calif.	102,775	Chiarelli Ranches	10651 RD 25, Madera, Calif.	88,312
Salton Sea Farms	Box 277, Calipatria, Calif.	102,513	Diwan Ranches, Inc.	Route 1, Box 485, Casa Grande, Ariz.	88,100
Valley Acres	Box 128, Santa Rosa, Tex.	102,348	Epps Plantation	Rural Route 1, Box 188, Epps, La.	87,958
H. L. Yocum & Sons	17801 10th Ave., Hanford, Calif.	102,115	D.C. Parker	Route 1, Tunica, Miss.	87,778
I. D. Nunnery, Jr.	Arcola, Miss.	102,055	W. T. Lattner & Son	2114, Johnson, Pecos, Tex.	87,754
Williams & Quick	Box 217, Calipatria, Calif.	101,714	James E. Coleman	Rural Route 4, Yazoo City, Miss.	87,713
Hagan & Bruton Farm	Box 226, Hollandale, Miss.	101,639	McMurchy Farms	Box 227, Duncan, Miss.	87,608
Billups Plantation, Inc.	Indianola, Miss.	101,591	Delmar R. Durrett	Box 1081, Amarillo, Tex.	87,605
H. L. Anderson	Route 1, Box 475, Peoria, Ariz.	101,485	H. S. Swayze	Rural Route 2, Benton, Miss.	87,513
Richard Gumz	North Judson, Ind.	101,109	M. M. Alexander	Route 1, Box 249, Eloy, Ariz.	87,395
J. F. Bland, Jr.	Mayesville, S.C.	101,032	Newton Brothers	P.O. Box 117, Stratford, Calif.	87,349
Arena Co. of Arizona	Post Office Box 37, Glendale, Ariz.	100,769	R. A. Harling AG	Riverby Ranch, Rural Route 2, Telephone, Tenn.	86,952
Joe Reinsto	Box 152, Hearne, Tex.	100,694	Olive W. Garvey	Care of Garvey Farms Management Co., Colby, Kans.	86,851
Martori Bros.	Post Office Box 878, Glendale, Ariz.	100,261	Leslie Mitchell	Box 439, Crosbyton, Tex.	86,782
Donald George Whitney	Post Office Box 308, Logandale, Nev.	100,000	Sunset Ranches, Inc.	Route 1, Box 220, Eloy, Ariz.	86,720
J. L. Golightly, Jr.	1730 North Stapley Dr., Mesa, Ariz.	99,911	Anderson Bros.	Drawer KK, Casa Grande, Ariz.	86,613
J. C. Sides, Sr.	Box 197, Coffeyville, Miss.	99,831	Fifield Land Co.	Route 2, Box 26, Brawley, Calif.	86,440
H. R. Watson & Sons	Tunica, Miss.	99,790	H. G. Carpenter	Rolling Fork, Miss.	86,390
John Fuson	Post Office Box 875, Lebec, Calif.	99,715	Ben Estes Bearden	Box 387, Santa Rosa, Tex.	86,375
Willis & Kurtz	Rural Route 6, Box 533 R, Bakersfield, Calif.	99,488	Medlock Farms, Inc.	Route 2 Box 183, Lubbock, Tex.	86,329
J. Livingston Estates, Inc.	Ruleville, Miss.	99,325	Wallace Bales	401 N. 6th Ave., Buckeye, Ariz.	86,248
Kelly R. Mahan	Batesville, Miss.	99,250	Eldon K. Parish	Box 128, Mohave Valley, Ariz.	86,227
Reetex Farms	Box 741, Pecos, Tex.	98,634	G. W. Nickel, Jr.	Drawer D, Wasco, Calif.	86,225
Annapex, Inc.	Care of Rufus Stainback, Minter City, Miss.	98,561	Sam Sparks	Route 1, Santa Rosa, Tex.	85,955
Girvin Farms	Box 1387, Fort Stockton, Tex.	98,032	Jack Bros. & McBurney, Inc.	P.O. Box 116, Brawley, Calif.	85,938
A. Angeletti, Inc.	Box 71, Crawfordville, Ark.	97,870	Jarney Towns	3713 68th, Lubbock, Tex.	85,903
Rabb Bros.	Box 736, San Joaquin, Calif.	97,680	Vence Corpora	701 Anderson St., Hearne, Tex.	85,835
J. L. Hodges Farming Co.	Post Office Box 68, Buckeye, Ariz.	97,535	Giusti Farms, Inc.	Ste 904 2220 Tulare, Fresno, Calif.	85,807
Linneman Ranches, Inc.	Post Office Box 156, Dos Palos, Calif.	97,490	Daley & Bogle	1454 N. Morrison, Casa Grande, Ariz.	85,633
C. B. Box Co.	Midnight, Miss.	97,376	Crouch Bros.	Route 1 Box 32, Maricopa, Ariz.	85,576
Garden Co Co	Box 587, Garden City, Kans.	97,306	Midway Farms, Inc.	Rural Route 1, Joiner, Ark.	85,566
Donald K. Donley	2454 5th St., Yuma, Ariz.	97,253	Abatti Bros.	P.O. Box 466, El Centro, Calif.	85,367
Perrin Bros.	Box 12, Hereford, Tex.	97,049	W. C. Huffaker, Jr.	Tahoka, Tex.	85,119
H. H. Sherard & Son	Sherard, Miss.	97,016	Hollybrook Land Co., Inc.	Lake Providence, La.	84,935
George Yarbrough	Sicily Island, La.	96,750	Hooper Farms, Inc.	4823 Ave 24, Chowchilla, Calif.	84,794
Rossi Bros.	Rural Route 7, Box 470, Bakersfield, Calif.	96,722	Fred Tavoletti & Sons	1101 W. Second, Clarksdale, Miss.	84,760
Wedgworth Farms, Inc.	Box 206, Belle Glade, Fla.	96,708	E. D. Mitchell, Inc.	P.O. Box 195, Arvin, Calif.	84,488
Fortson Farms	Rice, Tex.	96,632	Paul Pilgrim	666 Sycamore St., Shafter, Calif.	84,426
Walter J. Williams	1223 Park Circle, Las Vegas, Nev.	96,539	El Tejon Cattle Co.	805 Baker St., Bakersfield, Calif.	84,389
Meadowlake Farms	I. H. Reiss, Fisher Building, Sullivan, Ind.	96,534	Baker Planting Co.	Leland, Miss.	84,322
Carl C. Bamert	Rural Route 3 Box 114, Muleshoe, Tex.	96,348	G H J Farms Ltd.	Johnson, Kans.	84,304
A. Wilberts Sons L/S Co.	Box 540, Plaquemine, La.	96,290	Sanders & Sanders	Route 2 Box 393, Bakersfield, Calif.	84,263
Roger Davidson	Box 245, Marks, Miss.	96,127	Morgan Shillington Farms Co.	Box 535, Rupert, Idaho	84,239
Allen Gray Estate	Benoit, Miss.	96,090	Ruby Walker	Bentonla, Miss.	84,217
Cameta Plantation, Inc.	Anguilla, Miss.	95,928	Brooks Cotton Co.	Shelby, Miss.	84,180
Banks & Co.	Hernando, Miss.	95,862	Jones Farms	Box 275, Stratford, Calif.	84,162
A. B. Foster	Box 891, Pecos, Tex.	95,769	Hugh Stephens	Box 186, New Albany, Miss.	84,104
Ed Hall	Box Y, Bouse, Ariz.	95,558	Egypt Planting Co.	Cruger, Miss.	84,080
Carl J. Kuper	1414 Denrock Ave., Dalhart, Tex.	95,556	W. P. Hunter	In care of Blair Dalton, Bell City, Mo.	83,868
Bond Pflg. Co.	Box 446, Clarksdale, Ark.	95,539	CCG Farms, Inc.	P.O. Box 968, Glendale, Ariz.	83,639
Overmyer Farms	Care of Lee Overmyer, Francesville, Ind.	95,531	Tallmadge Ranch, Inc.	Rural Route 1, Mokense, Ill.	83,634
Pilbros Bros., Inc.	2141 Tuolumne, Fresno, Calif.	95,488	W. L. Corcoran	Rural Route 2, Eufaula, Ala.	83,624
J. E. Mayes	Mayesville, S.C.	95,237	Fredlo Farms	P.O. Box 174, Arvin, Calif.	83,490
Charles E. Lakin	Odebolt, Iowa	94,885	Lakeview Planting Co.	Rural Route 4, Yazoo City, Miss.	83,439
W. A. Rountree	Rural Route 5, Dublin, Ga.	94,805	H. L. Kendrick	Box 315, Eloy, Ariz.	83,414
James H. Jones	507 Barton St., Hearne, Tex.	94,633	H. S. McShan	Schlatter, Miss.	83,269
M. Lane	Box 905, Shafter, Calif.	94,446	Eldon Blackburn	St. Vrain, N. Mex.	83,166
Garrett Corp.	Box 520, Clovis, N. Mex.	94,423	J. P. Brown	Box 329, Lake Providence, La.	83,049
The Brown Farm	Schlatter, Miss.	94,183	W. D. Patterson	Rome, Miss.	82,894
Hardesty Bros.	1013 Narramore, Buckeye, Ariz.	93,979	Louis Garcia/Sons Inc.	Route 1, Box 136, Spur, Tex.	82,822
Roseta Farms	Box 719, Eagle Pass, Tex.	93,946	H. H. and Edgar Baker	Rural Route 2, Somerville, Tex.	82,770
C. C. Slaughter Farms	Box 575, Morton, Tex.	93,830	Churchill & Thibaut, Inc.	Box 431, Donaldsonville, La.	82,759
Mike P. Sturdivant	Glendora, Miss.	93,600	Carroll Rice	Sicily Island, La.	82,679
McGregor Land & Livestock Co.	Hooper, Wash.	93,310	Sanders Farms	Rural Route 3, Box 969, Bakersfield, Calif.	82,654
Bowles Farming Co.	11609 South Hereford, Los Banos, Calif.	93,300	Lee Wong Farms, Inc.	P.O. Box 866, Glendale, Ariz.	82,568
Bud Antle, Inc.	Box 68, Red Rock, Ariz.	93,229	Sutton Bros	Route 4, Box 769, Phoenix, Ariz.	82,551
F. O. Masten	Sudan, Tex.	93,212	C J & L Farms, Inc.	Box 607, Casa Grande, Ariz.	82,433
J. W. Wallace & Sons	Box 929, Edinburg, Tex.	92,953	Don and Vern Thiesen	Route 1, Box 432 A, Kingsburg, Calif.	82,423
Miller Lumber Co.	Marianna, Ark.	92,940	Bibb, Inc.	Box 122, Tunica, Miss.	82,371
C. H. Moore Trust Estate	South Center St., Clinton, Ill.	92,772	D & R Farms	Route 2, Box 167, Chandler, Ariz.	82,357
Arthur Blohm	Rural route 1, Box 100, Wellton, Ariz.	92,721	J. W. Patrick, Jr.	Brandon, Miss.	82,330
Cedarville Corp.	Box 1288, Pecos, Tex.	92,716	Bruneau Sheep Co.	Grandview, Idaho	82,114
The Mirasol Co.	P.O. Box 757, Buttonwillow, Calif.	92,524	Peterson Farms	Box 877, Corcoran, Calif.	81,869
J. G. Adams & Son	Hughes, Ark.	92,453	James S. Garvey	Box 517, Colby, Kans.	81,855
Duncan Farms, Inc.	Route 2, Inverness, Miss.	92,225	Paul Brophy	Box 528, Casa Grande, Ariz.	81,852
A. H. Wegis & Sons	P.O. Box 613, Buttonwillow, Calif.	91,983	D. E. Phillips	Lind, Wash.	81,841
Morrison Bros.	Route 1, Box 13, Higley, Ariz.	91,829	J. A. Howarth, Jr.	Route 2, Cleveland, Miss.	81,712
Alexander Farms, Inc.	46 Waverly Wood, Helena, Ark.	91,644	M. L. Earnheart Co.	Tunica, Miss.	81,424
Britz Chemical Co.	P.O. Box 366, Five Points, Calif.	91,533	Donnell Echols	State Route 4, Lamesa, Tex.	81,405
Belding Farms, Inc.	Route 1 Box 140, Fort Stockton, Tex.	91,369	Chas. Urrea & Sons	3256 East Main, Mesa, Ariz.	81,278
Charles A. Russell	Beulah, Miss.	91,168	Hubert Cheek, Jr.	Bowersville, Ga.	81,212
O. F. Bledsoe Plantation Estate	Rural Route 3, Greenwood, Miss.	91,036	L. I. Rhodes & Sons	Rural Route 1, Box 475, Wasco, Calif.	81,208
Dulaney Bros	Care of Jack Dulaney, Box 239, Shallowater, Tex.	90,973	Correia Bros.	6401 Ave. 296, Visalia, Calif.	81,064
W. A. Banks	Rural Route 7, Box 376, Bakersfield, Calif.	90,824	Pacco, Inc.	Turrell, Ark.	81,045
Deseret Lyst Co., Inc.	531 South State St., Salt Lake City, Utah	90,739	Stimson Veneer & Lumber Trust	Dumas, Ark.	80,970
Race Track Plantation	Rural Route 3 Greenwood, Miss.	90,551	J & J Ranch	Post Office Box 155, Firebaugh, Calif.	80,832
J. F. Martin	Box 1306, Hereford, Tex.	90,182	W. J. Scott	Rural Route 1, Box 695A, Yuma, Ariz.	80,709
Roy D. Murray	Route 1, Box 3, Earlimart, Calif.	90,140			

1968 TOTAL PAYMENTS OF \$60,000 AND OVER UNDER ASCS PROGRAMS (EXCLUDING PRICE SUPPORT LOANS)—Continued

Name	Address	Total payments	Name	Address	Total payments
Harry L. Laws Co., Inc.	Post Office Box 158, Brusly, La.	\$80,682	Estate of J. A. McDonald	Route 2, McCall, S.C.	\$74,374
J. Boyd White	Route 1, Box 239, Marana, Ariz.	80,645	Fifield Farms	229 Main St., Brawley, Calif.	74,345
Loy Kilgore	1721 Jefferson, Pecos, Tex.	80,556	Frank Robinson	Panhandle, Tex.	74,337
Joe Lee McMahon	Box 68, Verhalen, Tex.	80,305	Charles Hill	800 West Oakland, Chandler, Ariz.	74,257
L. W. Wade Farms, Inc.	Box 1136, Greenwood, Miss.	80,227	J. D. Rankin	Rural Route 3, Canton, Miss.	74,248
Beckwith Farms	Drawer 616, Progreso, Tex.	80,215	John & Alex Kochergen	523 North Brawley, Fresno, Calif.	74,212
J. B. Hardwicke Co. Ptn.	Box 1990, McAllen, Tex.	80,186	Anschutz Land & Livestock Co., Inc.	351 State, Salt Lake City, Utah	74,164
Dean Pruett	Rural Route 2, Altoona, Ala.	80,174	Winterowd Bros.	Box 1049, Pecos, Tex.	74,119
E. C. Fedric	Glendora, Miss.	80,115	K. K. Skousen	Route 1, Box 85, Chandler, Ariz.	74,114
Bruins, Planting Co.	Hughes, Ark.	80,110	Power Ranches, Inc.	Route 1, Box 72, Higley, Ariz.	74,108
L. Z. Farms, Inc.	900 North Brown, Casa Grande, Ariz.	80,107	Fairfax Ptn.	Ben Walker, Tribbett, Miss.	74,079
Howard Hurd	1008 East Tate, Brownfield, Tex.	80,072	Marion Harris	20421 Rural Delivery 44, Tulare, Calif.	74,062
Allen & Brashier Planting Co.	Indianola, Miss.	80,036	Don B. Co.	Post Office Box 2003, Phoenix, Ariz.	74,030
Harold H. Hogue	1415 Denrock, Dahlart, Tex.	79,904	John Henry Jones	Box 34, Welch, Tex.	74,000
Paul Hays	Route 1, Kress, Tex.	79,826	Phelps & Palmer	222 North Westwood St., Mesa, Ariz.	73,965
Ben F. Bowden	Rural Route 2, Box 113, Eufaula, Ala.	79,674	H. L. Holland	Box 1598, Coolidge, Ariz.	73,913
White Face Farms, Inc.	Box 1030, Levelland, Tex.	79,641	Dale Elliott	Rural Route 1, Clovis, N. Mex.	73,911
Savoie Industries	Belle Rose, La.	79,631	Lee Moor Farms	Clint, Tex.	73,849
S. A. Arnold, Jr.	Tunica, Miss.	79,391	Hinkhouse Bros.	Burlington, Colo.	73,790
B. Raymond Evans	49 Travis Rd., Tulia, Tex.	79,343	Antongiovanni & Jarrard	1318 Baldwin Rd., Bakersfield, Calif.	73,734
H & H Farms, Inc.	Rural Route 2, Box 560, Bakersfield, Calif.	79,311	King Farms	Route 1, Box 162, Buckeye, Ariz.	73,657
Dossett Plantation, Inc.	Beulah, Miss.	79,216	Gordon V. Waldrop	Route C, Lamesa, Tex.	73,596
Raymond Beauchamp	605 Ross Blvd., Pecos, Tex.	79,001	C. & V. Growers, Inc.	Box 368, Maricopa, Ariz.	73,531
Coleman Farms	Okolona, Miss.	78,951	Yoshino Bros.	Box 295, Quincy, Wash.	73,491
Cass Edwards II	725 Commerce Building, Fort Worth, Tex.	78,917	Riggan Planting Co.	Box 978, West Memphis, Ark.	73,451
H. C. Hitch, Jr.	Box 1308, Geymon, Okla.	78,841	Patterson Farms, Inc.	Care of G. D. Patterson, Maitland, Mo.	73,437
F. J. Higgins Farms, Inc.	Schuyler, Nebr.	78,816	James E. and John Garrett	Box 520, Clovis, N. Mex.	73,429
J. L. Kidd, Jr.	1207 West Avenue H, Lovington, N. Mex.	78,734	A C T Ranches, Inc.	Route 1 Box 247-2, Eloy, Ariz.	73,426
Twilight Planting Co.	Glendora, Miss.	78,538	Redfield Plantations	Edwards, Miss.	73,359
Wilbur Wuerz	914 North Picacho, Casa Grande, Ariz.	78,535	James F. Davis, Jr.	Route 1 Box 89, Lorenzo, Tex.	73,269
Marshall Lands, Inc.	Box 3, Charleston, Mo.	78,461	Parsons Ranch	Rural Route 1 Box 57, Buttonwillow, Calif.	73,251
Joe Pugh	Itta Bena, Miss.	78,455	J. C. Mills	Drawer G, Abernathy, Tex.	73,242
Elijah B. Adams & Sons	1019 North First, Harlingen, Tex.	78,428	G. J. Parkhill, Jr.	Box 275, Crosbyville, Tex.	73,171
J. L. Hill & Co.	Webb, Miss.	78,417	Hoke Propst	Route 3, Anson, Tex.	73,079
Aden Brothers, Inc.	Valley Park, Miss.	78,413	Carl Schuster	Route 1 Box 77-A, San Juan, Tex.	73,074
P. L. Sanders	Walls, Miss.	78,379	Muldrow Farms	1612 E. Repetto, Brownfield, Tex.	72,957
Goodland Farms, Inc.	Box 193, Hearne, Tex.	78,142	Jack Ralston	Box 185, Maricopa, Ariz.	72,884
Rochelle Livestock Co.	Box 996, Rawlins, Wyo.	78,141	Ruby Planting Co.	% J. F. Shaw, Box 174, Money, Miss.	72,879
W. A. Heiden & Son	Box 576, Buckeye, Ariz.	78,049	G. T. Hamilton	Rural Route 2, Hillsboro, Ala.	72,776
Sam & D. M. Bianucci	Post Office Box 337, Firebaugh, Calif.	78,011	Anderson-Palmisano Farms	Route 1, Box 39-A, Maricopa, Ariz.	72,740
Walker Farms, Inc.	Care of George R. Walker, Stoneville, Miss.	77,891	R. W. Owen, Inc.	Route 1, Tunica, Miss.	72,550
Simpson & Wilson	Post Office Box 393, Rio Hondo, Tex.	77,749	Eddy Farms	Box 1239, Jamestown, N. Dak.	72,504
Sam Senter Farms, Inc.	Post Office Box 185, Belle Glade, Fla.	77,682	C. L. Ranch	Dell City, Tex.	72,452
Heidrick Farms, Inc.	Route 1, Box 1215, Woodland, Calif.	77,633	Pirani & Sons	Rural Route 1, Turrell, Ark.	72,397
Sam C. Jenkins	Box 497, Lamesa, Tex.	77,613	W. J. Chandler & Sons	Moundville, Ala.	72,340
Panola Co.	In care of W. A. Guthrie, Newellton, La.	77,610	W. S. Heaton, Jr.	Lyon, Miss.	72,331
R. D. Hughes	Box 67, Blytheville, Ark.	77,556	James E. Kemp	20th Floor, Mercantile Bank Building, Dallas Tex.	72,323
Glenn Lane	871 West Roosevelt, Coolidge, Ariz.	77,519	Dougherty Ranch	4414 North 36th St. Phoenix, Ariz.	72,269
Howard & Blythe Plantation	Lake Cormorant, Miss.	77,504	Rummonds Bros. Ranches	Route 1 Box 726, Thermal, Calif.	72,266
Elms Planting Corp.	Altheimer, Ark.	77,456	Coffman Ranch Co.	908 South Durbin, Casper, Wyo.	72,191
Elwood Elkins	Rural Route 3, DeKalb, Tex.	77,342	Broadbent Livestock Co.	Box 1825, El Centro, Calif.	72,181
W. W. Hill	2203 Johnson, Pecos, Tex.	77,337	Mohead Planting Co.	Lula, Miss.	72,126
George Hammond	2829 Gidding, Clovis, N. Mex.	77,183	W. E. & W. C. Reid	Cherokee, Ala.	72,121
Ranza Boggs	Box 283, Friona, Tex.	77,058	Melvin H. McKinney	Box 728, Pecos, Tex.	72,023
Morton S. Inc.	Drawer M, Douglas, Wyo.	77,034	Red Top Ranch	P.O. Box 1, Red Top, Calif.	71,984
J. F. Twist Plantation	Twist, Ark.	76,893	Bruce Parr	Route 3, Friona, Tex.	71,930
L. A. Robertson Farms, Inc.	29536 West Lerdo, Shafter, Calif.	76,867	Glen Cox	State Route, Lenorah, Tex.	71,922
Post Montgomery	921 Austin St., Levelland, Tex.	76,817	Lockmiller & Son	1401 Piedmont, Clovis, N. Mex.	71,850
James Cannon	Rural Route 1, Lockney, Tex.	76,788	C. J. Lowrance & Sons	Driver, Ark.	71,849
Wolf Island Farms	Wolf Island, Mo.	76,755	Jason H. Allen	4602 15th St., Lubbock, Tex.	71,830
Roebuck Plantation	Sidon, Miss.	76,711	Martin Talla	Box 668, Stanfield, Ariz.	71,799
T. K. Williamson	Box 931, Morton, Tex.	76,562	Albert J. Hoelscher	1902 Jackson, Pecos, Tex.	71,689
Nerren Bros.	Isola, Miss.	76,531	W. G. Trotter	Box 113, Winterville, Miss.	71,681
Heirs of Joseph F. Green	Route 1, Box 7, Taft, Tex.	76,505	Henry L. Voss	48 W. Glenn Dr., Phoenix, Ariz.	71,679
Charles E. Armstrong	609 West Stinson, Dimmitt, Tex.	76,491	Roy Barefield	Alexander, Ga.	71,643
Travis H. Jones	609 Ironwood Dr., Buckeye, Ariz.	76,369	Miller Farms Co.	Box 390, Tulia, Tex.	71,622
Payne Valley Farms, Inc.	Care of M. M. Payne, Hamburg, Iowa	76,355	H. & D. Duenne	Rural Route 2, Charleston, Mo.	71,563
Fred Nussbaumer	P.O. Box 186, Wellton, Ariz.	76,308	Sierra Dawn Farms	45949 W Shields, Firebaugh, Calif.	71,546
Cone Livestock Co.	Box 473, Ellensburg, Wash.	76,301	Avra Ltd & Cattle	c/o A Young Co Tucson Ft. Tucson, Ariz.	71,521
Mobley & Bonham	P.O. Box 1063, Blythe, Calif.	76,229	Wayne Kirschenmann	5109 Nalsdale Dr., Bakersfield, Calif.	71,493
Albamar Corp.	Box 215, Courtland, Ala.	75,996	Belluomini Bros.	Rural Route 1 Box 89, Buttonwillow, Calif.	71,473
Covey & Dayton	Care of John Dayton, Cokeville, Wyo.	75,924	C. A. Thomas	Box 8, Lake Harbor, Fla.	71,438
Carl Bruegel	Box 175, Dimmitt, Tex.	75,908	M. P. Moore	Senatobia, Miss.	71,422
M. C. Braswell Farms	Battleboro, N.C.	75,908	Alpe Bros.	Crawfordsville, Ark.	71,274
E. D. McKnight	Parkin, Ark.	75,898	Cerro Bros.	Rural Route 2, Box 749, Bakersfield, Calif.	71,237
Henson & Sons	Rural Route 3, Box 920, Bakersfield, Calif.	75,855	Ald Land & Livestock Co.	420 Taylor St., San Francisco, Calif.	71,228
Davis Beauchamp	Route 1, Box 132, Calipatria, Calif.	75,830	W. A. Calloway	Bosco, La.	71,093
Owen Bros.	Route 1, Tunica, Miss.	75,806	Ryan Bros.	P.O. Box 268, Mendota, Calif.	71,071
Guy H. Shivers, Sr.	Norwood, Ga.	75,794	Hoparka Plantation	Care of F. M. Mitchener, Sumner, Miss.	71,068
Ben Riggs & Son	Route 2 Box 95, Chandler, Ariz.	75,759	Pacific Farms Co.	1047 M Street, Firebaugh, Calif.	70,980
Ted A. & Ted R. Pierce	501 Arizona Ave., Buckeye, Ariz.	75,685	Wesley Hansen	Post Office Box 995, Corcoran, Calif.	70,886
Eastgate Farms, Inc.	100 East Robinson, Orlando, Fla.	75,668	Alex and Norman Pretzer	Box 786, Eloy, Ariz.	70,874
William Gehring, Inc.	Route 6, Rensselaer, Ind.	75,655	Dunn Farms	Route 1, Box 6, Maricopa, Ariz.	70,828
Telles Ranch, Inc.	Box 886, Eloy, Ariz.	75,627	J. A. Pickett	Box 117, Morrow, La.	70,818
Dearmont Oliver	Rural Route 1, East Prairie, Mo.	75,619	W. H. Lovett	Dublin, Ga.	70,790
Texas Department of Correction	Bryan W. Firson, Sugarland, Tex.	75,577	Aladdin Ranch	1221 Fulton Mall, Room 614, Fresno, Calif.	70,745
J. E. Cunningham, Jr.	Tchula, Miss.	75,558	J. E. Mayes	Mayesville, S.C.	70,732
Davis & Gandy	301 Austin, Edinburg, Tex.	75,517	Wayne Q. Winsett	2028 Willard Dr., Altus, Okla.	70,724
John A. Abbott	Route 2, Harlingen, Tex.	75,500	Stanford Gray, Inc.	Box 711, Lubbock, Tex.	70,605
Gilnockie Pittg. Co.	Leland, Miss.	75,490	Douglas Mallette	Indianola, Miss.	70,585
D. W. & B. H. Malcom	Bostwick, Ga.	75,483	A. L. Muzinich	207 Panoroma Dr., Bakersfield, Calif.	70,509
Wedel Farms	Post Office Box 1, Wasco, Calif.	75,436	Levert St. John, Inc.	Rural Route 1, Box 10, St. Martinville, La.	70,445
H. Buller Farms	1730 Locust Ravine, Bakersfield, Calif.	75,328	Warren Livestock	Box 848, Cheyenne, Wyo.	70,415
Dan W. Clarke	4500 South Mission Rd., Tucson, Ariz.	75,311	Drew Gillen	Blooming Grove, Tex.	70,409
Daniel D. McDaniel	Rural Route 3, Cameron, Tex.	75,229	Griffin & Griffin	Box 1193, Coalinga, Calif.	70,217
Duane Ellsworth	Box 138, Queen Creek, Ariz.	75,125	Raymond McCutchen	Robert Lee, Tex.	70,215
C. Mettler	Box 473, Bakersfield, Calif.	75,083	Southwest Grazing, Inc.	Box 296, Casa Grande, Ariz.	70,033
Graydon Flowers	Mattson, Miss.	74,904	Rio Grande Equipment Co.	State Highway 77, Harlingen, Tex.	69,967
J. R. Broadbent	2202 South 1400 East Salt Lake City, Utah	74,875	J. F. Crews	Box 352, Pecos, Tex.	69,920
Jay Wilson	Route 2 Box 323, Casa Grande, Ariz.	74,850	Jimmy Millar	State Route 2, Morton, Tex.	69,913
A. W. Langenegger	Box 503, Hagerman, N. Mex.	74,827	J. T. John Co., Inc.	Laurinburg, N.C.	69,866
J. P. Terrell & Son	Navasota, Tex.	74,721	A. L. Cone	P.O. Box 871, Lubbock, Tex.	69,864
Combs & Clegg Ranches, Inc.	Route 1 Box 96, Queen Crk, Ariz.	74,568	Phil Ladra	5825 West Harmond Dr., Glendale, Ariz.	69,751
Scott & Knappenberger	Route 2 Box 180, Blythe, Calif.	74,503	Stanley Snitzer	801 North First Ave., Phoenix, Ariz.	69,727
Don H. Bennett	Post Office Box 517, Buckeye, Ariz.	74,420	Penny Ranch	Burlington, Colo.	69,710
Tracy Hutchins	Route 2 Box 315, Casa Grande, Ariz.		Garrett & Son	Rural Route 2, Box 24, Clarksdale, Miss.	
Three H Ranch	1709 30th St., Bakersfield, Calif.				



1968 TOTAL PAYMENTS OF \$60,000 AND OVER UNDER ASCS PROGRAMS (EXCLUDING PRICE SUPPORT LOANS)—Continued

Name	Address	Total payments	Name	Address	Total payments
El Dorado Ranch, Inc.	Box 607, Casa Grande, Ariz.	\$69,694	Daniel Gustafson	Box 27, Lyford, Tex.	\$84,456
White Farms & Cattle Co.	Box 719, Canyon, Tex.	69,584	Leonard and Henry Franz	Lind, Wash.	64,428
C. Ray Robinson	Box 93, Eloy, Ariz.	69,382	Erma Griffith	Route 2, Morton, Tex.	64,419
Spencer H. Barret	Belzoni, Miss.	69,343	Bloemhof Hay Co.	P.O. Box 147, Buttonwillow, Calif.	64,416
J. R. Durrett Trusts	Box 1081, Amarillo, Tex.	69,338	McIntosh & Sons	2034 14th St., Lewiston, Idaho	64,174
H. S. Mitchell	P.O. Box 98, Millington, Tenn.	69,302	Robert Devin	603 Southeast 2d, Tulsa, Tex.	64,109
Kleymann Bros.	Care of Frederick Kleymann, Tribune, Kans.	69,275	Dolph Briscoe, Jr.	Box 389, Uvalde, Tex.	64,076
William Hardison	P.O. Box 98, Palo Verde, Ariz.	69,227	Emmett Jobe	Route 1, Box 53, Queen Creek, Ariz.	64,041
Mission Planting Co.	Box 248, Ida, La.	69,148	Kriesant Operating Co., Inc.	Box 125, Mendota, Calif.	64,008
Mashburn Farms, Inc.	Rural Route 5, Paris, Tex.	69,012	W. W. Boswell, Jr.	700 Whitley Av. Corcoran, Calif.	64,001
Wagner Brothers, Inc.	1126 3d St., Lewiston, Idaho.	68,998	J. O. Thompson	Route 1, Box 482, Casa Grande, Ariz.	63,988
Kern Valley Farms	Box 505, Lamont, Calif.	68,958	M. & V. Farms	P. O. Box 82, Ehrenberg, Ariz.	63,895
Claude P. Polston, Jr.	Route 1, Box 16, Blenheim, S.C.	68,882	Runnymede Plantation	Box 277, Itta Bena, Miss.	63,887
Santa Cruz Farms, Inc.	Box 998, Eloy, Ariz.	68,879	Warren Spikes	Hugoton, Kans.	63,863
Starkey & Erwin	P.O. Box 669, Avenal, Calif.	68,863	Bonanza Farms	2612 Elm St., Bakersfield, Calif.	63,773
John H. Spearman	Box 1000, Clovis, N. Mex.	68,818	Green River Ls Co.	Box 451, Green River, Wyo.	63,764
Lewis Barksdale, Jr.	Route 1, Duncan, Miss.	68,812	Milo Erwin	6082 East Butler, Fresno, Calif.	63,763
E. R. McDonald & Sons	Newellton, La.	68,732	Herbert Friemel	Route 1, Canyon, Tex.	63,761
H. T. Dillahunty & Sons	Hughes, Ark.	68,730	W. T. Jamison, Jr.	Tiptonville, Tenn.	63,746
Palm Livestock Co.	Elk Mountain, Wyo.	68,730	Sloan Osborn	Route 2, Friona, Tex.	63,689
Trans-Pecos Dairy	Box 1383, Pecos, Tex.	68,669	OV Land Co.	P.O. Box 1088, Clewiston, Fla.	63,661
William J. Asmusen	Agar, S. Dak.	68,626	John W. Dawson	Rural Route 3, Hawkinsville, Ga.	63,634
C. W. Neely	Box 172, Gilbert, Ariz.	68,619	J. R. Stump	Box 851, Elko, Tex.	63,626
G. & E. Livestock, Inc.	1319 Edgar St., Rock Springs, Wyo.	68,586	Sebastian Cotton & Grain Corp.	Box 104, Sebastian, Tex.	63,597
Carl C. May	Route 2 Box 599 West Helena, Ark.	68,543	Jack Hart	Gruver, Tex.	63,582
J. D. Smith	109 E. 11th St., Littlefield, Tex.	68,488	H. T. Bonds	Route 1, Shelby, Miss.	63,579
Talbot Sheep Co.	1232 California St., Los Banos, Calif.	68,456	W. W. & Earl Cochran	Portland, Ark.	63,562
John C. Alford	Box 28, Petersburg, Tex.	68,454	DiGiorgio Fruit Corp.	Box 308, DiGiorgio, Calif.	63,561
S. C. Wilson & Son	Care of Shelby T. Wilson, Dundee, Miss.	68,444	P. Hansen Ranch	P. O. Box 295, Corcoran, Calif.	63,410
San Juan Ranching Co.	Route 1 Box 171B, Dos Palos, Calif.	68,407	Edward Trotter	Rural Route 2, Box 745, Greenville, Miss.	63,353
Paul Battle, Jr.	Box 232, Tunica, Miss.	68,391	Frank T. Brumfield	Inverness, Miss.	63,339
Pinal Farms, Inc.	Box 728, Stanfield, Ariz.	68,347	Asbury Wright	Pinehurst, Ga.	63,306
Stanley Asmusen	Agar, S. Dak.	68,335	C. & W. Ranches, Inc.	Star Route Box 17, Marana, Ariz.	63,276
Shannon Bros. Enterprises	Box 2863 DeSoto Sta., Memphis, Tenn.	68,305	Porter Land Co.	Box 393, Bakersfield, Calif.	63,270
X Y Ranch Co.	Care of Ray Jameson, Granada, Colo.	68,213	Stonner Brothers	Miami, Mo.	63,173
Dalton R. Pittman	4809 Camellia Ln, Shreveport, La.	68,168	H. B. Barker	602 East Lincoln, Morton, Tex.	63,131
Mason & Godwin	Rural Route 2, Monroe, La.	68,127	Wood-Sanderlin Farm	Crumrod, Ark.	63,107
Ballard and Hurt	Olton Route, Plainview, Tex.	68,031	John Valpredo	Rural Route 2, Box 460, Bakersfield, Calif.	63,069
Caire & Graugnard	P.O. Box 7, Edgard, La.	68,028	Everett Wiseman	Vega, Tex.	63,007
Gaddis Farms, Inc.	Raymond, Miss.	67,999	Grady W ndle Parker	Box 0, Courtland, Ala.	62,974
Lloyd Gambrel	Box 729, Ralls, Tex.	67,911	Robert Cardwell	8265 W. Annadale, Fresno, Calif.	62,970
Bill St. Clair	Route 3, Muleshoe, Tex.	67,870	Opal Fry & Sons	Rural Route 2 Box 403, Bakersfield, Calif.	62,916
Rlds Church	Care of Don Elefson Rlds Audit, Independ- ence, Mo.	67,860	Knapp Farms	Box 205, Weslaco, Tex.	62,915
J. Bert Williams	Rural Route 1, Farwell, Tex.	67,857	Shotwell Plantation, Inc.	Rural Route 1, Tchula, Miss.	62,909
W. W. Draper, Jr.	402 Mockingbird Lane, Forrest City, Ark.	67,840	L. J. Barksdale, Sr.	Marks, Miss.	62,903
Delta Ranches, Inc.	P.O. Box 211, Blythe, Calif.	67,787	Bryants, Inc.	Barlow, Ga.	62,861
Guerra Bros.	Box 38, Linn, Tex.	67,554	P. S. Thompson	Box 787, Eloy, Ariz.	62,810
Thomas A. Morriss-Sons	Sonora, Tex.	67,508	Barling Bros.	640 G St., Wasco, Calif.	62,795
E. K. Angeley	Route 1, Box 152, Muleshoe, Tex.	67,493	Robert D. Bechtel	2020 S. 9th St., Coolidge, Ariz.	62,762
Tillar & Co.	Tillar, Ark.	67,414	Robert W. Brooks	Box 431, Queen Creek, Ariz.	62,756
P. W. Vensel	803 West Pinkley, Colliage, Ariz.	67,341	E. H. Clarke & Co.	Hughes, Ark.	62,730
Jack Hale	Box 261, Blytheville, Ark.	67,243	Milton Addison	1015 E. Tate, Brownfield, Tex.	62,724
C. O. Pitrat & Sons	Route 1, Box 12, Laveen, Ariz.	67,230	Sigmon Planting Co.	Sherard, Miss.	62,694
W. A. Fullford	1305 East Buckley, Brownfield, Tex.	67,216	Ralph W. Shelton	Box 726, Friona, Tex.	62,612
Mallory Farms	Chatfield, Ark.	67,186	Quinn Bros.	Salisbury, Mo.	62,590
T. R. Joines	Rural Route 2, Abernathy, Tex.	67,162	Clements Corp.	Box 304, Plainview, Tex.	62,589
Lowrance Bros & Co.	Driver, Ark.	67,002	Elmo Stephens	Olton Rt. Plainview, Tex.	62,579
Jack Duke	1314 Plum, Pecos, Tex.	66,919	Self & Co.	Marks, Miss.	62,548
Delton Caddell	Route 1, Falls, Tex.	66,823	Dale Steele	Ford, Kans.	62,539
John Smith	Box 57, Maricopa, Ariz.	66,610	D. E. Reynolds, Jr.	Glendora, Miss.	62,519
D. H. Dew, Jr.	Eden, Miss.	66,594	Raymond Brown & J. M. Brown	Anguilla, Miss.	62,501
Charles Vonderahe	Box 215, Brawley, Calif.	66,571	C. Bruce Mace Ranch, Inc.	Box 190, Davis, Calif.	62,476
Barnard Bros.	2902 Kingsley Lane, Bakersfield, Calif.	66,515	Lynchfield Planting Co.	Tchula, Miss.	62,439
Vernon Goodwin	Box 395, Saegreaves, Tex.	66,485	R. L. Pillow	Box 128, Itta Bena, Miss.	62,402
Morris Stuhann	29001 Rd 48, Visalia, Calif.	66,447	C. C. & Jack Harbison	Route 1, Mercedes, Tex.	62,378
Lone Oak Ranch	Box 386, Corcoran, Calif.	66,422	Guthrie Farming Co.	20210 Ave 176, P'ville, Calif.	62,332
J. Kroecker Sons	30335 Orange St., Shafter, Calif.	66,347	D. H. Dew, Sr.	Eden, Miss.	62,311
Arnold Farms, Inc.	Tunica, Miss.	66,311	Rufus C. Branch	Joiner, Ark.	62,291
Grady Shepard	Rural Route 1, Hale Center, Tex.	66,152	Dudley Pillow, Sr.	Greenwood, Miss.	62,273
G. Buster Brown	1104 North Olive Dr., Casa Grande, Ariz.	66,144	Hatton Brothers, Inc.	Drawer 558, Pahrakee, Fla.	62,273
Cowan Bros.	LaGrange, Tenn.	66,069	O. F. Gremaud	Rural Route 3, Perryville, Mo.	62,271
Allen B. Helms	Clarkdale, Ark.	66,066	Dessert Seed Co., Inc.	P.O. Box 181, El Centro, Calif.	62,266
South Bay Growers, Inc.	Box 68, South Bay, Fla.	66,000	Buckshot Farms, Inc.	Box 428, Stanfield, Ariz.	62,252
Lake Plantation	c/o L. Taylor, Jr., Hughes, Ark.	65,983	Hawk & Sperber	Box 847, Hotville, Calif.	62,207
Leon C. Bramlett	Rural Route 3, Box 599, Clarksdale, Miss.	65,970	Billy Ray McInroe	RFD 2, Levelland, Tex.	62,129
Byron Campbell	795 West Rockey, Raymondville, Tex.	65,883	Marshall Gator	Box T, Sunray, Tex.	62,064
Elmer Heiskell	Rural Route 2 Box 212, Dalhart, Tex.	65,815	Alex Curtis	602 S Deer Creek Dr., W. Leland, Miss.	61,957
J. C. Moore Mercantile Co.	Rural Route 1, Marion, Ala.	65,802	Gordon Bros.	P.O. Box 366, Tranquillity, Calif.	61,915
Tunney Stinnett	Elaine, Ark.	65,758	Poplar Grove Pltg/Ref. Co.	Route 2 Box 69, Point Allen, La.	61,907
M. & T., Inc.	P.O. Box 308, Chico, Calif.	65,707	H. H. Twiford	1002 San Jose St., Hearne, Tex.	61,824
Neil Rasor	Box 117, Royal City, Wash.	65,671	John C. Reistino	Rural Route 2 Box 161, Clarksdale, Miss.	61,768
Cotton Dixie, Inc.	c/o J. B. Baker, Webb, Miss.	65,660	Carr-Mascot Pltn. Inc.	424 N. Glover, Hollis, Okla.	61,709
Arthur P. Gumz	North Judson, Ind.	65,612	F. E. Motley	Rural Route 5, Rayville, La.	61,668
Billy Wayne Sisson	114 Liveack, Hereford, Tex.	65,540	R.R. Rhymes Farm	Swan Lake, Miss.	61,656
Donald E. Morris	Fortescue, Mo.	65,516	J. R. Flaunt & Sons	Route 4, Richmond, Mo.	61,584
E. P. Coleman, Jr.	P.O. Box 250, Silkeston, Mo.	65,467	Green Top Farms, Inc.	3307-43rd Street Lubbock, Tex.	61,555
Lee J. Fazzino	Rural Route 1 Box 259, Bryan, Tex.	65,438	L. L. Lawson	Route 1 Box 115, Chandler, Ariz.	61,540
S. & P. Farms, Inc.	Box 228, Gila Bend, Ariz.	65,428	J. S. Hoopes	Box 748, St. Pauls, N. C.	61,512
G. L. Morris, Jr.	McCorry, Ark.	65,342	D. D. McCall	191 Oleander Ave., Bakersfield, Calif.	61,445
Herbert C. Harris, Jr.	Box K, Cherokee, Ala.	65,303	J. Antongiovanni	11050 West Mountain Whitney, Riverdale, Calif.	61,429
Otto Steinberg	Box 242, Plainview, Tex.	65,280	Vernon Swearingen		
B. S. Baldwin & Sons	2908 McCall St., Bakersfield, Calif.	65,191	Mauldin Mauldin	2753 Maple, Yuma, Ariz.	61,412
Rowe & Turnbough	Box 1, Toyahvale, Tex.	65,131	Beers Bros.	Tyler, Ala.	61,411
L. H. Woodruff	McDade, La.	65,083	Leslie H. Laffere	Box 1504, Uvalde, Tex.	61,347
California Sturges Ginning Co.	Box 409, Yuma, Ariz.	65,056	W. H. Haggard, Jr.	Route 1, Box 35, Buckeye, Ariz.	61,313
Telles Farms	46031 West Nees, Firebaugh, Calif.	65,006	R. Creecy & T. Tate	Rural Route 2, Box 446, Osceola, Ark.	61,298
Antongiovanni Bros	Route 7, Box 532, Bakersfield, Calif.	65,003	G. H. Barker	Marks, Miss.	61,294
Stonewall Planting Co.	P.O. Box 11, Thornton, Miss.	65,003	Sugarland Industries, Inc.	Box 45, Sugarland, Tex.	61,259
Dorris Jones	506 South White, Floydada, Tex.	65,001	Dick Sheffield	Webbers Falls, Okla.	61,252
Oaklawn Plantation, Inc.	Route 3, Box 36, Dundee, Miss.	64,929	Panetta & Loftis	12771 Road 112, Tipton, Calif.	61,252
Hogue Produce Co.	Box 66, Firebaugh, Calif.	64,863	James O. Payne	Star Route Box 96, Wasco, Calif.	61,228
Kirkland & Best	P.O. Box 97, Ulmers, S.C.	64,783	Diamond Ring Ranch	1745 Lynwood Pl., Casper, Wyo.	61,224
Carr Planting Co.	O. C. Carr, Jr., Clarksdale, Miss.	64,764	Reyher Farms	Care of Herb Reyher, Pres., McClave, Colo.	61,178
Pappas & Co., Inc.	P.O. Box 477, Mendota, Calif.	64,689	P. K. McGregor	Inverness, Miss.	61,169
Robert F. Ashley	South Kansas City RD, La Feria, Tex.	64,673	Charles E. Lynch	B'ville, S.C.	61,106
James Childress	Box 1088, Ozona, Tex.	64,554	PI-Land & Cattle Co.	Route 2, Box 368, Blythe, Calif.	61,050

1968 TOTAL PAYMENTS OF \$60,000 AND OVER UNDER ASCS PROGRAMS (EXCLUDING PRICE SUPPORT LOANS)—Continued

Name	Address	Total payments	Name	Address	Total payments
J. N. Osterkamp Ranches.....	445 South Rio Vista, Brawley, Calif.....	\$61,039	Thomas A. & Charles O'Neal.....	Route 1, Blenheim, S.C.....	\$60,448
Coyne E. Killian.....	Star Route, Lorenzo, Tex.....	61,002	M. L. Dudley & Co.....	515 North Harrison, Fresno, Calif.....	60,420
M. B. M. Farms.....	1315 West Palm Lane, Phoenix, Ariz.....	60,973	Odell J. Wilson.....	Rural Route 3, Holly Springs, Miss.....	60,417
Harp & Hansen.....	Post Office Box 295, Corcoran, Calif.....	60,961	M. H. Rich, Jr.....	Chatham, Miss.....	60,401
Larry Woodard Farms, Inc.....	Box 477, Lepanto, Ariz.....	60,951	Marchini Bros.....	P.O. Box 1, Tranquillity, Calif.....	60,399
Taylor Bros.....	Essex, Mo.....	60,928	Trans Pecos Farms, Inc.....	Box 1210, Pecos, Tex.....	60,395
T. C. Buford.....	Glendora, Miss.....	60,904	B. N. Word Co., Inc.....	Wabbaseka, Ark.....	60,372
Sunshine Valley Ranches.....	Box 788, Eloy, Ariz.....	60,786	Doe Cattle & Land Co.....	P.O. Box 401, Visalia, Calif.....	60,370
M. I. Vance & J. A. Mortensen, Jr.....	Route 2, Box 550, Tempe, Ariz.....	60,724	James U. Yeldell, Jr.....	Mer Rouge, La.....	60,368
George Gabel.....	Dimmitt, Tex.....	60,712	J. B. Pollock.....	Box 238, Hargill, Tex.....	60,360
Nash Bros.....	Redstone, Mont.....	60,665	Gus Pugh Sons, Inc.....	Portland, Ark.....	60,244
Dowco Land Co.....	432 28th St., Cairo, Ill.....	60,655	Porter & Wentz, Inc.....	P.O. Box 870, Brownsville, Tex.....	60,237
Billy Joe Waldrup.....	Drew, Miss.....	60,589	Lipe Farms, Inc.....	In care of George Lipe, Indianola, Miss.....	60,221
W. J. Denton Estate.....	In care of Ruby C. Denton, Executrix, Wil- son, Ark.....	60,564	W. J. Linn.....	Rural Route 3, Houston, Miss.....	60,219
Paul Morgan.....	707 North 18th, Lamesa, Tex.....	60,549	S. E. Lowrance Ranch.....	Box 36, Tranquillity, Calif.....	60,175
J. Allen Baker Farms.....	25 NW. Ave G, Belle Glade, Fla.....	60,547	Ed Wiest.....	133 West J St., Brawley, Calif.....	60,154
B. C. Rhyne.....	Benton, Ala.....	60,547	Floyd Robbs.....	Box 905, Wilcox, Ariz.....	60,135
Rex Neely.....	483 N. Jay St., Chandler, Ariz.....	60,542	Lloyd M. Hale.....	Rural Route 1, Tulia, Tex.....	60,116
George H. Moore.....	Rural Route 3, Canton, Miss.....	60,520	A. A. Mabus.....	Phillip, Miss.....	60,084
Otis Whitlock.....	Box 113, Bostwick, Ga.....	60,502	Ganier Bros.....	Hollandale, Miss.....	60,050
Meacham Land & Cattle Co.....	Lapwai Ind.....	60,471	Millhaven Co.....	J. K. Boddiford, Manager, Route 1, Sylva- nia, Ga.....	60,041
W. T. Helbert.....	Rural Route 2 Box 109-B, Lorena, Tex.....	60,466	H. Fox Tindal.....	Pinewood, S.C.....	60,018
J. R. Tucker.....	Route 1, Box 122, Buckeye, Ariz.....	60,459	Arthur B. Stavlo.....	Box 272, Sunray, Tex.....	60,000

DEPARTMENT OF AGRICULTURE  
APPROPRIATIONS, 1970—AMEND-  
MENTS

## AMENDMENTS NOS. 53 AND 54

Mr. WILLIAMS of Delaware. Mr. President, I submit two amendments intended to be proposed by me to the Department of Agriculture appropriation bill. The purpose of the first amendment is to restore the language of the House bill, which would place a limit of \$20,000 on the payments to any one individual or operator.

The argument has been made by some persons connected with the Department and persons who defend the large payments that if this \$20,000 limitation is included in the bill then due to a so-called snap-back provision in the law payments would revert to another program, which could result in equally high cost to the Treasury. I disagree with that reasoning. In my opinion it is only a last minute gasp of those who see this boondoggle program facing defeat. Nevertheless, rather than dispute that point, which can so easily be settled, I submit another amendment, intended to be proposed by me which would merely repeal the snap-back and thereby make certain that all the money saved by the amendment would be returned to the American taxpayers.

The PRESIDING OFFICER. The amendments will be received and printed and will lie on the table.

Mr. WILLIAMS of Delaware. I ask unanimous consent that both amendments be printed in the RECORD.

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

## AMENDMENT No. 53

On page 23, line 14, insert the following: "Provided further, That no part of the funds appropriated by this Act shall be used to formulate or carry out any price support program (other than for sugar) under which payments aggregating more than \$20,000 under all such programs are made to any producer on any crop planted in the fiscal year 1970."

## AMENDMENT No. 54

On page 23, at the end of line 19, add a new paragraph as follows:

"Section 103(d)(12) of the Agricultural Act of 1949, as amended, is hereby repealed."

FEDERAL LANDS FOR PARKS AND  
RECREATION ACT OF 1969

The Senate resumed the consideration of the bill (S. 1708) to amend title 1 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), and for other purposes.

Mr. JACKSON. Mr. President, when the Senate last considered the pending measure, S. 1708, the distinguished Senator from Wisconsin (Mr. PROXMIRE) desired an opportunity to review the proposed legislation and to consider offering amendments. I understand that the Senator from Wisconsin has two amendments that he will offer at this time.

Mr. PROXMIRE. Mr. President, 2 weeks ago I spoke at some length about S. 1708, a bill which would amend the Land and Water Conservation Fund Act. S. 1708 would make it possible for States or their political subdivisions to acquire surplus Federal property at from zero percent to 50 percent of fair market value where the property is to be used for recreational purposes.

Today I should like to offer to the Senate two amendments to S. 1708 which I believe would strengthen the bill considerably. Both amendments are designed to insure that when property is conveyed under the bill, the interests of the Federal Government will be fully protected.

I send to the desk the first amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 5, line 8, it is proposed to insert the following after Secretary of the Interior: "Provided, however, that the determination of the Administrator of the General Services Administration and the recommendation of the Secretary of the Interior shall not become effective until 60 calendar days after the proposed conveyance under this subsection has been submitted to the Senate and the House of Representatives respectively, neither House of Congress having recommended disapproval of the conveyance in the interim."

Mr. PROXMIRE. Mr. President, both amendments are the product of a lengthy discussion with former Senator Wayne Morse, of Oregon, who, as we all know, played such a fine role in the Senate in fighting for the Morse formula throughout the years.

The first amendment would be attached as a proviso to subsection (2) of S. 1708. Subsection (2) provides that surplus Federal property may be acquired by the States and municipalities at 0 percent to 50 percent of fair market value, the percentage to be determined by the Administrator of the General Services Administration in accordance with the recommendations of the Secretary of the Interior. While I have great regard for both of these offices, I believe that some degree of control over the conveyance of surplus Federal property should remain vested in the Congress. After all, up until now, Congress has held 100-percent control over these transfers of property. It seems appropriate, therefore, that in giving GSA and the Secretary of the Interior authority to determine the percentage under subsection (2) that Congress should at least retain a final power of disapproval over the executive decision. Accordingly, I am introducing an amendment to S. 1708 which provides that the GSA determination and the Interior Department's recommendation shall not become operative until 60 days after the proposed conveyance has been submitted to both Houses of Congress, with neither House having disapproved the conveyance in the interim 60 days.

Mr. JACKSON. Mr. President, I have discussed this amendment with the able and distinguished Senator from Wisconsin, and I am in a position to accept it. I think the amendment will be helpful in monitoring the administration of this program. I see no objection to it at this time; however, there may be a constitutional question that will have to be ironed out in conference. I hope it will be acceptable to the executive branch in the present form.

The PRESIDING OFFICER (Mr. GRAVEL in the chair). The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I have one other amendment which I send to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 5, line 14, insert the following: "Provided, That where the property to be



conveyed includes valuable improvements constructed by the federal government, the improvements shall be appraised separately for their recreational potential."

Mr. PROXMIRE. Mr. President, my second amendment would be attached as a proviso to subsections (1)-(3) of S. 1708. It would require a separate valuation of improvements on Federal surplus property. During the period of Federal ownership, the Federal Government may have put valuable improvements on the land, built roads, dug sewers, and the like. It is entirely reasonable that the costs of these improvements be separately valued, and my second amendment would require just that.

Mr. JACKSON. Mr. President, I think this is a reasonable and helpful amendment. The land should be appraised separately and apart from the improvements. In any event, the Department of Interior will have to make a finding on the suitability of both the land and improvements for recreational and park purpose needs.

I am, therefore, happy and pleased to accept the amendment.

The Senator from Wisconsin has been most cooperative and as always, has conscientiously, gone into this matter. As a result, we have these two amendments today. I wish to compliment him for helping in the passage of the bill.

Mr. PROXMIRE. Mr. President, before final action is taken on the bill I wish to say to the distinguished Senator from Washington that he has done a marvelous job throughout the years in areas of conservation. I believe this bill will help improve substantially in this area. It is an excellent bill and I am delighted that he has been so helpful to me. He is extremely competent in this area and assisted me in drafting the amendments which I think improve the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin. The amendment was agreed to.

Mr. HART. Mr. President, for some time I have been concerned about the whole problem of our surplus property disposal program. I believe we need a fresh look at the act and an examination of the purposes for which surplus Federal land may be acquired by States and their political subdivisions at discounted prices.

Most importantly, we should analyze in the light of today's world, the purposes for which such land may be acquired at reduced or no cost. Much as we revere historic monuments, my view would be that a no less worthy purpose would be to permit cities to acquire surplus Federal real property for public housing.

For example, Mayor Cavanagh, of Detroit, called my attention to the following situation: after the Detroit riots, the city was authorized to use certain of the old Fort Wayne facility for temporary housing. The Federal Surplus Property Division has now told the city that it must plan to vacate unless it wants to buy or lease the housing. Either purchase or lease would be at full market value, according to GSA.

The mayor suggested, and I agree, that if, in fact, the Federal Surplus Property Act does not include housing as one of

the purposes for which a municipality would be eligible to purchase at less than market value, an amendment to the act should be sought which would include public housing.

This housing position strikes me as one that is worthy of prompt exploration and I am presently working on such an amendment.

My preference, if I could choose, would therefore be to vote today on a broader revision of priorities than proposed in S. 1708. Since we are not offered that opportunity today and since I would certainly want to include parks and recreation as an eligible purpose, I will vote for the bill—hoping that we may in this Congress be given the opportunity to examine the larger picture in the light of today's pressing social and economic needs.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram I have received from the Governor of my State, the Honorable Daniel J. Evans.

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

OLYMPIA, WASH., June 12, 1969.

HON. WARREN G. MAGNUSON,  
Senate Office Building,  
Washington, D.C.:

I understand that S. 1708 will be debated on floor tomorrow. Would like to present my views as Governor of Washington in support of bill.

Need and demand for recreation areas and facilities is increasing at alarming rate. Even in State of Washington, where we feel we have recreational opportunities second to none, need for additional areas and facilities is overwhelming. Washington's statewide comprehensive outdoor recreation and open space plan states that estimated two billion dollars expenditure by all agencies, both public and private, involved in providing recreation opportunities is required to meet present needs, and by 1975 additional one-half billion dollars will be needed. Acquisition costs estimated to be 1.3 billion of this total. Last year, over 20 million people visited State parks in State of Washington. Ability of State and local agencies to acquire Federal surplus properties for park and recreational purposes at no cost would greatly enhance their ability to meet increasing demands.

Cannot close without taking opportunity to comment on how act would assist city of Seattle and enhance its opportunity for re-acquiring Port Lawton as much-needed major urban park when it is declared surplus by Federal Government.

With these comments let me reiterate my position by stating that we in State of Washington strongly favor provisions of Senate Bill 1708 and urge Congress to enact legislation for recreational well being of its citizens.

DANIEL J. EVANS,  
Governor of Washington State.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1708) was passed, as follows:

S. 1708

An act to amend title I of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Lands for Parks and Recreation Act of 1969".

Sec. 2. Section 2(b) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (effective March 31, 1970, section 2(b) becomes section 2(a) pursuant to the provisions of Public Law 90-401, July 15, 1968), is further amended by deleting the last sentence and adding the following new paragraphs:

"Provided, however, That, notwithstanding the provisions of the Surplus Property Act of 1944, as amended, and the Federal Property and Administrative Services Act of 1949, as amended, States and their political subdivisions may acquire until June 30, 1973, from the United States for public park and recreation purposes surplus Federal real property together with such improvements, equipment, and related personal property that the Secretary of the Interior has recommended to, the Administrator of the General Services Administration for such acquisition based upon the suitability of the property for park and recreational uses; the accessibility of the property to major population centers; the need for park and recreation facilities in the immediate geographical area, as identified in the comprehensive statewide outdoor recreation plan required under section 5(d) of this Act; and the highest and best use of the property taking into consideration the need of future generations for parks, open spaces, and recreational opportunities. Conveyances of such property for park or recreational purposes shall be in accordance with one of the following methods as determined by the State or political subdivision thereof:

"(1) Where the State or its political subdivision originally donated the property to the United States, the surplus Federal property may be reacquired without the payment of any consideration; or

"(2) Where a State or its political subdivision so elects, the surplus Federal property may be acquired at zero to 50 per centum of the fair market value, as determined by the Administrator of the General Services Administration in accordance with the recommendations of the Secretary of the Interior: *Provided, however,* That the determination of the Administrator of the General Services Administration and the recommendation of the Secretary of the Interior shall not become effective until sixty calendar days after the proposed conveyance under this subsection has been submitted to the Senate and the House of Representatives respectively, neither House of Congress having recommended disapproval of the Conveyance in the interim; or

"(3) Where the United States paid valuable consideration for the property to the State or its political subdivisions, or to any person, the State, or its political subdivision may acquire the surplus Federal property upon the payment of the cost to the United States at the time of such acquisition: *Provided,* That where the property to be conveyed includes valuable improvements constructed by the Federal Government, the improvements shall be appraised separately for their recreational potential.

"Deeds conveying any surplus real property disposed of under this authority shall be issued by the General Services Administration and shall provide that the property shall be used and maintained for the purpose for which it was conveyed, and, in the event that such property ceases to be used or maintained for such purposes, such property shall at the option of the Secretary revert to the

United States. The deeds may also contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interest of the United States. The Secretary of the Interior may exercise all of his existing authorities under section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended, as to property transferred under this Act. The State and their political subdivisions shall compensate the United States for the administrative costs of surplus property transfers made pursuant to this Act."

"The Secretary of the Interior is directed to prepare and publish guidelines and regulations for implementing the provisions of this Act."

"Except as provided in this section, nothing in this Act shall affect existing laws or regulations concerning disposal of real or personal surplus Federal property to schools, hospitals, States, and their political subdivisions."

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### DEPARTMENTS OF THE TREASURY AND POST OFFICE, THE EXECUTIVE OFFICE OF THE PRESIDENT, AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1970

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 270, H.R. 11582. I do this so that the bill will become the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11582) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1970, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

#### LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, to clarify the situation, it is anticipated that we will dispose of the appropriation bill for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies on Monday, and that on Monday evening we will lay before the Senate H.R. 11612, an act making appropriations for the Department of Agriculture and related agencies.

It is hoped that also on Monday we will be able to get to some minor bills—that is, minor in comparison with appropriations bills.

It is anticipated that on Tuesday and Wednesday the Senate will be taking up the appropriation bill for the Department of Agriculture; and that no votes will be taken on amendments—and there will be some very important amendments—until the Senate returns on Monday, July 7.

The distinguished Senator from Dela-

ware (Mr. WILLIAMS) has already indicated he intends to offer two amendments having to do primarily with the limitation on payments to farmers for taking land out of production.

I would hope that the Senate would be aware of the importance of the debate which will occur on these two most significant appropriation bills on Monday, Tuesday, and Wednesday. Especially, I would hope that the Senate will be fully aware that on Monday, July 7, after its return from the 1-day recess over the Fourth of July, there will be votes on very important amendments that affect all Members of this body. For the benefit of the Senate, the Senator from Delaware has already had incorporated in the RECORD today two proposals he intends to offer.

Mr. President, I think that covers the situation so far as I can do so at this time.

It is my understanding that the distinguished Senator from Wisconsin (Mr. PROXMIER), the distinguished Senator from Virginia (Mr. BYRD), and the distinguished Senator from Michigan (Mr. HART) have statements of varying lengths that they wish to make this afternoon.

As far as further legislation is concerned, at this time I am unable to give any clear indication to the Senate that there will be any consideration of such legislation later this afternoon.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES DURING ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate until noon on Monday next, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that they may be appropriately referred.

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

#### AUTHORIZATION FOR COMMITTEES TO FILE REPORTS DURING ADJOURNMENT

Mr. MANSFIELD. Mr. President, I further ask unanimous consent that during this period all committees may file reports, together with individual, minority, or supplemental views.

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

#### SALARY INCREASES

Mr. BYRD of Virginia. Mr. President, yesterday the distinguished majority leader indicated that after disposition of the business then pending, the Senate would proceed to the consideration of

H.R. 7206, the bill providing salary increases for the Vice President and certain officers of the Senate. I understand now that this legislation will not come up until after the July 4 recess.

In January I opposed the doubling of the President's salary and I opposed the increasing of congressional salaries by 41 percent and judicial salaries by 35 percent to 40 percent. I shall oppose the additional increase for officers of the Congress and the legislation to increase the salary of the Vice President by 45 percent.

At a time when we are experiencing severe inflation, it is particularly inappropriate for the Government to set the bad example of approving large increases in salaries in its own top echelons.

I do not think that we can ask there be restraint in wages and prices in the private sector, while we in Government approve such large salary boosts for top officials.

The proposed legislation now on the calendar concerning the salary of the Vice President of the United States, increasing his salary from \$43,000 to \$62,500, brings to mind another matter to which I invite the attention of the Senate.

It has come to my attention that officials of certain corporations created by the Department of Defense, or by the military services and supported by Department of Defense funds, are being compensated at extremely high rates without congressional approval.

Let us discuss for a moment the Aerospace Corp., created by the Department of Defense, which has a federally funded budget of more than \$70 million.

Of 14 senior executives of the Aerospace Corp., 12 are paid more than \$42,500. The president of the corporation receives \$97,500. A senior vice president receives \$70,000. One vice president and operations general manager receives \$65,000. Another receives \$58,000. One vice president and associate general manager receives \$55,000. Seven other officers of the Aerospace Corp. are paid salaries ranging from \$44,000 to \$50,500.

In addition to these executives, six professional and technical employees are paid more than \$42,500.

In fiscal year 1969, the operating budget of the Aerospace Corp. was \$74,272,000. The entire amount came from Department of Defense funds. It seems clear to me that Congress should have a veto power over salaries at Aerospace and similar Government-created corporations.

The board of trustees of the Aerospace Corp. was appointed by the Department of the Air Force and is a self-perpetuating board. It seems to me that those Government-created corporations which derive their funds from the Federal Government, earning salaries in excess of a certain figure, possibly \$42,500, the same as congressional salaries, should be submitted to Congress for approval.

Mr. President, on April 30, 1969, in the Committee on Armed Services, I put some questions to Mr. Grant Hansen, Assistant Secretary of the Air Force for Research and Development, and also to Lieutenant General McNickle, Deputy Chief of Staff of Research and Development for the Department of the Air Force, and I



ask unanimous consent that the questions and the answers I received from Mr. Hansen and General McNickle be printed in the RECORD.

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

Senator BYRD of Virginia. I was interested in the response by the General that the salaries had to be commensurate with private businesses. I am just wondering whether that is a philosophy we need to follow.

We certainly don't follow that philosophy in regard to the Secretary of Defense and the Assistant or Deputy Secretary of Defense, and many of these Cabinet officials, and many of the Air Force generals and many other people could go out into private business and get larger salaries than they make in Government.

I see here the president of Aerospace is paid \$90,000, the senior vice president is paid \$66,000, and the vice president of the corporate planning is paid \$40,000, another vice president \$39,600, another vice president at \$60,000, another vice president at \$53,000, another vice president at \$54,000, another vice president at \$48,000, another vice president at \$45,000, another vice president at \$60,000, another vice president at \$53,000, another vice president at \$50,000, and that is all I guess on this Aerospace. It seems to me this is getting out of line. Who sets salaries for Aerospace executives?

Mr. HANSEN. The board of trustees of Aerospace Corp.

Senator BYRD of Virginia. How are they appointed?

Mr. HANSEN. I don't know the answer to that question. Do you, General?

Senator BYRD of Virginia. I think what you will find out is when you get back to it they are set by the Defense Department.

General McNICKLE. They are approved.

Senator BYRD of Virginia. They are approved, that is the final authority. They are set then.

General McNICKLE. And a number of them were not recognized for the full recommended salary.

Senator BYRD of Virginia. I am not worried about recommended salaries. I want to know what they are paid.

General McNICKLE. Yes, sir.

Senator BYRD of Virginia. Now the Defense Department has approved these figures, I assume. If I am wrong about it, I want to be corrected.

General McNICKLE. That is correct.

Senator BYRD of Virginia. So the final decision is with the Defense Department. It is not with some board. It is not with the board of trustees. It is with the Defense Department?

Mr. HANSEN. Yes, sir.

Senator BYRD of Virginia. There is no doubt about that.

Mr. HANSEN. That is correct.

Senator BYRD of Virginia. I want to get that clear.

Mr. HANSEN. Yes, sir.

Mr. BYRD of Virginia. Mr. President, since that discussion in committee, I have verified that the trustees of the Aerospace Corporation were appointed by the Department of the Air Force and are a self-perpetuating group.

#### AMERICAN CASUALTIES IN VIETNAM

Mr. GORE. Mr. President, the Defense Department has today released new totals of killed and wounded American soldiers in the Vietnamese war.

There have now been more than 44,000 casualties since the inauguration of President Nixon.

The Defense Department reports that such casualties, as between January 18 through June 21 of this year, have reached the alarming total of 44,922.

Mr. President, this war must be ended.

#### ORDER OF BUSINESS

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### LOOK MAGAZINE ACCEPTS GREEK GOVERNMENT'S CHALLENGE TO INVESTIGATE TORTURE CHARGES

Mr. PELL. Mr. President, on May 12, 1969, I drew to the attention of my colleagues and had inserted in the CONGRESSIONAL RECORD the article by Christopher Wren that appeared in the then current issue of Look magazine.

The thrust of the article is that torture continues to be used in Greece as a means of both intimidating the population from unrest and extracting information from political prisoners.

I am very glad indeed that the Greek Embassy responded by issuing a press release in which Look magazine was invited to send a representative over to Greece to investigate the truth of the article.

I am glad to say, too, that just on June 19 Look magazine has accepted the invitation of the Greek Government and has designated their senior editor, Christopher Wren, who originally wrote the article, to make the trip. He will be accompanied by Thomas R. Koeniges, a photographer; Congressman Don Edwards, and James Becket, an American attorney and investigator for Amnesty International.

I look forward with very real interest to reading the report of Mr. Wren on his return from Greece.

I trust, too, that, since the Greek Government has invited him, every effort will be made by Greek officials to let Mr. Wren travel and visit where he wishes.

I ask unanimous consent to have printed in the RECORD the press release of the Greek Embassy dated June 9, 1969, a letter from Look magazine to the Greek Embassy dated June 16, 1969, and a press release of Look magazine dated June 19, 1969.

There being no objection, the press releases and letter were ordered to be printed in the RECORD, as follows:

ROYAL GREEK EMBASSY PRESS &  
INFORMATION SERVICE,  
Washington, D.C., June 9, 1969.

With regard to an article published in the issue of May 27th of Look magazine under the title: "Greece: Government by Torture", the Greek Embassy wishes to put into record a statement made by the Prime Minister of Greece at a press conference held in Athens on June 7th, 1969 for Greek and foreign correspondents.

The official position of the Prime Minister of Greece gives a clear answer to all those

who seek the truth, bare from any political motivation:

"I would like to make some comments on an article published recently by Look magazine. People should know that only through the respect for truth we can survive in peace and freedom. How could we consider ourselves part of a civilized society when we accept the most imaginary and malignant accusations produced by a mentally deranged person, who has been an inmate to asylum for disturbed persons; and how could we reproduce those accusations for the use of tens of millions of readers throughout the World?"

I have an obligation toward the history of the Greek people as well as the respect for a truth. I believe that neither the publishers nor any other person in charge of the Look can be held responsible for the fact that such an article was published in their magazine. I invite them to send over to Greece a duly authorized representative with the purpose of investigating the truth. He could be accompanied by the person who supplied the writer with the false accusations and whose freedom, safe conduct and expenses will be fully covered by the Greek Government.

I further declare that should the truth of the acts mentioned in the article be established, I will not hesitate to order the execution of those found responsible right here in Constitution Square, and I shall assume full responsibility for it."

TEXT OF LETTER SENT BY LOOK MAGAZINE EDITOR WILLIAM B. ARTHUR TO THE GREEK EMBASSY IN WASHINGTON, D.C.

JUNE 16, 1969.

Mr. MICHAEL MAZARAKIS,  
Charge d'Affairs Office, Royal Greek Embassy,  
Washington, D.C.

DEAR MR. MAZARAKIS: The Royal Greek Embassy Press and Information Service has issued a press release dated June 9, 1969, which states that the Prime Minister of Greece has invited an authorized representative of Look to Greece to establish whether torture of political prisoners has taken place as reported in the article, "Greece: Government by Torture" in the May 27, 1969, issue of Look. This invitation has never been conveyed directly to us. If the press release is accurate, Look welcomes the Prime Minister's stated "obligation toward the history of the Greek people as well as the respect for truth," and accepts the invitation as long as safe and productive conditions can be fully guaranteed by the Prime Minister.

I have designated as Look's representative Senior Editor Christopher S. Wren, who wrote the May 27th article. Staff photographer Thomas Koeniges will accompany him since Look feels that the Prime Minister will welcome photographic documentation of what Mr. Wren discloses. I also designate Mr. Wren and Mr. Koeniges to interview the Prime Minister during their stay in Greece, accepting your government's specific offer in a letter dated May 29, 1969, from the Consul General of Greece in New York.

In the press release, the Prime Minister also invited "the person who supplied the writer with false accusations." Look states again that it reported the facts, but is pleased that the Prime Minister is anxious to examine them. The information for the article came not from one person, but from many people, most of whom live in Greece. Inasmuch as Look has reason to fear reprisals against them, we cannot of course reveal their identities.

Instead, Look is sure that the Prime Minister will welcome the inclusion of two other individuals in the party as representative of those who are concerned about the problem. James Becket, Esq., an American attorney and investigator for Amnesty International, has followed developments in Greece since the military coup of April, 1967, and will be of valuable assistance in bringing documentation to the Prime Minister's attention.

Congressmen Don Edwards, Member of the Judiciary Committee of the U.S. House of Representatives, has expressed an interest in the matter and will join the group as an observer.

I decline the Prime Minister's kind offer to underwrite expenses; I feel it proper for Look to assume that responsibility. We will also be happy to provide our own interpreter. I assume that the Prime Minister's pledge of freedom and safe conduct in the press release of June 9, 1969, offers immunity from criminal or civil prosecution under Greek law for Messrs. Wren, Koeniges, Becket and Look's interpreter and would appreciate acknowledgment of this so that I know this group will be accepted in Greece and enabled to carry out its work in freedom.

I ask assurance that the above group will not be subjected to any prepared itinerary, and that it will be able to move and interview freely anywhere in Greece, including inside government detention facilities, without interference or harassment. Such working conditions are essential to produce the documentation that the Prime Minister is anxious to have. I further ask assurance that the group will be free to investigate on its own, unencumbered by either officials or other press. I also ask that they have the right to talk to anyone, including those in government custody, without the presence and out of the hearing of any official.

It would be essential to have a written guarantee that anyone with whom the Look party talks will not be subjected to any retaliation.

I expect that any written and photographic documentation gathered by the group will not be liable to either scrutiny or confiscation and that the group will be free to leave with such documentation.

If it is proven to the Prime Minister that some of his subordinates have condoned or engaged in torture, Look prefers that the Prime Minister not carry out his promise in the press release of June 9 to order their public execution in Constitution Square, but instead publicly try such offenders in accordance with traditional Greek jurisprudence.

I assume in this reply that the Prime Minister's invitation, conveyed in the press release, was accurate and in good faith. As Look's representatives prepare for their visit to Greece, I await the Prime Minister's direct response to each of my requests, in the knowledge that the Prime Minister will find the investigation a mutually fruitful and enlightening one.

Sincerely,

WILLIAM B. ARTHUR.

#### LOOK MAGAZINE ACCEPTS GREEK GOVERNMENT'S CHALLENGE TO INVESTIGATE TORTURE CHARGES MADE IN ARTICLE

NEW YORK.—Look magazine announced today that it has accepted the Greek government's challenge to send representatives to Greece in a dispute over Look's published charges that political prisoners in Greece have been brutally tortured.

The announcement came in answer to a statement made by Prime Minister George Papadopoulos of Greece, inviting an "authorized representative" of Look to visit Greece "with the purpose of investigating the truth" concerning reports of torture published in an article, "Greece: Government By Torture," in the magazine's May 27 issue.

The Greek Prime Minister's offer, while never conveyed directly to Look, was made at a press conference held in Athens on June 7. At this conference Papadopoulos denied Look's charges.

Look's acceptance of the Greek government's invitation was made by William B. Arthur, Editor of Look, in a letter dated June 16 to the Greek Embassy in Washington.

In the letter, Arthur designated Look senior editor Christopher S. Wren, who wrote the May 27 article, and photographer Thomas R.

Koeniges to make the trip. He stipulated that they be accompanied by James Becket, an American attorney and an investigator for Amnesty International, and Congressman Donald Edwards (D-San Jose, Calif.), member of the Judiciary Committee of the U.S. House of Representatives.

Arthur also stipulated that Look's investigative team be granted full freedom in providing further support for the claims made in Wren's article.

Arthur said that he conditioned his acceptance upon the Prime Minister's pledge of freedom and safe conduct for the Look party, including a guarantee of immunity from harassment and criminal or civil prosecution under Greek law. He asked that they be allowed inside government detention facilities without interference or harassment. Furthermore, Arthur called for a written guarantee that anyone interviewed by the Look team would not be subject to retaliation.

In his press conference, the Greek Prime Minister stated that if Look proved to him that torture had taken place and supplied names, those responsible would be publicly executed in Athens' Constitution Square.

In his reply, Arthur suggested that those responsible should instead be tried in accordance with "traditional Greek jurisprudence."

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### SPECIAL TAX TREATMENT FOR OIL INDUSTRY INJURES NATION'S SECURITY

Mr. PROXMIRE. Mr. President, I am very grateful to the distinguished Senator from Louisiana for lifting the quorum call. It is most appropriate that he should be the man who should do it, because I am going to speak on oil this afternoon. I expected to make a fairly short speech, and perhaps it will be short.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes, indeed.

Mr. LONG. If my friend the Senator from Wisconsin can tell me something I do not know about oil, I am very anxious to hear it.

Mr. PROXMIRE. Mr. President, I doubt whether anybody can tell the Senator from Louisiana anything he does not know about oil; he is very expert in this area, as he has demonstrated time and again on this floor, especially when he enlightens this Senator.

Mr. President, the time has come for Congress to take dead aim at the notorious depletion allowance, which too long has served as an obstacle to tax reform. The Senator from Louisiana (Mr. LONG) has invited any interested Senator to submit amendments to his committee, and when the tax bill comes to the Senate, I intend to take him up on his offer when the matter is before his committee.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes, indeed.

Mr. LONG. The Senator is going to get a better chance than that. He is going to

get a chance to vote against every businessman in America. We will give the Senator a broad opportunity.

Mr. PROXMIRE. I am sure the Senator from Louisiana will give me every opportunity that I desire to vote on tax legislation, and I certainly do not intend to vote against every businessman in America. I intend to vote against the surtax when it comes up.

Mr. LONG. Will the Senator yield further?

Mr. PROXMIRE. Yes, indeed.

Mr. LONG. Does the Senator know what the biggest loophole is in the tax law? What is the biggest tax loophole?

Mr. PROXMIRE. I would like to know the opinion of the Senator from Louisiana.

Mr. LONG. Capital gains. What is the Senator's opinion on that one?

Mr. PROXMIRE. I think the capital gains law, as presently drafted, could be construed, perhaps, as a loophole. However, I would not want to, although I am sure some Senators would, repeal it outright, because I think there is some merit to it.

Mr. LONG. Will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. LONG. The Democratic policy committee invited Mr. Stanley Surrey, whom they regarded, I assume, as the best tax reformer there is in America, to come down and explain his views on taxes for them, and he did not even mention depletion among the major items. He said capital gains is the biggest loophole there is. Is the Senator prepared to vote to do something about capital gains?

Mr. PROXMIRE. Mr. President, the difficulty with discussing this whole subject is that it is a matter of value judgments. I am shocked and surprised that Mr. Surrey did not mention oil depletion, because I have great respect for Mr. Surrey, and I think this is certainly something that ought to be discussed by as expert a man as he certainly is.

Nevertheless, I will not defer in my judgment as to where reform should come to Mr. Surrey or anyone else. It is not strictly a matter of expertise; it is a matter of where I think there is more need for reform. I think there is more need in the area of oil depletion than in most other areas. Furthermore, I am sure it is the most notorious loophole.

Mr. LONG. Mr. President, I am sure the Senator from Wisconsin is getting ready to respond to my speech, in which I showed with charts and tables that the oil industry pays more taxes than anyone else.

Mr. PROXMIRE. I am sure they pay less than anybody.

Mr. LONG. It took the Senator from Wisconsin almost a month to prepare that speech. I am sure he is now going to argue that they pay more taxes than somebody.

Mr. PROXMIRE. I intend to show that they pay less taxes than almost everybody.

Mr. LONG. The point is that the biggest loophole in the tax law is capital gains, and if you had any advice, the people advising you would tell you the best loophole is real estate, but money-wise, there is more money in capital



gains. So it just depends on whether you are talking about quality or quantity. Qualitywise, real estate; quantitywise, capital gains. It just depends on what you have in mind, whether you are talking about volume or whether you are talking about percentage points.

Does the Senator know, aside from those two, what is the next biggest steal?

Mr. PROXMIRE. May I say to the Senator from Louisiana, he can talk about quality and quantity all he wants to, but what I am saying is we could reduce the oil depletion allowance and could increase revenues to the Treasury with, I think, a fairly modest reduction, by about \$600 million. I realize that there are other areas where the return to the Treasury might be greater. You might consider those loopholes. The Senator has properly pointed out two of them which would raise more money, obviously, than if we would remove the oil depletion allowance entirely, and I have not proposed that, nor does any Senator that I know of. I am proposing to reduce it, at most, to 15 percent for the large producers, and not at all for the small ones.

Mr. LONG. Mr. President, I am going to give the Senator an opportunity to vote on the depletion allowance, as I promised him. Is he willing to do something about capital gains?

Mr. PROXMIRE. I will take a long, hard look at it. I shall not vote for any amendment until I find out what it is. It depends on a number of things.

Mr. LONG. You see, Senator, you can afford, in your position from Wisconsin, to tax the oil people, just like I can afford to tax the dairy farmers. We do not have a great many dairy cows in Louisiana. We run some old, catch-as-catch-can beef cows, but in dairy farming as such we are an importer. So I guess I could afford to put a real heavy tax on the dairy farmers.

Mr. PROXMIRE. We just want to be treated like everyone else.

Mr. LONG. The people of the Senator's State are being treated better than most people, if I do say it, even those in the dairy farming business. The Senator's people get the benefit of this capital gains advantage, and so do mine. If the Senator wants a reform in the tax laws, I would like some indication from the Senator from Wisconsin that he would be willing to vote to do something about capital gains, which is the big one in terms of dollars.

Mr. PROXMIRE. Let me say to the Senator from Louisiana that I will be very much interested in his capital gains amendment. I am sure it will be an amendment that will have a great deal of merit; and if I were to guess at this point, I would guess that I would probably support it. But I think that the Senator would certainly expect any Senator to want to take a look at the amendment, and listen to the argument of the Senator from Louisiana, before he makes up his mind.

Mr. LONG. That is fair. Now, quality-wise, the biggest advantage there is in any business seems to be in real estate. Would the Senator be willing to vote to do something about the tax advantages that exist in the real estate business?

Mr. PROXMIRE. I make the same answer as on the other area, as to real estate capital gains. I think it is just a matter of taking a good look at the amendment, and seeing what the very able staff the Senator has been using suggests, what their arguments are, and what the committee report says, and then make up my mind. I just do not know. Again, I think there is a good possibility I would vote for that.

Mr. LONG. If the Senator is interested in comprehensive tax reform, he ought to be interested in the situation of the people who just do not pay anything, just zero.

There is old Mrs. Gotrocks; she inherited stock in the Houdini Co. let us say. The stock is now worth 10,000 times what it was worth, and it looks as though she is going to owe a 77-percent tax on a million dollars of income that she has spent.

So she takes a million dollars worth of her stock, and puts that over into the Mrs. Gotrocks Foundation. Mind you, she has paid no tax on the enhanced value. When she inherited the stock, it was worth only 1 cent a share, and now it is worth \$1,000 a share. But she transfers the stock from Mrs. Gotrocks to the Mrs. Gotrocks Foundation, and as a result of transferring \$200,000 worth of stock from her own personal account to her foundation account—which she still controls, and votes the stock—and does not invest a penny of it in charity, mind you, she thereby avoids paying any taxes.

It is not well to do something about that? That is a complete fraud and fake, based on a law that was passed to let a nun who had taken a vow of poverty contribute her money to charity.

Is the Senator willing to confine it to the case of that Philadelphia nun, so Mrs. Gotrocks cannot contribute to the Gotrocks Foundation, and get away with deducting \$200,000 in taxes?

Mr. PROXMIRE. I believe I would be very willing to support the Senator's amendment. The Senator has made a very able argument in favor of it.

Once again, I would like to take a look at the whole amendment before listening to the argument and making a final commitment. It sounds as if the Senator is making a strong case.

Mr. LONG. Mr. President, not all of the people in the oil business are successful. I know a lot of them who have lost everything that they put in it.

The successful ones pay roughly one-third of their gross income in Federal income taxes. That is Federal taxes and does not count the fact that they pay many other local taxes. For example, they pay 10 percent of their gross income in my State before getting anything. Actually they pay about 43 percent of their gross in taxes.

Is the Senator all that confident that taxpayers who are paying on that basis are favored taxpayers?

Mr. PROXMIRE. Mr. President, at this point I inquire if I have the floor.

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

Mr. PROXMIRE. I say to my friend the Senator from Louisiana that I will continue to answer him on that subject in some detail. However, I think it would be much more orderly and useful to the

Senator from Louisiana and me if I might proceed for another 15 or 20 minutes before replying further to the Senator from Louisiana.

Mr. LONG. Would the Senator answer one more simple question, yes or no?

Mr. PROXMIRE. I will not agree to answer anything until I know what the question is. I will be happy to listen to the question.

Mr. LONG. Will the Senator yield for one question?

Mr. PROXMIRE. I yield for one question.

Mr. LONG. The best I remember, the last time we debated the matter, I took the floor and the Senator left the floor rather than listen to me. Would the Senator be willing to stay around this time?

Mr. PROXMIRE. All Senators have to leave the floor at times. I had been on the floor for a long time on that occasion. I came back later.

The Senator implied that he had driven me off the floor. I suppose that in some ways the senatorial winds can do all kinds of things.

I did have to leave the floor. It is one of those things that we cannot avoid. However, I did come back before the Senator finished.

Mr. LONG. On the last occasion, the Senator refused to yield for a question. I said that if I knew as little as the Senator did, I would not yield. The Senator did not yield, and when I took the floor, he left.

Mr. PROXMIRE. I listened to the Senator for a long time.

Mr. LONG. The Senator did not listen for long.

Mr. PROXMIRE. I will give the Senator a copy of my speech. If he wishes to, he may follow it, and I will be delighted to answer questions later.

Mr. LONG. I make the same promise. When the Senator gets through, I will consider it here today or on some future day. I will give the Senator a response. I enjoy the running debate.

Coming from a State that produces no oil, the Senator is anxious that we pay all the taxes. If I came from a State that produced no oil, I would be eager for oil producers to pay all the taxes.

I daresay the dairy farmers are not paying as much as the oil people.

The running debate will not come to an end.

Mr. PROXMIRE. I am sure the running debate will not come to an end. However, I am convinced that the dairy farmers of Wisconsin want to pay the same taxes as people elsewhere. They want to be treated the same. We do not want to impose any unfair or discriminatory taxes on people who produce oil in Louisiana or elsewhere.

I strongly favor some depletion allowance which would be favorable to them. I favor repealing other taxes. If we give in on the surtax and do not insist and fight for tax reform, we will never get ahead.

Mr. President, I have always felt that the oil industry pays too little in taxes any way you look at it. My distinguished colleague, the Senator from Louisiana (Mr. LONG), disagrees and on May 16 made a speech on the floor of the Senate defending his position.

## POINTS TO BE MADE

Because the subject of the oil industry's privileged tax position is so complex, as a guide to my remarks, I would like to list the points I will make.

First, Both the Senator from Louisiana and I agree that the oil industry pays less in Federal taxes than other industries. The Senator from Louisiana indicated that the oil industry pays 24 percent of its net income in Federal taxes, compared to about 40 percent for all industries. Based on his data, my analysis indicates the disparity is even greater: 22.2 percent for the oil industry versus 44.2 for other industries.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I will be happy to yield to the Senator from Louisiana after I have finished. I realize that the Senator disagrees with the statement I have just made. I will be delighted to go over it point by point later on.

Mr. LONG. Will the Senator yield for one simple question?

Mr. PROXMIRE. I yield for one simple question.

Mr. LONG. Mr. President, both the Senator and I agree that the oil people pay less in Federal income taxes. If the Senator wants to use the words "all taxes," then I shall prove that they pay more than anyone else.

Mr. PROXMIRE. I am including everything when I say that.

Based on this data, my analysis indicates the disparity is even greater: 22.2 percent for the oil industry versus 44.2 percent for other industries. However, if book pretax net earnings derived from SEC reports, the figures which are used to determine dividends, are used as the measure, the oil refining industry only pays 11 percent of its net income in Federal taxes, compared to 40.8 percent for all manufacturing concerns.

Second. Even if we add all State, local, and foreign taxes, including severance, property, and production taxes, to the Federal taxes paid by the oil industry, its total tax burden is still lower than just the Federal tax burden on other industries.

Third. Our tax policy should not interfere with the forces of the market economy, unless there is a compelling national need to do so. A nonneutral tax policy adopted without adequate justification causes misallocation and waste of our scarce domestic resources and, thus, injures our national security.

Fourth. Even if we accept the thesis that the oil industry needs special incentives to explore for oil, the present tax structure is an inefficient, inconsistent, wasteful, and unfair way of achieving this goal. Let me go over each of those adjectives because I mean each of them. It is inefficient because it costs the American taxpayer over \$10 in lost tax revenue for every \$1 in additional reserves. It is inconsistent because it gives greater tax incentives to explore for oil abroad than here at home. Foreign royalty payments disguised as taxes are written off dollar for dollar against U.S. taxes owed, whereas such payments here are only deductible from income. It is wasteful because it encourages overcapitalization in the oil industry to such an extent that it takes \$2 worth of cap-

ital in the oil industry to produce what \$1 worth of capital will produce in other industries. Finally, it is unfair because it allows big income taxpayers to hide large amounts of income from taxation thereby shifting the tax burden onto those less able to pay.

Mr. LONG. Will the Senator yield?

Mr. PROXMIRE. I wish the Senator would wait until I finish my remarks so that we may have an orderly debate and have some continuity in my remarks.

Mr. LONG. I have been reading the remarks of the Senator. The Senator has mentioned my name time after time. The Senator has declined to yield to me.

I will read the speech and I will ask one simple question and leave. It is this simple. Is the oil industry the only industry receiving benefits on foreign income, or does everybody get such benefits?

Mr. PROXMIRE. There is not any question—

Mr. LONG. The answer is yes, is it not?

Mr. PROXMIRE. Comprehensively, the answer is yes.

Mr. LONG. So, the Senator did not know what he was talking about. He said that everybody gets it.

There is a man whispering to the Senator. He is supposed to know something about taxes. Where did he come from?

Mr. PROXMIRE. This is Mr. Martin Lobel, a very able man who has done some very fine work.

It seems to anger the Senator that Mr. Lobel has whispered to me. He is one of the most efficient men I have known on the Hill. If the Senator wants to attack him, I am sure it will not bother Mr. Lobel.

Mr. LONG. What bothers me is that the last time he whispered something in the Senator's ear, the Senator did not say anything.

I ask the Senator what he said this time?

Mr. PROXMIRE. Some of the advantages of having staff members on the floor is that one can listen to what they say. One does not have to do what people whisper in one's ear, whether it be the Senator from Louisiana or Mr. Lobel.

I am sure there have been things that the Senator from Louisiana has whispered in my ear that he would not want me to say audibly on the floor and that there are things I have whispered in his ear that I would not want him to say audibly on the floor.

Mr. LONG. That is a fair proposition. The Senator may make his speech and I will not interrupt him any more.

Mr. PROXMIRE. Fifth, Congress must take immediate steps to cure this cancer in our economy. Congress must develop a much more rational and less expensive means of achieving the supposed objective of our present system—a secure source of oil during emergencies.

## TAX FACTS

On the basic issue, Senator Long and I agree. The oil companies do pay a much lower proportion of their earnings to the Federal Government in taxes than do other industries.

Senator Long's figures show that the

oil industry pays about 24 percent of its net income in Federal taxes, while the average manufacturing company pays 42 percent of its net income in Federal taxes.

However, these figures overstate the actual tax burden on the oil industry because net income as defined for tax purposes does not include substantial amounts that have been deducted through the use of tax loopholes. Net income for tax purposes or taxable income, if you wish, is usually lower than actual income or in the accountant's term, pretax book net income and the smaller the basis against which tax burden is measured the greater the apparent tax burden.

The taxable income of the oil industry is approximately half of its actual income. According to the Statistics of Income for 1965, published by the Internal Revenue Service, only 44 to 51 percent of the oil industry's actual income—depending on how one treats the tax credit—is considered to be taxable income, whereas 97 percent of the actual income of all manufacturing concerns, excluding the refining industry, is considered to be taxable income. Thus, any attempt to compare tax burdens on the basis of taxable income is going to greatly overstate the true tax burden on the oil industry, even if, as my good friend Senator Long has done, we add to the taxable income the amounts excluded on account of the depletion allowance. The depletion allowance is only one of many tax loopholes enjoyed by the oil industry. The oil industry also enjoys many other tax loopholes such as intangible expensing which allows the oil industry to write off in 1 year expenses that other industries must capitalize over a number of years. Still another privilege which it enjoys is the ability to write off royalty payments disguised as tax payments to foreign governments dollar for dollar against U.S. taxes owed.

A much more accurate comparison of the tax burden on the oil industry as compared with other industries can be obtained from the actual income figures of the various industries published by the Securities and Exchange Commission and the Federal Trade Commission. These figures I want to emphasize represent the actual income of the industries; these figures are the ones used by the companies themselves when reporting their income to their stockholders. Based on these figures, all manufacturing corporations paid 40.8 percent of their pretax earnings in Federal taxes in 1968, whereas in 1968 the petroleum refining industry paid only 11 percent of its pretax earnings in Federal taxes.

Mr. LONG. Mr. President, will the Senator from Wisconsin graciously yield one more time?

Mr. PROXMIRE. Very well; I yield.

Mr. LONG. Would the Senator mind correcting his remarks and say "income tax"? It is Federal income taxes on which these people receive a break. In terms of overall taxes they pay more than anybody else does. As to one particular tax, the petroleum industry does get a break. It is the only way they can operate, considering that they are the most heavily taxed of all taxpayers in America.

So when the Senator says "Federal tax," would he be willing to say "Federal



corporate income tax" or "Federal personal income tax," as the case may be?

Mr. PROXMIRE. I shall talk about the total tax burden in a minute. I do exclude, it is true, the Federal excise tax. My assumption is that that is a tax paid by the user of gasoline. When the Senator from Louisiana and I go to a gasoline station and buy gas, we pay taxes. The dealer indicates the amounts of Federal excise tax and State tax.

My computation, according to the way I have figured the tax, is of the amount borne by the user, not by the industry.

Mr. LONG. The Senator is excluding State taxes?

Mr. PROXMIRE. That is correct. I am speaking only of Federal taxes.

Mr. LONG. Would the Senator mind explaining who pays more money to friendly foreign governments than anybody else on earth, so far as industry is concerned? I am speaking about friendly foreign governments. Who pays more taxes to them than anybody else? The Senator can say it in one word. Can he say what industry it is?

Mr. PROXMIRE. That depends on the kind of taxes the Senator is talking about. Is he referring to income taxes? If he wants to construe royalty payments as taxes, as the petroleum industry is able to construe them, so far as the Internal Revenue Service is concerned, it is true that the petroleum industry does make higher payments; that is true. I do not have any figures to verify that. If the Senator tells me that that is the fact, I will agree that it is.

Mr. LONG. One of the representatives of the biggest overseas oil company in America—I think it is the biggest oil company in America—is a friend of mine who has the same name as mine, although we are no relation. He is a Texan; I am from Louisiana. I spoke with him about reducing the depletion allowance for overseas oil.

He said, "Senator, you can reduce it all you want to; but after the foreign governments get through 'putting it to us,' we have so many excess tax credits to carry over we will not owe any money here. Cut our foreign depletion all you want to and we still would owe you nothing. The same, however, would not be true of some smaller companies." And what does the other fellow pay to foreign governments? All other countries tax the foreign operations of their companies on a more generous basis than we tax ours—or in some cases do not tax them at all. I think the Senator from Wisconsin knows that, does he not? If he does not, he ought to find it out. Let the Senator's assistant whisper it in his ear.

Mr. PROXMIRE. I will ask Mr. Lobel to take a seat on the couch.

The PRESIDING OFFICER (Mr. SAXBE in the chair). The Senator from Wisconsin has the floor. Does he yield to the Senator from Louisiana?

Mr. PROXMIRE. No; I shall continue with my speech.

Mr. LONG. Does the Senator mean that he is not going to answer my question?

Mr. PROXMIRE. No; I shall not yield further until I have finished my speech, which will be in a relatively few minutes if I am not interrupted.

As a matter of fact, even if we use Senator Long's figures, the disparity between the tax burden on the oil industry and other industries is greater than he has indicated. An accurate comparison of relative tax burdens requires that we exclude the oil industry from the figures for all industries, otherwise the low tax burden on the oil industry which has such a large percentage of all industries' profits will drag down the average tax burden on all industries. Likewise, I have added back into the figures for the oil industry the approximate amount of tax revenue lost because of intangible expensing. On this basis, using Senator Long's own figures, we find that the Federal tax burden on all industries, exclusive of the oil industry, amounted to 44.2 percent of their income, while the tax burden on the oil industry, which is admittedly overstated, amounted to only 22.2 percent.

#### TOTAL TAX BURDEN

I now come to the subject of the total tax burden. The Senator from Louisiana has just raised the point about taxes by foreign governments.

Even if we include State and local and foreign taxes to the Federal income taxes paid by the oil industry, the oil industry pays less in taxes than most industries pay in Federal taxes alone.

Senator LONG inserted a table beginning on page 12807 in the May 16 CONGRESSIONAL RECORD showing the total tax burden, including State, local, foreign, and Federal taxes of some of the major refiners. These figures include severance, production, and property taxes which, as Senator LONG quite correctly pointed out, my previous figures did not include.

Because I have a small staff, I could not go through all the figures as Senator LONG's Finance Committee staff did. However, because the amount of taxes paid by Atlantic Richfield seems to be a bone of contention, I did examine those figures in detail. My analysis indicates that Senator LONG inadvertently overstated the total tax burden on Atlantic Richfield and, I would assume, on the other oil companies reported.

For example, according to Senator LONG's table, Atlantic Richfield paid no Federal taxes on a net pretax income of \$145,259,000 in 1967. It supposedly paid 10.5 percent of its income, or \$15,254,000, in foreign and State taxes. It also supposedly paid 22.6 percent, or \$32,991,000, of its income in severance, production, and property taxes. However, even if we assume that the foreign taxes are really taxes and not disguised royalty payments, these percentages greatly overstate the tax burden on Atlantic Richfield.

In order to find out what percentage of its net income Atlantic Richfield paid in taxes we have to find out what its net income was before taxes. This is done by taking the aftertax net income and adding back the amount of taxes paid by Atlantic Richfield.

I can understand how the Senator from Louisiana (Mr. LONG) became confused. According to Atlantic Richfield's annual report for 1967, its pretax income was the figure quoted by the Senator from Louisiana, \$145,259,000. However, it also stated that its aftertax income was

\$130,005,000. This means that Atlantic Richfield only added back the foreign and State taxes. It did not add back the severance, production and property taxes which the Senator from Louisiana (Mr. LONG) has included in his chart. If we add back all the taxes paid by Atlantic Richfield to its aftertax income, we find that its total tax burden is much lower than indicated.

Atlantic Richfield paid the following percentages of its total pretax income in taxes in 1967:

Federal taxes	0
State and foreign taxes	8.6
Severance, production, and property taxes	18.5

This means that Atlantic Richfield paid a grand total of 27.1 percent of its income in all taxes, Federal, State, local, and foreign. Compare this with just the Federal tax burden borne by the average manufacturing company of 40-plus percent. And they, too, must pay State and local taxes as does the oil industry, probably at a higher rate because of their greater payroll taxes, and so forth.

#### TAX POLICY GOALS

Although the analysis of Senator LONG's figures shows conclusively that the oil industry does not pay anywhere near the amount of taxes, Federal, State, local, or foreign, paid by other industries, we ought not to become lost in figures. We ought to look behind the figures. We ought to examine the tax policies which allow the oil industry to escape taxes paid by other industries, what the consequences are, and whether they can be justified.

The Federal income tax is perhaps the best measure for comparing relative tax burdens in various industries since it is by far the most important tax on return to invested capital. As such it should be as neutral as possible; that is, the return to capital invested in one use should not be taxed more heavily than capital invested in another use—unless there is an overwhelming national need.

In the United States, our economic policy has been to rely upon the market forces to allocate scarce economic resources and to intrude upon the market forces only when there is a compelling need to do so. Unequal tax treatment is a clear intrusion upon market forces. If Federal taxes treat income from a certain industry more favorably than other industries, over time under competitive conditions, capital will flow into the favored industry until the return on capital in that industry is equal to the return from capital invested in less favored industries. This leads to a misallocation of scarce capital, inflationary pressures, and waste.

If I may quote from Professor of Economics Walter J. Mead's testimony before the Senate Antitrust and Monopoly Subcommittee:

The effect of favored tax treatment is to reduce tax costs for oil companies relative to firms in other industries. These measures taken together substantially raise the expected after-tax profit rates on oil industry exploration and development rates in what would otherwise be submarginal uses of scarce capital. Investment in petroleum exploration and development is indeed expanded to the point where the after-tax return is approximately equal to that which

may be obtained on alternative uses of capital....

Oil industry spokesmen have defended their various subsidies with the question "If we receive all the subsidies which our critics allege, why is our rate of return on invested capital not substantially higher than other nonsubsidized industries?" The answer to this question is that a subsidy will raise the profit rate at the point in time at which it is conferred.

Its effects, however, are eroded away with time as producers react to their more profitable situation by expanding into otherwise submarginal areas. This expansion leads to a decline in the rate of return toward a normal yield and to resource misallocation as well.

Mr. President, what I am saying is that the subsidy to the oil industry does not result in higher profits. It results in misallocation of resources as more capital enters the oil industry, to take advantage of the tax privileges which the industry enjoys.

#### NATIONAL SECURITY AND OIL TAXES

The supposed justification for the special treatment enjoyed by the oil industry is national security, although the recent attack on the Treasury Department commissioned study of the oil depletion allowance by the Mid-Continent Oil and Gas Association seemed to be based on the premise that if we change the depletion allowance the price of gasoline will go up.

The catechism chanted so long by the oil industry that they actually believe it is that if the oil industry does not have all these special tax breaks and other governmental intrusions into the market on behalf of oil then our country would be in dire straits—we would become utterly dependent for oil upon those rascals in the Middle East who are just waiting for that to happen so they can shut us off.

First, a few facts about the domestic oil industry ought to be established. It is a very healthy and powerful industry by any criteria. In 1968 the combined net profits of the 12 largest U.S. oil companies was just a fraction under \$5 billion. Each of those 12 companies, moreover, has set new profit records in each of the last 4 years. Just 4 years ago, the profits of these 12 companies totaled \$3.7 billion. During that short span of time, they have, thus, increased their profits by just under \$1.3 billion—a 33.5-percent increase.

According to a survey by the First National City Bank of New York published in its April 1969 Monthly Economic Newsletter, a total of 2,250 manufacturing companies showed a net income of \$26 billion in 1968. Of the 2,250 companies, the 99 oil companies had a total net income of \$6.1 billion or almost 25 percent of the aftertax earnings of the entire list. And, according to the same survey, the oil companies as a group enjoyed the second highest return on sales of 9 percent, almost twice the average return for all companies surveyed. Although the oil industry's return on invested capital was 12.8 percent, just under the 13.1-percent average for the entire 2,250 companies, this is the result of our tax policy as was indicated in Professor Mead's testimony. What happens is that capital comes into the hands of industry to achieve that purpose.

Even if we accept the thesis that our national security requires special incentives to encourage domestic exploration for oil, the present tax incentives are inefficient, inconsistent, wasteful and

unfair ways of achieving this goal. I will not touch upon the other governmental intrusions into the marketplace on behalf of oil which accentuate the waste of scarce capital such as the mandatory oil import program and State market proration laws which guarantee high oil prices, because I have spoken about them before. However, I do not think we ought to forget that the oil industry is the beneficiary of many governmental favors in addition to all those tax breaks.

No one, least of all myself, would deny that national security should be our prime consideration. However, all the governmental distortions of the free marketplace to benefit the oil industry have actually been impairing our national security. Our national security requires that we have a strong economy which in turn requires that we do not waste our resources. Here we have governmental policies which affirmatively encourage waste of scarce capital and, I might add, depletion of our natural resources all, irony of ironies, in the name of national security.

#### INEFFICIENT

Almost all the tax benefits enjoyed by the oil industry are tax credits. These are general policy tools which benefit any activity that qualifies under the particular tax provision. Direct appropriations or expenditures, on the other hand, can be as selective or as broad as Congress wishes.

The tax policies we have now are supposed to encourage the exploration for domestic sources of oil, yet they are so general the oil industry receives tax benefits for activities they would have undertaken even without the tax breaks. In other words, although tax credits are supposed to subsidize the exploration for oil they also subsidize all the other activities of the oil companies which they would have undertaken even without the tax subsidy.

The oil depletion allowance and intangible expensing in 1968 cost the American taxpayers \$2.25 billion in lost tax revenue according to the Treasury Department's Tax Reform Studies and Proposals submitted to the Finance Committee. However, in order to be fair to the oil industry, I think I ought to use the estimated long-range revenue loss of \$1.6 billion a year. This \$1.6 billion was spent just as if Congress had appropriated it with one big difference: Congress had no say in how it was spent. The big problem with such "back door spending" is that it is seldom reviewed by either Congress or the executive branch, accurate data on its costs and benefits are often difficult to obtain, and too frequently it is wasted on activities which would have been undertaken without it.

This point may be seen easily when we compare the congressional scrutiny devoted to the money spent because of the depletion allowance and the money directly expended for other projects costing far less. The \$1.6 billion in back door spending on the oil depletion allowance and intangible expensing is three times what was budgeted during fiscal 1969 for Federal law enforcement, 15 times as much as the cost of running our Federal judicial system, three times the budgeted amount for school lunch and food stamp

programs, five times as much as is budgeted for low-rent public housing, and four times the allotment for the Alliance for Progress.

The percentage depletion allowance is an extraordinary tax benefit because it permits the tax-free recovery of an average of 19 times the original investment in an oil well. For this reason, the percentage depletion deduction is a subsidy, not merely a mechanism for the recovery of capital investment. In addition, that portion of the percentage depletion deduction which represents ordinary tax-free recovery of capital investment costs is usually recovered more rapidly than would be allowed by the usual depreciation methods which other industries are required to use. Thus, percentage depletion confers two benefits: deductions about 19 times in excess of actual costs, and accelerated deductions of initial costs.

It is also remarkably inefficient. The Treasury Department estimated in its study:

The Federal Government is paying, in tax benefits, about \$1.6 billion for resources which the market values at \$0.15 billion.

In effect, we are paying over \$10 for every \$1 in additional oil reserves.

But, says the oil industry:

If we eliminate the depletion allowance our reserves will disappear and we will become dependent upon those who control middle eastern oil.

The Treasury Department analysis indicates that this is just not true. If the depletion allowance were completely eliminated, the Treasury Department report estimates that instead of a 12-year oil reserve we would only have an 11-year reserve. Surely, this is enough time to compensate for any conceivable interruption of our oil supply.

Finally, I might add, the depletion allowance feeds the fires of inflation. We saw, just a few months ago, how the oil companies raised their prices for crude oil in order to get a larger depletion allowance and thus hide more of their income from taxation.

The intangible expensing provisions of the tax code are also extraordinary because they permit the immediate tax-free recovery of most of the costs of exploring and drilling for oil. Other industries can only recover their capital investments over the approximate life of the capital equipment. For example, a farmer in Wisconsin who buys a tractor can only recover his capital investment in it over a period of years as the tractor wears out. If, however, he had enough money to invest in oil exploration and drilling, he could recover his capital investment in 1 year.

As a matter of fact, the American consumer does not even get the benefit of the lower oil prices that he should from these tax subsidies. Theoretically, the oil depletion allowance, intangible expensing, and all the other tax loopholes benefiting the oil industry, are subsidies paid for by the American taxpayer in increased taxes and should result in lower oil prices. Yet, the anachronistic State market proration laws—which forbid the oil companies in Texas or Louisiana to pump at more than 50 percent of capacity, and, as a matter of fact, Texas just cut their allowable pro-



duction of 400,000 barrels for July, because that is all the oil companies wanted to buy—keep the price of oil at artificially high levels and thus deprive the taxpaying consumers of the lower prices they should be getting.

I can think of no better way to sum up the deficiencies of these tax provisions than by quoting from the Treasury Department's tax study which I mentioned before:

Percentage depletion is a relatively inefficient method of encouraging exploration and the resultant discovery of new domestic reserves of liquid petroleum. This is in part due to the low sensitivity of desired reserve levels to the price subsidy represented by percentage depletion, and in part to the inefficiency of the allowance for this purpose, since over 40% of it paid for foreign production and non-operating interests in domestic production.

The report went on to note, and I think this is very significant, because the report is the first impartial analysis of the cost of oil's special tax privileges to the American taxpayers—

The investigations reviewed during the course of the study were in substantial agreement that the current situation was one of economic inefficiency, and that any changes were almost certain to be beneficial to the economy in the long run.

Let me repeat that:

Any changes were almost certain to be beneficial to the economy in the long run.

There are so many changes, Mr. President, downward in which the depletion allowance would be reduced.

#### INCONSISTENT

Although the supposed justification for all of oil's tax loopholes is the alleged need for more incentives to explore for domestic sources of oil, our tax policy is contrary to such a goal, because it gives greater incentives to explore in foreign countries than here at home. This seems unbelievable, but it is true.

Royalty payments which are disguised as taxes to foreign countries, particularly in the Middle East, the area which is most likely to cut off our supplies of foreign oil, are credited against U.S. taxes owed. This means that every dollar paid by the oil companies to these foreign countries in disguised royalty payments is \$1 less they owe to the U.S. Government. Yet, such payments here in the United States are only deductible from ordinary income, not from the amount of taxes owed by the companies.

The American consumer and taxpayer is being taken both ways. Not only is he bearing a great part of the oil industry's fair share of the tax burden, because of these great tax incentives to explore abroad, but he is also prevented from benefiting from all this inexpensive foreign oil, because the oil import program limits the amount of the inexpensive foreign oil that can enter the U.S. market. All this is done in the name of "national security."

Surely, this type of thinking could not pass the muster of any rational man. The only reason that the over \$1.6 billion in taxes is being spent this way is that Congress has not really reviewed the oil tax situation since 1926, when the depletion allowance was set at its present level. This is the great fault of tax credits.

They are not subject to continuing scrutiny and justification. They grow and imbed themselves in our economy until any connection with their original rationale is purely coincidental.

Surely, Congress can devise some much cheaper way to provide for a secure source of oil during emergencies. Between the oil import program and all of oil's tax loopholes, the American consumer and taxpayer is being forced to subsidize the oil industry by over \$7 billion a year. It is unbelievable that we cannot devise a much cheaper and more effective way of protecting ourselves from emergency interruptions of our oil supplies.

#### WASTEFUL

Because all these special tax privileges have riddled the economic fabric of our country, gigantic sums of scarce capital have fallen through these loopholes and been wasted. I have already touched upon this point before and do not wish to belabor it, but I do wish to point out the findings of one of our leading tax experts, Arnold Harberger. Writing for the Joint Economic Committee in its study entitled "Federal Tax Policy for Economic Growth and Stability," he indicated that it takes about \$2 worth of capital investment in oil exploration to produce as much product as \$1 of capital invested in other industries. This, in effect, confirms Professor Mead's statement about the uneconomic conditions in the oil industry because of the oil loopholes. As a matter of fact, Professor Adelman of MIT estimates that if these economic inefficiencies which are encouraged by our tax laws could be eliminated, the price of oil could drop by as much as \$1 a barrel. Professor Steele of the University of Houston went even further. He indicated that about 95 percent of our present output would still be produced if the price of oil dropped from its present level of about \$3.50 a barrel to \$2 a barrel.

How can we encourage these uneconomic conditions in the name of "national security"?

#### UNFAIR

Our tax policy is supposed to be fair. Fairness in taxation means two things: First, taxpayers with similar incomes should pay similar taxes, and second, persons with higher incomes should be taxed more heavily than persons with lower incomes.

Our tax policy so far as oil is concerned is not fair to the American taxpayer. Those taxpayers who derive their income from oil pay lower taxes, if any, than those who get their income from other sources. This is not fair. The source of the income should not make any difference as to the amount of taxes paid. Why should a person whose income is from wages or salary have to pay more in taxes than someone who gets his income from oil?

Second, all the oil tax loopholes allow many high-income taxpayers to escape from paying taxes or from paying their fair share of taxes. This was pointed out dramatically by former Secretary of the Treasury, Joseph W. Barr, in testimony before the Joint Economic Committee. One hundred and fifty-five individuals with adjusted gross incomes

exceeding \$200,000 in 1967 paid no Federal income tax.

Now, I do not claim that all these 155 individuals with incomes over \$200,000 who did not pay any Federal taxes relied exclusively on the oil tax loopholes to escape taxation; but I do say the oil tax provisions are one of the most important loopholes through which this income escaped taxation.

I think that we in Congress should also pay close attention to the statement of Henry H. Fowler, Mr. Barr's predecessor as Secretary of the Treasury:

Under present law, 2.2 million families with incomes below the poverty level are required to pay Federal income taxes. . . . On the other hand, there are a sizable number of individuals with very high incomes who pay little or no income tax. Indeed, although the Federal income tax is designed and understood to be progressive, the fact is that many persons with incomes of \$1 million or more actually pay the same effective rate of tax as do persons with incomes only 1/50th as large.

How can we in Congress allow a system to continue which taxes 2.2 million families with incomes below the poverty level, yet allows people with incomes over \$200,000 a year to escape paying any taxes at all? Why should those below the poverty level be forced to pay the taxes that should be paid by the oil barons?

#### WE MUST DO BETTER

If I may quote from the Department of the Interior's study, "U.S. Petroleum Through 1980":

(Government) has sought to encourage discovery of oil and gas by favorable tax treatment, by limiting imports, by making public lands available for mineral leasing, and by regulating production to provide order and stability while avoiding the physical waste of resources. In doing so it has involved itself in matters of both supply and price.

We have achieved the goal stated by the Interior Department's report; we have encouraged the discovery of oil and gas. But at what cost?

The cost to the American consumer and taxpayer for just the oil import program and some of the tax loopholes is in excess of \$7 billion a year.

The justifications for such excessive costs are unconvincing.

I ask unanimous consent that articles by Patrick Young of the National Observer and Spencer Rich of the Washington Post be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit I.)

Mr. PROXMIER. Mr. President, both of these reporters are fine, hardnosed newspapermen beholden to no one and both of these reporters reached the conclusion that the oil industry's defense of its favored position has not been persuasive.

I cannot believe there is not a more efficient and less expensive way of providing for a secure supply of oil during emergencies than the present system. The cost of the present system has run away because its costs have not been visible. I can assure you that if Congress had to make a direct appropriation for such a program the costs would not be anywhere near \$7 billion a year. Certainly we need oil for our national security, but we need lots of other things

for our national security, too. One of these is a strong economy which does not waste its resources.

I think quite clearly that the oil industry should be placed on an even footing with other industries. The oil tax loopholes should be closed. This would go far toward quelling the impending "taxpayers revolt" by putting fairness back into the tax system.

To conclude, I think then we ought to find out, as the Shultz study of the oil import program seems to be doing, what are our actual needs for oil during emergencies. We should then ascertain what is the most efficient, inexpensive way of assuring that supply. It might be a grant to develop the technology needed to produce oil from oil shale economically or it might be cheaper to discover oil pools on Federal land and then keep that oil in reserve until needed.

Whatever solution we decide upon, one thing is clear: The present privileged position of the oil industry must go.

#### EXHIBIT I

[From the National Observer, May 26, 1969]

#### THE UNIQUE STATUS OF AN INDUSTRY: HOW TAX BREAKS HAVE NOURISHED THE OIL BUSINESS

(NOTE.—This is the last of a series of articles that explore firsthand and in depth the oil industry's singular position and prerogatives in America today. The articles were prepared by staff writers August Gribbin, Michael Malloy, and Patrick Young and senior editor Edwin A. Roberts, Jr.)

In the late Nineteenth Century, the amassing of great wealth from oil was enhanced by the easy ethics of the age. In more recent times, many new oil fortunes have arisen and swelled, and they have swelled in fair measure because the industry enjoys an assortment of tax breaks that no other business can match.

#### Consider:

Atlantic Richfield Co. reported income before taxes of \$377,942,000 in the years 1965 through 1967, but the company paid no Federal income taxes.

Standard Oil of California reported income before taxes in 1967 of \$513,067,000 and paid \$6,000,000 in Federal corporate income taxes, or 1.2 per cent.

How can this be done? How is it possible to earn so much and pay little or no Federal income taxes? The answer is that the Federal tax structure provides a host of unusual tax sanctuaries for the oil industry.

These tax sanctuaries are related to the controversial Machiasport plan, by which Occidental Petroleum Corp. hopes to erect a huge refinery in the tiny town of Machiasport at the northeastern tip of Maine. The plan represents a sophisticated attempt to hurdle the Federal import quota system for oil. It is the import quota system, which was explained in detail in The National Observer of May 5, as well as restrictions on domestic production, which were examined in The National Observer of May 12, that combine with petroleum's special tax breaks to give the U.S. oil industry a unique status in the economy—and to force the American consumer to pay artificially high prices for many oil products.

It is this unique status that the battle over Machiasport has placed in the spotlight, and the industry is preparing to meet assaults from any direction.

#### CASH FOR CHANCY PROJECTS

Uncommon tax advantages provide the industry with an uncommonly large cash flow, which the industry argues is required for its gigantic and often chancy operations. What are these tax advantages?

Take a look at the more important ones:

#### Percentage depletion

Oil and natural gas well operators may deduct 27.5 percent of the gross revenues of each property before paying taxes, unless this figure totals more than 50 percent of the net income of the property before deducting the depletion allowance. Thus, if gross revenues on a property total \$100,000, the producer may take \$27,500, before figuring his taxes, so long as the net income of the property after expenses is \$55,000 or more. If however, the net income was, say, \$50,000, the producer would be limited to 50 per cent of that, or \$25,000.

#### Intangible drilling costs

These include such costs of developing a producing well as wages, fuel, repairs, hauling supplies, and other expenses that do not have a salvage value. These "intangibles" may be deducted from gross revenues the first year. Similar expenses incurred by other manufacturers must be capitalized and written off over a number of years.

#### Foreign tax credits

U.S. companies operating abroad may claim credit for taxes paid to foreign governments on nearly a dollar-for-dollar basis. Thus if a company owed \$75,000 to Uncle Sam on its profits earned in, say, Saudi Arabia and had paid \$80,000 in taxes to the Saudi Arabian government, the foreign-tax credit would eliminate the taxes on that operation due the U.S. Treasury. Critics, however, say that taxes paid Middle East governments by U.S. oil companies are based on artificial prices, and that some of these taxes should be treated as expenses of doing business and should not be allowed to fully wipe out the companies' U.S. tax debt.

#### Western Hemisphere trade deduction

This provision allows U.S.-owned companies doing 95 per cent of their business outside the United States but within the Western Hemisphere to a special deduction in figuring their Federal taxes. In effect, it reduces the tax rate by 14 points, currently from 52.8 per cent to 38.8 per cent. This is done before any foreign tax credits or depletion allowances are taken. It is a provision that mostly favors companies in the business of extracting minerals. Like oil.

These sanctuaries are used in combination with still other advantages. An example will indicate what a resourceful accountant might do for his oilman client.

Assume the oilman drills a well that costs \$100,000 and produces gross revenues of \$100,000 in its first year. Between 75 and 90 per cent of his expenses will be intangible drilling costs, which can be written off in the first year. These include rental of a drilling rig and the salaries of crewmen. Assume intangible costs of \$80,000 and production costs of \$5,000. The gross income of \$100,000 minus \$85,000 in intangibles and production costs would leave an income of \$15,000.

But he would not pay income taxes on \$15,000; he would pay them on \$7,500.

Here's why: The depletion allowance for oil and gas is 27.5 per cent of the gross income, but this may not exceed 50 per cent of the net income of the property. In this example, the depletion allowance equals \$27,500. But the oilman, because of the 50 per cent limit, could claim only \$7,500 in depletion. If he chose this method, therefore, the oilman would have a taxable income of \$7,500.

The next year, however, assuming again a gross revenue of \$100,000 and production costs of \$5,000, the oilman could take his full percentage depletion allowance of \$27,500 and his taxable income would be \$67,500.

But a technique known as "carved-out production payments" would save the operator many tax dollars. In his first year of operation, the oilman's intangible costs limited the amount of depletion he could claim to \$7,500. But if he sold his second

year's production in advance—that is, during his first year of operation—he would have a first-year gross income of \$200,000. And a gross income of \$200,000 minus intangibles and production costs of \$85,000 would result in a first-year net income of \$115,000.

The percentage depletion allowance would equal \$55,000 (27.5 per cent of \$200,000) and the oilman would not have reached the limit of 50 per cent of net income, or \$57,500. Thus, although his gross income for the first year was \$200,000, he would have a taxable income of only \$60,000.

There is yet another aspect of this device. Since the oilman has already received payment for the oil he produces in his second year of operation, he will have no income at all in his second year. But he will have production costs of \$5,000, which he can then report as an operating loss. And so, he will be able to claim a tax refund from the Government on this "loss" by carrying it to earlier years without affecting his depletion allowance, or by applying the "loss" to income from other sources.

The net effect of this maneuver is that the oilman would have taxable income—after selling the production payment—of \$60,000 in the first year and minus \$5,000 in the second year. Without the sale of the production payment, his taxable income would be \$7,500 in the first year and \$67,500 in the second year. The sale of the production payment thus reduces his taxable income for the two years by \$12,500.

There is another form of production payment called the "ABC deal." It does not lend itself to simple explanation, but perhaps a sample offered in a U.S. Treasury Department report makes the effect sufficiently clear.

"In a recent ABC transaction," reports the Treasury Department, "a major oil company purchased all the coal properties of another corporation, subject to a reserved production payment of \$460,000,000 payable out of a large percentage of the net profits to be derived from the operation of the coal properties by the buyer. Under present rules, the buyer excludes from income the \$460,000,000 of profits derived from its operation of the coal properties and paid over to the holder of the production payment."

"This feature alone represents a Federal income tax saving to the oil company of approximately \$175,000,000 over the payout period, or an annual tax saving of between \$10,000,000 and \$18,000,000 per year depending on the actual length of the payout period. (It was estimated that it would take 7 to 16 years to discharge the production payment out of profits derived from the operation of coal properties.)"

"In addition, all of the costs of mining the coal used to discharge the production payment were deducted by the buyer even though it capitalized those costs on its books as a cost of acquiring the coal properties."

The Treasury says that in 1966, ABC transactions totaled \$1.85 billion (for all extractive industries) and resulted in a loss of revenue to the Federal Government of \$85,000,000. Carved-out production payments totaled \$540,000,000 in 1966—up from \$214,000,000 in 1965—and cost the Federal Government \$70,000,000 in revenue.

#### FROM THE JOHNSON YEARS

These figures are taken from reports issued by the Treasury Department during the Johnson Administration; the reports included a long list of tax-reform proposals. They make up four volumes titled *Tax Reform Studies and Proposals U.S. Treasury Department*. The first three volumes are Treasury Department studies. The fourth is an examination of tax provisions affecting the oil and gas industry, prepared for the Treasury by the CONSAD Research Corp. of Pittsburgh.

Neither the Johnson nor Nixon administrations has endorsed the far-ranging reforms sought by Treasury specialists. But



the reports were sent to Capitol Hill and released jointly by the House Ways and Means Committee and the Senate Finance Committee.

Included in the Treasury's reports is this comment:

"In effect, the price of crude oil in the United States is being underwritten by import controls, by state controls on production, and by favorable tax provisions. . . ."

The oil industry's tax advantages affect not only its less privileged competitors but the whole national economy as well.

The CONSAD report states: The oil and gas producing industry accounts for about 1.5 per cent of the Gross National Product. [Reckoned at an annual rate of \$93.4 billion in the first quarter of 1969.] By most conventional standards it is not a highly concentrated industry, but with so enormous an output, each of the largest firms is a giant in the economy. The five top domestic producers together account for 20 per cent of the output, the top 20 for 50 per cent.

According to the U.S. Bureau of Mines, the value of crude oil at the wellhead in 1967 was \$9.4 billion, and the value of natural gas was \$2.9 billion. The value of natural gas liquids, liquid fuels extracted from natural gas, was \$1.2 billion. The value of products shipped from U.S. refineries in 1967—the latest year for which figures are available—was \$20 billion.

The oil industry concedes that it is very big and very important. Indeed, its size and essentiality are often cited by industry spokesmen to defend its preferential treatment by the tax laws, just as they are cited to defend the import quota system and state-enforced controls on domestic production. What the industry prefers not to emphasize are industry profits.

Consider some statistics contained in the "Monthly Economic Letter" for April of this year, published by the First National City Bank of New York City. A survey of 2,250 manufacturing companies, divided into 41 categories, showed a net income in 1968 of \$26 billion. Ninety-nine oil producing and refining companies had a total net income last year of \$6.1 billion, or almost 25 per cent of the after-tax earnings of the entire list of 2,250 companies.

Significant, too, is the percentage of return on sales, also calculated in the First National City Bank study. Fifty-five aircraft and space companies had a return of 2.8 per cent. Eleven auto and truck manufacturers had 5.8 per cent. Ninety-two printing and publishing firms recorded a return on sales of 6.2 per cent.

The 99 petroleum companies? They enjoyed a return on sales of 9.0 per cent. Only the drug industry scored higher, with 42 drug makers reporting a return on sales of 9.5 per cent.

The oil industry, however, does not place as much importance on these figures as it does on those that reflect its rate of return on investment. And, indeed, the First National City Bank reports that the average rate of return on net worth for the 2,250 companies surveyed was 13.1 per cent in 1968, up from 12.6 per cent in 1967. The 99 oil companies, however, had a return on net worth in 1968 of 12.9 per cent, compared with 12.8 per cent in 1968. So in terms of return on investment, the oil industry is slightly below the national average.

Some oilmen, moreover, say the difference is greater than it seems because the figures do not reflect what it actually costs to replace extracted oil.

"If oil companies figured in what it is costing them to replace their oil, it could cut their return on investment by one-half," declares Minor Jameson, Jr., executive vice president of the Independent Petroleum Association of America.

It is at this point that the debate over preferential tax treatment for the oil in-

dustry approaches the heart of the matter. Most independent economists have a ready answer for Mr. Jameson.

Prof. Walter J. Mead, professor of economics at the University of California, Santa Barbara, told the Senate subcommittee in March of this year:

"The effect of favored tax treatment is to reduce tax costs for oil companies relative to firms in other industries. These measures taken together substantially raise the expected after-tax profit rates on oil industry exploration and development investments in what would otherwise be submarginal uses of scarce capital. Investment in petroleum exploration and development is indeed expanded to the point where the after-tax return is approximately equal to that which may be obtained on alternative uses of capital. . . ."

"Oil industry spokesmen have defended their various subsidies with the question, 'If we receive all the subsidies which our critics allege, why is our rate of return on invested capital not substantially higher than other nonsubsidized industries?' The answer to this question is that a subsidy will raise the profit rate at the point in time at which it is conferred.

"Its effects, however, are eroded away with time as producers react to their more profitable situation by expanding into otherwise submarginal areas. This expansion leads to a decline in the rate of return toward a normal yield and to resource misallocation as well."

And here Professor Mead adds an interesting observation in the light of the industry's particularly visible troubles earlier this year.

"The oil spillage case in the Santa Barbara Channel is directly related to the subsidy system. Leases were purchased and drilling occurred in the California offshore area because such operations were made profitable by the subsidy legislation. Under free market conditions, oil prices would be substantially lower, tax costs substantially higher in the oil industry, and the profit inducement to buy leases in the Channel would probably be lacking.

"To develop oil from such sources is to use up more economic value than is produced. In addition to this probable waste of resources, we have the external cost (aptly called 'spillover costs' even before this oil spillage case) of environmental pollution."

Oil industry spokesmen speak frequently about domestic taxes paid as a percentage of gross revenue. The Petroleum Industry Research Foundation, for example, recently published a report showing that the industry paid 5.1 cents on each dollar of gross revenue in 1964 and 1965. This includes Federal, state, and local taxes, but excludes state and Federal product taxes. The study showed all business corporations paid an average of 4.5 cents on each dollar of gross revenue.

#### THE ACCENT ON GROSS

So, set forth in these terms, the oil industry pays six-tenths of a cent per gross-revenue dollar more than the average of all industries.

But the comparison is in gross revenue, and does not take into consideration the cost of doing business. Thus if a company doing \$10 billion a year volume had business costs of \$9 billion, it would probably pay less in taxes than a \$10 billion-a-year business with costs of \$5 billion. The oil industry's ratio of expenses to gross revenue is lower than that of many other industries.

The oil industry contends that in 1966 it was responsible for \$10.5 billion in taxes. Testifying before the House Ways and Means Committee, M. A. Wright, chairman of Humble Oil, a subsidiary of Jersey Standard, declared:

"Aggregate tax payments on oil industry operations in 1966 were \$10.5 billion, includ-

ing \$8 billion of excise and sales taxes on oil products. These payments provided 5 per cent of all receipts of the Federal, state, and local governments."

But that \$8 billion Mr. Wright refers to was not paid by the oil companies. It was paid by, among other customers, the motorists who buy gasoline at the industry's thousands of filling stations.

Now consider data from the Treasury's tax-reform study, which shows "estimates of the effective tax rates actually paid by corporations, as a group and for several industries." Here are the 1965 figures on "actual (Federal) tax on total net income:"

#### [In percent]

All industries.....	37.5
Petroleum.....	21.1
Other mineral industries.....	24.3
Lumber.....	29.5
Commercial banks.....	24.4
Other manufacturing.....	43.3

Only mutual savings banks (5.3 per cent) and savings and loan associations (14.5 per cent), among the categories considered, had lower effective tax rates than the oil industry.

Oilmen contend the price of gasoline has been remarkably stable in a period of general inflation. But, according to the Oil and Gas Journal of April 14, 1969, the average price of regular gasoline—excluding taxes—has increased 7.4 per cent since April 1968, and 5.9 per cent since the last week in December 1968.

Its many tax privileges give the oil industry tremendous cash flows and thus very great financial leverage. Some critics argue that this gives oil an unfair advantage over competing industries. But the industry insists the nature of its business requires that heavy cash flow.

"It is essential because so much of our investment is such high risk that it isn't bankable," says John J. Scott, general counsel of Mobil Oil. Mr. Scott cited as an example Mobil's operations in Venezuela. Prior to and during World War II, Mobil invested between \$45,000,000 and \$50,000,000 in that country before getting any return on its investment. "If we did not have the cash flow, we could not have done it," Mr. Scott says.

What would happen to the industry's oil reserves if the depletion allowance and deductions for intangibles were eliminated?

Frank N. Ikard, president of the American Petroleum Institute, offers this reply:

"I can tell you one thing that is spectacular: The size of the investment in exploration and development the industry is going to have to make to meet the needs of the American people over the next 15 years. As a rough estimate, domestic oil exploration and development outlays will have to be increased about 50 per cent. This means going from a little less than \$4.5 billion annually up to somewhere around \$6 or \$7 billion. An industry that has to make such a big boost in its spending has to make profits to do its job."

Some industry sources say oil needs more tax breaks, not less. Harold M. McClure, Jr., president of the Independent Petroleum Association of America, cited figures before the House Ways and Means Committee that showed a 40 per cent reduction in the number of wildcat test wells drilled in 1968 compared with the number drilled in 1956.

"It should be recognized," said Mr. McClure, "that part of these decreases can be attributed to wider well spacing and increased efficiencies in all phases of drilling and producing operations."

It's interesting that Mr. McClure should use the year 1956 as a comparative figure for 1968 drilling operations. Says the CONSAD report: "The number of wells being drilled reached a peak in 1955-56, but has since declined steadily back to its 1949 level, over 30 per cent below the peak."

Mr. McClure told the senators further: "To re-emphasize the degree of risk, only

2 out of every 100 new field wildcats drilled are likely to find a field large enough to be profitable. . . . To sum up the situation as to incentives for petroleum exploration and development in the United States, there is an obvious need for more—not less—economic stimuli." A wildcat is an experimental or exploratory well.

Mr. McClure uses the term "economic stimuli." In the oil business there are stimuli within stimuli. It is not only the major tax privileges themselves that benefit the industry; it is also the accounting involutions that they make possible. A good example of such an involution can be found in the uses to which the depletion allowance is put.

Simply stated, oil companies shift expenses, for tax purposes, to the wellhead, where depletion may be claimed, from refinery or transportation costs that do not qualify for this deduction.

In a Senate speech recently, Sen. William Proxmire, Wisconsin Democrat and critic of oil-industry privileges, described the answers he received from the Interior Department to questions he had posed:

"Apparently," said Senator Proxmire, "Interior had made an analysis which demonstrates that integrated companies shift income from refining and marketing to oil production in order to minimize tax liabilities by maximizing percentage depletion. This analysis is correct as was shown by Texaco's recent action in increasing the price it would pay for crude oil by 20 cents a barrel.

"Since Texaco produces most of the crude oil it refines, the increased cost on the 11,000 net barrels a day it buys from outsiders will be more than offset by the larger depletion allowances it will claim on the oil which it sells to itself. Apparently, Texaco felt the 1.9 per cent of its income paid in Federal income taxes in 1967 was too high."

While Senator Proxmire singled out Texaco as an example, that company is hardly alone in taking advantage of the tax laws as they are on the books.

One of the laws on the books permits oil companies to deduct from their U.S. tax obligation the income taxes they pay to foreign governments. To get as much revenue as possible from the oil companies, oil nations in the Middle East and elsewhere base their tax schedule on "posted prices," which are set arbitrarily and are almost always higher than the actual price the companies get for their oil.

The result is that American companies must pay foreign governments more in taxes than they would if the taxes were figured on the true price for which oil can be sold. Thus, a portion of the foreign tax is considered by many critics as not a tax but a royalty. Therefore, so the argument goes, U.S. companies should be permitted to deduct from their U.S. taxes only that part of foreign taxes that are truly taxes. The other part, which would be considered as royalties, would then be figured as just another business expense.

The oil companies, who are being overcharged by foreign governments, don't like the system of posted prices any more than the U.S. Treasury Department does, but they say there's nothing they can do about it.

The House Ways and Means Committee has about two dozen bills of various sorts that deal with reforming the tax structure as it affects oil. One House bill would eliminate entirely the depletion allowance as it relates to foreign wells; Maine's Edmund Muskie has introduced a similar bill.

Rep. Henry Reuss, Wisconsin Democrat, has introduced a major tax reform package, one section of which would drop oil and gas depletion allowances, presently 27.5 per cent, and allowances for 41 other minerals, presently at 23 per cent, down to 15 per cent.

In introducing his bill on Jan. 29 of this year, Mr. Reuss told the House: "Ideally,

percentage depletion should be replaced with cost depletion. But since we are not living in an ideal world, this title provides only that the oil depletion allowance be reduced by less than one-half, from 27.5 per cent to 15 per cent, the percentage now applicable to over 40 other minerals."

Mr. Reuss and his supporters are not overly optimistic about changing oil's depletion allowance, especially now that President Nixon has reiterated his support of the allowance as it stands.

Nevertheless, says Mr. Reuss, "There is a general sentiment among taxpayers that they are getting a little depleted too."

In the American system of making law, it is far easier to establish prerogatives than to abolish or reduce them. To the beneficiary, preferential treatment becomes first a comfort, then a custom, and finally a necessity. And the progression can be carried still one step further. What of the nation's best interests? The late Sam Rayburn wasn't the only friend of oil to know when to turn solemnly and face the American flag.

#### THE DEPLETION ALLOWANCE

The 27.5 per cent depletion allowance for oil and natural gas is probably the best known of all business tax exemptions. Here's how it came to be:

The Sixteenth Amendment, which became effective on March 1, 1913, made it legal for Congress to assess income taxes. The Revenue Act passed on Oct. 3, 1913, provided that in computing income subject to taxation,

THE TAXES COMPANIES PAY—FEDERAL CORPORATE INCOME-TAX PAYMENTS FOR 1967 OF THE NATION'S 15 LARGEST OIL REFINERS

Name	Net income before tax	Federal tax	Percent	Earnings after all taxes
Standard (New Jersey).....	\$2,098,283,000	\$166,000,000	7.9	\$1,232,283,000
Gulf.....	955,968,000	74,142,000	7.8	578,287,000
Texaco.....	892,986,000	17,500,000	1.9	754,386,000
Mobil.....	594,593,000	26,900,000	4.5	385,393,000
Standard (California).....	513,067,000	6,000,000	1.2	421,667,000
Standard (Indiana).....	366,847,000	74,021,000	20.2	282,250,000
Shell.....	342,022,000	44,940,000	13.1	284,849,000
Phillips.....	227,766,000	52,255,000	22.9	164,015,000
Conoco.....	241,362,000	30,031,000	12.4	148,962,000
Cities Service.....	165,289,000	32,347,000	19.6	127,837,000
Union.....	163,820,000	10,400,000	6.3	144,963,000
Sun.....	146,946,000	24,700,000	16.8	108,576,000
Atlantic.....	145,259,000	(1)	0.0	130,005,000
Marathon.....	138,520,000	3,700,000	2.7	73,858,000
Getty.....	132,762,000	3,687,000	2.8	118,166,000
Total.....	7,125,490,000	566,623,000	8.0	4,955,497,000

1 None.

Source: Oil Week.

[From the Washington (D.C.) Post, June 9, 1969]

#### OIL INDUSTRY LASHES BACK AT CRITICS

(By Spencer Rich)

The oil industry, under sharp attack by economists before a Senate subcommittee for a system of subsidies that may cost the public anywhere from \$2.7 billion to \$7 billion a year, got in some whacks of its own at hearings over recent weeks.

But the industry failed to answer several of the most damaging charges leveled by earlier witnesses. Its case for continuation of at least some lush benefits must be rated as plausible but not yet quite convincing.

The basic outlines of the dispute are well known by now. The industry enjoys a number of tax benefits—including a depletion allowance and the overseas tax credit—that are available in equal measure to no other industry.

The net benefit to the industry in taxes saved as a result of these special provisions may be as much as \$2 billion a year.

In addition, an import quota system started in 1959 limits total annual imports to about one-fifth of the 5 billion barrels of oil consumed in this country annually.

More important, it keeps low-cost Middle Eastern crude oil, which could be sold at \$2 a barrel delivered to the Eastern Seaboard,

producers of ores and all other natural deposits could claim a depletion deduction not to exceed 5 per cent of the gross value of the output at the mine or well.

In 1916 the law was changed, removing the limitation, but specifying that the total depletion allowable over the life of the property could not exceed the capital originally invested, or, if the purchase of the property was made before March 1, 1913, the fair market value as of that date.

A second provision was introduced in 1918 allowing "discovery value depletion." The estimated discovery value was substituted as the value to be amortized for all wells found after March 1, 1913. It wasn't until 1926 that discovery value depletion was replaced by today's system of percentage depletion for oil and natural gas.

Under the 1926 law, any oil or gas producer, or anyone with a financial interest in a well, can deduct 27.5 per cent of his gross income realized from the sale of oil or gas, but this must not exceed 50 per cent of the net income of the property.

Why 27.5 per cent? Because the House of Representatives wanted the figure to be 25 per cent and Senate wanted 30 per cent. The 27.5 per cent figure for oil and gas is the highest depletion allowance; other minerals receive smaller allowances. Metals, for instance, qualify for 15 per cent.

The U.S. Treasury Department reports that, on an average, petroleum producers recover 19 times the cost of their producing wells through percentage depletion.

out of the country except in quota amounts.

Together with production limitations imposed by the states of Texas and Louisiana, which produce three-quarters of U.S. oil, the import system keeps the domestic price of oil delivered to the East Coast at nearly \$3.50 a barrel—or about \$1.50 more a barrel than the potential price of imported oil.

Economists estimated that as a result of this differential, the public pays anywhere from \$2.7 billion to \$7.2 billion more for its oil than would be the case if the world price of oil were in effect in the U.S.

Industry witnesses—including Harold McClure of the Independent Petroleum Assn., which represents smaller domestic operators, M. A. Wright of Humble Oil (Standard of New Jersey's operating subsidiary in this country) and Robert Dunlap of Sun Oil—justified this system as necessary to maintain U.S. national security.

Without the financial incentives provided by tax breaks and import barriers, they said, U.S. discovery and development of new domestic oil reserves would fall off and the U.S. would soon be dependent upon foreign nations for an unacceptably large portion of its supplies. This would make it vulnerable to diplomatic blackmail, they contended.

Wright of Humble estimated that with continued import barriers, relaxed slightly to



allow more foreign oil in as U.S. needs increased this Nation would be able to supply 82 per cent of its needs from domestic sources by 1985. With import controls removed, he said, the figure would drop to 46 per cent, which he said was too low for national security.

Sen. Philip A. Hart (D-Mich.), who presided over the hearings as chairman of the Senate Antitrust Subcommittee, kept digging into this argument at different vulnerable spots, as did some of his staff members. By the time the latest innings were over, he had succeeded in considerably reducing its cogency.

For example, Hart kept going back to the potential of the nation's huge known reserves of oil shale, which contain at least 600 billion barrels of potentially recoverable oil—over 100 years' supply. The shale, located mainly in Colorado, cannot now be converted into oil at a commercial price and for this reason industry spokesmen pooch-pooched it as a possible national security reserve.

But they did not really answer the point Hart seemed to be making: the shale is there and if we knew how to convert it we could save a substantial amount of spending on new exploration for well oil. Why not allow much more imported oil into the country, save a few billion dollars a year and devote a portion of that to cracking the problem of making the shale convertible into oil at a competitive price?

Interior Secretary Walter J. Hickel has estimated it would cost \$1 billion to achieve a research and development breakthrough on shale. But even if it cost five times that figure, it would still be equal to only a single year's added costs resulting from oil import barriers. The same argument goes for efforts to convert the Nation's massive coal reserves to oil and gas. The Interior Department is spending only \$13 million this year on research on shale and coal liquefaction and gasification.

Hale and his chief economist, Dr. John Blair, also kept bringing up the problem of tax incentives to domestic exploration, and the industry never answered.

If the purpose of the whole system of tax breaks and import barriers is to provide U.S. companies with incentives to devote money to exploring for oil here, then why keep in existence tax benefits that encourage money to be diverted into overseas discovery?

About 25 per cent of depletion allowances claimed by U.S. companies covers overseas holdings. In addition, U.S. law permits oil companies to subtract—dollar for dollar—from their U.S. taxes any taxes paid to foreign governments.

Royalties can only be deducted from taxable income, but taxes can be taken directly off the tax bill in the full amount paid.

One apparent result is that a very high proportion of total charges to U.S. companies by foreign governments are classified as "taxes" by those governments, while a much smaller portion are called royalties.

Another unanswered question is just how much security the U.S. is actually buying. Nobody seemed to have any hard figures—worked out on a gallons a day basis for various activities—on how much oil the U.S. really needs to protect its welfare. Must it really be 80 per cent? Or could it be less?

Industry witnesses conceded that at present rates of discovery and increasing demand, the U.S. will be increasing its imports over the next generation anyhow. The inference of industry critics was obvious—why not increase them a little faster and save all that money by getting a bit more low cost foreign crude now?

The exact character of the national security problem was also a little vague. Wright of Humble appeared to concede at one point that it was not really possible to insist that

domestic production remain high in order to plan for nuclear war.

That kind of situation would alter conditions so radically that normal calculations of oil need would probably be meaningless.

But then, Sen. Edward M. Kennedy (D-Mass.) indicated, it would be a whole new ball game. In anything short of an all-out war, he argued, at least some U.S. supplies from abroad would be available: from Canada, Venezuela and Caribbean nations, which now supply the U.S. with nearly all its imports; or from one of the many new producers whose desperate race for markets is flooding the world with oil and causing what appears to be a long-term downtrend in oil prices everywhere but in the United States.

The Hart hearings are now recessed and the dispute is moving to a new arena. In about a week and half, the Cabinet Committee on Oil Imports, headed by Labor Secretary George P. Schultz, will begin receiving documents arguing for and against the present import program. It is to come up with recommendations on the future of the program in six months.

Mr. PROXMIER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk pro-will call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### S. 2501—INTRODUCTION OF A BILL TO PROVIDE 50-CENT-PER-BUSHEL WHEAT EXPORT MARKETING CERTIFICATES

Mr. BURDICK. Mr. President, the parity price of wheat is now \$2.76 a bushel, yet as an average, farmers received only \$1.28 a bushel for cash wheat they sold last week.

In the past year prices paid by farmers for production supplies, interest, and taxes have gone up sharply. Yet wheat prices are lower than a year ago.

Clearly grain producers are suffering a severe cost-price squeeze. And it is getting worse, rather than better. It is for this reason that I am today introducing a bill to provide a 50-cent-per-bushel export certificate for the 1969 and 1970 crops of wheat.

Mr. President, cooperating wheat producers received a blend price for their 1968 wheat of approximately \$1.80 a bushel—taking into account the domestic marketing certificate payments and market prices received. This is only 65 percent of parity—two-thirds of a fair price for wheat today with the cost of everything a farmer buys skyrocketing.

We should export 500 to 600 million bushels of wheat annually for the next several years. A 50-cent-a-bushel export marketing certificate would increase wheat producers' incomes \$250 to \$300 million at no additional administrative cost to the Government.

If such a wheat export marketing certificate were added to the present domestic wheat marketing certificates, producers should receive a blend price of about \$2.20 a bushel for their 1969 and 1970 crops of wheat. Several years ago a blend price of \$2.20 a bushel would have

been considered a good price for wheat. However, farmers' costs have increased so rapidly in recent years that a blend price of \$2.20 a bushel represents only 80 percent of parity for the 1969 and 1970 crops of wheat. Surely this is a very minimum price goal for the producers of this essential food.

Mr. President, North Dakota farmers harvested 213,867,000 bushels of wheat in 1968.

Assuming that 1969 and 1970 wheat crops in North Dakota approximate the average production of 1967 and 1968, we should obtain a crop of around 200 million bushels. If we assume that exports continue at approximately the same level as in the 1968-69 season, this would mean that about one-third or more of our production would qualify for the export certificate payment. Hence, the total additional income to North Dakota farmers would be something like \$30 to \$35 million, or even more if the export market improved.

Mr. President, grain farmers this year continue to be faced with the lowest returns in years, and the outlook for improvement is bleak. I believe Senators who are familiar with the conditions of our wheat producers will agree with me that they must have relief.

I ask unanimous consent that the text of the bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested by the Senator from North Dakota.

The bill (S. 2501) to provide for a 50-cent-per-bushel export marketing certificate on wheat for the 1969 and 1970 crops of wheat introduced by Mr. BURDICK, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

#### S. 2501

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 379c (a) of the Agricultural Act of 1938, as amended, is amended by striking out the fifth and sixth sentences and inserting in lieu thereof the following: "The Secretary shall also provide for the issuance of export marketing certificates to eligible producers for the portion of the wheat marketing allocation used for commercial exports, including exports under title I of the Agricultural Trade Development and Assistance Act of 1954."*

*Sec. 2. Section 379c (c) of such Act is amended by adding at the end thereof a new sentence as follows: "The face value per bushel of export marketing certificates issued to eligible producers shall be 50 cents per bushel."*

*Sec. 3. Section 107 of the Agricultural Act of 1949, as amended by Section 506 of the Food and Agriculture Act of 1965, is amended by adding at the end of paragraph (2) thereof a new sentence as follows: "The 50-cent-per-bushel export marketing certificate provided for under section 379 (c) of the Agricultural Adjustment Act of 1938, as amended, shall be in addition to any price support otherwise provided and shall be made available only to cooperators."*

*Sec. 4. The amendments made by this Act shall be effective with respect to the 1969 and 1970 crops of wheat.*

# ADJOURNMENT UNTIL MONDAY, JUNE 30, 1969

Mr. PROXMIER. Mr. President, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon on Monday.

The motion was agreed to; and (at 3 o'clock and 40 minutes p.m.) the Senate adjourned until Monday, June 30, 1969, at 12 o'clock noon.

## NOMINATIONS

Executive nominations received by the Senate June 26, 1969:

### DIPLOMATIC AND FOREIGN SERVICE

Joseph A. Greenwald, of Illinois, a Foreign Service officer of class 1, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development.

### U.S. CIRCUIT JUDGE

Ozell M. Trask, of Arizona, to be U.S. circuit judge, ninth circuit, vice a new position created under Public Law 90-347, approved June 18, 1968.

### IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

#### To be captain

Abate, Claude W., O97226.  
Abbott, Reginald S., OF109050.  
Abrams, Creighton W., OF102394.  
Adamick, Donald H., O99124.  
Adams, Donald L., Jr., O97375.  
Adams, John A., O97377.  
Adams, Joseph F., III, OF117974.  
Adams, Thomas L., Jr., OF114010.  
Adkins, Fred, OF100123.  
Ahrens, Alfred J., O98001.  
Alderman, Kenneth M., OF110162.  
Alexander, Franklin, O92872.  
Alger, Terrence F., O98575.  
Allan, William D., OF114013.  
Allen, Glenn R., O97380.  
Allen, Harold F., O98002.  
Allen, Michael B., O98577.  
Allen, Richard F., O98357.  
Allen, William A., O95420.  
Ailing, Edward H., O96814.  
Almaguer, Joseph A., O98578.  
Amato, James D., OF110238.  
Amlong, Thomas K., O98042.  
Anastas, John M., O98003.  
Andersen, Jerome R., O98579.  
Anderson, Calvin M., OF103794.  
Anderson, Carlton L., O98005.  
Anderson, Don W., O97382.  
Anderson, Edwin P., OF101182.  
Anderson, Francis E., O95193.  
Anderson, Lawrence, O98580.  
Andre, David J., O98007.  
Andreas, Charles M., OF104369.  
Andree, Martin E., OF109057.  
Andrews, Darlington, O96817.  
Andrews, Eugene S., O95423.  
Andrews, James H., O97383.  
Andrews, John W., OF114014.  
Andrews, William R., O98358.  
Angle, Thomas L., O97384.  
Anglin, John I., 3d, OF110166.  
Applebaum, Lawrence, O92878.  
Arbogast, Gordon W., O98581.  
Archibald, Robert C., O98819.  
Armogida, James A., O98582.  
Armstrong, David B., OF102400.  
Armstrong, Donald G., O98583.  
Armstrong, Lester F., O98360.  
Asbury, David L., O95425.  
Asbury, Lloyd T., O98584.  
Asmuth, George W., OF109848.  
Atkinson, Thomas J., OF113534.  
Aufderberg, Robert, O98013.  
Aune, Lawrence E., OF103360.  
Babb, Lawrence R., OF106488.  
Baer, James T., OF102401.

Bagby, Durwood R., O98585.  
Bahm, John F., Jr., OF106490.  
Bailey, Willard E., OF118930.  
Baker, Alfred W., O98014.  
Baker, Carter G., O98363.  
Baker, Richard C., OF114019.  
Baker, Robert F., O98302.  
Baker, Robert J., OF109063.  
Baker, Ronald B., O96309.  
Baker, Ronald W., O93397.  
Baker, Wardell G., OF105609.  
Balady, Salim J., O98349.  
Ball, Elwyn J., Jr., O96565.  
Ballantyne, Nathaniel, OF108103.  
Ballard, Clark T., O98586.  
Banks, Edgar, Jr., O98587.  
Barber, Duane D., O97386.  
Barnard, David A., OF109065.  
Barnett, Ronald V., O96821.  
Barrera, Fabricio, OF102806.  
Barrington, Jerald, OF114737.  
Barron, Max R., O98588.  
Barron, Nicholas, O98365.  
Barron, Robert C., OF114547.  
Barron, William M., O98366.  
Barry, Michael J., O98589.  
Bartee, William F., O97400.  
Bartlett, Leroy, O98590.  
Barylak, Bohdan A., O95431.  
Bassett, Byron E., O98590.  
Bassett, Sterling P., O98368.  
Battey, Bruce T., OF106052.  
Baucum, William N., O98591.  
Bauer, Frank L., O98369.  
Baumann, Bruce W., O98018.  
Baumgarten, John R., OF104372.  
Beach, Karl L., O98592.  
Beall, Raymond F., O97085.  
Bean, Roger K., O96566.  
Beatty, Norman E., O98593.  
Beauford, Richard E., O96313.  
Beck, Joseph W., O92912.  
Becker, Edward G., OF102811.  
Becker, James W., O97392.  
Beckett, George T., O97393.  
Beddingfield, Robert, OF110178.  
Beeman, Joseph R., OF117136.  
Beerthuis, Mark A., OF110179.  
Belcher, Bill G., OF102138.  
Belke, Richard A., O97790.  
Bell, Charles L., OF113145.  
Bell, Clarence D., Jr., O98020.  
Bell, David A., OF113542.  
Bell, Jerry L., OF116610.  
Bellamy, Mark L., OF110180.  
Benning, Robert M., OF109514.  
Bentson, Peter M., O98595.  
Benware, Marshall G., O97398.  
Berg, Earl E., OF113544.  
BETAQUE, Norman E., O98598.  
Bezner, Robert Z., O98372.  
Biddinger, Dennis C., OF106500.  
Bidorini, Edward K., OF100433.  
Biegler, Duane R., J., OF100239.  
Biggs, Henry D., O92939.  
Binns, Harvey L., III, OF109861.  
Bishop, Alexius O., O98022.  
Bisio, Carl A., O97402.  
Bitter, David D., O98023.  
Black, John R., O99132.  
Black, Wendell W., O96320.  
Blackgrove, Joseph, O98600.  
Blackwell, Eugene B., O98601.  
Blahnik, David G., OF113146.  
Blalock, Darrell N., OF117544.  
Blase, James W., O96322.  
Bleam, William D., O98024.  
Blevins, Andrew, O98025.  
Blouin, James O., Jr., O93151.  
Blue, James R., OF105627.  
Bobbitt, John F., OF113548.  
Bode, Donald D., Jr., O98376.  
Boehle, Robert J., O98603.  
Boice, William M., O98604.  
Bolen, William S., O97088.  
Bolling, George H., OF113550.  
Bolt, William J., OF105629.  
Bond, Gregg S., OF106505.  
Borden, Donald F., O97413.  
Bosma, Phillip H., O98606.  
Bossio, Donald J., OF117137.  
Boudreaux, John S., O96824.  
Bouley, Eugene E., Jr., OF110606.  
Bourne, Robert R., OF106063.  
Bouton, David A., O97058.  
Bowersox, Gary W., OF106506.  
Bowes, Robert S., III, O98607.  
Bowles, Dallas L., O98379.  
Boyce, Harry L., OF106507.  
Boyd, Wayne C., OF109048.  
Boyer, John F., Jr., OF113149.  
Boyett, Warren G., OF113555.  
Bradford, James C., OF104155.  
Bradford, John D., O99134.  
Bradshaw, James D., OF109865.  
Brady, Edward C., O98609.  
Brady, Noel P., OF117324.  
Brandenburg, Andrew, OF110965.  
Brandon, Lawson W., O98027.  
Brant, Arthur S., O98028.  
Brendle, Thomas M., O98610.  
Brennan, Thomas R., O98611.  
Bridwell, Charles E., OF106513.  
Briggs, Donald T., OF101181.  
Briggs, Joseph, O97419.  
Brinkley, Harley L., O99137.  
Broadwater, Terry W., OF102823.  
Brodie, Craig E., O97421.  
Brokovich, Michael, O98383.  
Brooks, Joseph H., OF101199.  
Brookshire, Carl W., O99138.  
Brookshire, Robert, O95450.  
Brothers, Donley W., OF105635.  
Broussard, Allen, O98384.  
Brown, Edward, Jr., O95451.  
Brown, Elwyn L., O98029.  
Brown, Gerald M., O98350.  
Brown, Henry T., OF117983.  
Brown, James L., OF109083.  
Brown, Jerry H., OF109084.  
Brown, Jesse E., OF114038.  
Brown, Kenneth N., O95458.  
Brown, Martin A., III, O92537.  
Brown, Noel A., O98614.  
Brown, Oren E., Jr., OF117140.  
Brown, Ralph P., O98615.  
Brown, Robert E., Jr., O98616.  
Brown, Robert L., O98626.  
Brown, Russell D., O97425.  
Brown, William R., Jr., O98617.  
Bruce, Robert, O98619.  
Brunner, Harry J., Jr., O97860.  
Brunson, Jackie L., OF108125.  
Bryant, Thomas, O98386.  
Bryson, Edward B., Jr., O96334.  
Buchheim, Steven O., O98620.  
Buffardi, Louis N., O98038.  
Bujakowski, Thomas, O97091.  
Bulger, John P., OF103805.  
Bunting, Josiah, III, O98040.  
Burdett, John C., OF100424.  
Burge, Marvin E., OF109088.  
Burke, Peter P., O98387.  
Burns, Frank L., O94225.  
Burroughs, Bruce G., OF106071.  
Busic, Len T., OF110193.  
Butler, Alvin L., O98041.  
Butler, Arthur H., OF109875.  
Butler, Dennis F., OF110622.  
Butler, Gary W., O96827.  
Butts, Melvin A., O97433.  
Byard, Danny R., OF114043.  
Byard, Johnny R., O99141.  
Byerley, Byron E., OF106531.  
Byrne, Donald G., O98622.  
Byrnes, James B., O97093.  
Byrns, John W., O98623.  
Caldwell, Harold E., O98624.  
Caldwell, Marion L., O98043.  
Campbell, Paul M., OF117144.  
Campbell, William H., OF114377.  
Cannallato, Vincent, O97437.  
Cannan, Patrick F., O97094.  
Cannon, Hoyt E., Jr., O98388.  
Capps, Larry R., O98625.  
Carey, Roland, O98389.  
Carey, Spencer V., OF104386.  
Cargile, Eugene D., O98626.  
Carlisle, Thomas R., O98044.  
Carlisle, Richard D., OF105642.  
Carlock, William C., O98620.  
Carlson, Robert L., O97440.  
Carlton, Charles A., OF100870.  
Carmack, Douglas W., O96339.  
Carmignani, Anthony, OF110199.



Carney, Thomas P., O98627.  
 Carns, Edwin H. J., Jr., O98628.  
 Carr, Peter H., O97443.  
 Carroll, Bartlett J., O98063.  
 Cartland, John C., Jr., O97446.  
 Casey, Thomas E., O98629.  
 Castle, Eugene H., Jr., O96570.  
 Castleberry, Pierce, O98390.  
 Caver, Troy V., O92640.  
 Cawley, Thomas J., O98047.  
 Caylor, Eugene H., O97447.  
 Caywood, James R., O98630.  
 Chadbourne, William, OF104391.  
 Chambers, James E., O98392.  
 Channon, James B., O98629.  
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 Chapman, Alan A., O98631.  
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 Chase, Jack S., O98632.  
 Chatfield, James M., OF100248.  
 Cheal, Arnold E., O99145.  
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 Chineniello, John L., OF106548.  
 Chinen, Paul Y., O97453.  
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 Chirico Carl F., Jr., O98632.  
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 Clark, Paul C., Jr., OF106079.  
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 Cole, Richard B., O98643.  
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 Coleman, Robert P., OF109098.  
 Coleman, Ronald A., OF102437.  
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 Collier, Emory C., OF109099.  
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 Collins, Jon D., O98397.  
 Collins, Raymond E., OF109100.  
 Collins, William A., OF104400.  
 Comee, William C., Jr., O98398.  
 Coniglio, James V., OF114383.  
 Conlon, Arthur F., O98645.  
 Conn, Samuel H., Jr., O98635.  
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 Cook, Robert L., O97463.  
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 Coomer, William O., O98649.  
 Coonfield, Derrill, O98059.  
 Cooper, David E. K., O98400.  
 Coppens, John P., OF114056.  
 Corbin, Richard C., OF112976.  
 Cornfoot, James L., O98650.  
 Corso, Richard J., OF110215.  
 Cote, Albert H., Jr., OF106084.  
 Coulson, Robert T., O98651.  
 Counts, Edward T., OF114390.  
 Counts, John E., O98652.  
 Covault, Marvin L., OF103817.  
 Cowan, Charles E., Jr., OF103818.  
 Cowan, William F., Jr., OF110217.  
 Cowgill, Parker J., O98653.  
 Cozanitis, Eleas A., OF110638.  
 Crackel, Theodore J., OF114567.  
 Craddock, Ollie C., OF110134.  
 Crask, Garnett E., OF106557.  
 Crawford, Walter K., O98650.  
 Creasy, Joseph L., O98062.  
 Creeden, Cornelius, OF109108.  
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 Crissman, Robert S., OF114059.  
 Crocker, David L., O97471.  
 Crone, George R., OF105256.  
 Crume, Thomas E., O95258.  
 Crumpton, Alfred T., OF116629.  
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 Csoka, Kalman, Jr., O95490.  
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 Cunningham, Richard, OF108144.  
 Curry, James T., OF109112.  
 Curtis, Charles C., O98658.  
 Curtis, Myron F., OF106089.  
 Cutler, Richard A., O98065.  
 Czajkowski, Lawrence E., O98100.  
 Dahoney, Richard H., OF102445.  
 Dalley, John N., OF114569.  
 Dales, Bertram B., O97477.  
 Dalia, Jeffrey L., O98659.  
 Dallow, Richard S., O97478.  
 Dalziel, Dean A., O93265.  
 D'Ambrogio, William J., O93220.  
 Danielsen, Vernon M., O95492.  
 Dann, Thomas C., OF105653.  
 Danzels, David A., O98639.  
 Dasher, Marcus, Jr., O98405.  
 Date, Kenneth K., OF103590.  
 David, James R., O98067.  
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 Davidson, Joe W., O99152.  
 Davidson, Sam R., O98662.  
 Davis, Harley C., O98068.  
 Davis, Jack S., Jr., O98663.  
 Davis, James L., Jr., O98069.  
 Davis, Larry L., O97484.  
 Davis, Robert J., O98664.  
 Davis, William I., OF102170.  
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 DeGraff, George C., O98665.  
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 DeMey, John, OF106567.  
 DeVore, Matthew, OF113604.  
 DeWire, James E., O98668.  
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 Denmon, James L., O98073.  
 Dervaes, Arthur S., OF105657.  
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 Desrochers, George, OF110228.  
 Detrio, Richard, OF106097.  
 Devine, Frank E., OF106470.  
 Deweese, Charles E., OF117746.  
 Di Eduardo, Joseph, OF103820.  
 Dick, William H., O92968.  
 Dickey, James S., O98670.  
 Dickison, Daniel R., O95503.  
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 Diehl, Richard P., O99153.  
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 Dinger, Raymond L., OF105128.  
 Dinniman, James I., OF110653.  
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 Dobson, Charles T., OF117161.  
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 Donovan, Timothy H., OF108153.  
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 Dorland, John H., O98675.  
 Dorr, Guy E., O95507.  
 Dortch, John D., OF103821.  
 Doss, Allan W., O97499.  
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 Douglas, Robert E., OF105377.  
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 Drexler, Michael M., OF106576.  
 Duberstein, George, OF117748.  
 Duncan, James L., OF103822.  
 Duncan, Wendell J., O97773.  
 Dunn, John A., O98682.  
 Dunn, Thomas D., Jr., OF106582.  
 Dupre, Charles C., OF106473.  
 Durand, Ernest R., OF113607.  
 Durham, George E., OF105381.  
 Dusenbury, Donald S., O98683.  
 Dutczak, Edward R., OF114577.  
 Duzenski, Thadeus A., O98627.  
 Dwyer, John A., O98684.  
 Earnest, Olen L., O98686.  
 Easum, Thomas P., Jr., OF101042.  
 Eaves, Maynard D., OF109119.  
 Ebersole, Richard A., OF109549.  
 Eberts, Miles M., O98687.  
 Eck, Carleton L., OF106104.  
 Eckert, Richard E., O98688.  
 Eckhardt, William G., O97836.  
 Eden, Charles K., O96344.  
 Edgar, Mallory F., OF109120.  
 Edge, Liston L., OF102860.  
 Edgeworth, Charles, O96369.  
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 Edwards, William J., OF102861.  
 Edwards, William W., OF113173.  
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 Eichorst, Bradley D., O98691.  
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 Elliott, Don A., OF102862.  
 Elliott, Thomas L., OF113612.  
 Ellis, Bruce H., Jr., O98694.  
 Ellis, Claude, Jr., OF117167.  
 Ellis, Joseph T., OF113174.  
 Ellis, Ronan I., OF110235.  
 Emerick, Michael L., O98696.  
 Emrath, John P., O98083.  
 English, Edward B., O97511.  
 Englund, Douglas M., O98647.  
 Entlich, Richard E., O98697.  
 Ernest, Marion D., OF101947.  
 Esposito, Anthony L., OF102459.  
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 Estes, James H., O98637.  
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 Farrington, Reed M., O98700.  
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 Fesmire, John A., OF105669.  
 Fields, James E., O9718.  
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 Fink, Kenneth L., OF109913.  
 Finley, Dennis K., OF105170.  
 Fisher, Bernard T., OF113180.  
 Fisher, Edward C., OF109125.  
 Fisher, Johnnie W., OF113622.  
 Fitzenz, David G., OF106596.  
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- Fontaine, Roland G., OF109047.  
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 Forte, David L., OF102184.  
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 Foster, James H., Jr., O98422.  
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 Franche, Robert M., O98092.  
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 Freeman, Eldon V., OF106112.  
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 French, Stephen H., O97533.  
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 Fuller, George D., O98707.  
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 Gannon, David L., OF113630.  
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 Grabner, William J., O98725.  
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 Garven, Jack T., Jr., OF106611.  
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 Gately, Bernard F., OF105675.  
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 Goff, Robert C., OF116567.  
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 Gorcys, Gregory N., O93438.  
 Gorder, Charles W., O95540.  
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 Green, James A., III, O98727.  
 Green, Fred K., O97558.  
 Green, Joe W., OF113644.  
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 Greer, Robert H., OF102477.  
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 Grev, Ellsworth C., O96864.  
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 Grogan, Timothy J., O98734.  
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 Groves, William C., OF113645.  
 Guenther, Fredric L., OF104434.  
 Guenther, Otto J., OF106636.  
 Guest, Robert K., O98440.  
 Guilhaus, Howard H., O98736.  
 Guillen, Luis E., Jr., OF102481.  
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 Harris, Howard L., O97573.  
 Harrison, Jerry C., O98750.  
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 Hartjen, Raymond C., O99176.  
 Hartman, Charles D., O98751.  
 Harvey, Joe B., OF103702.  
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 Haslemann, Walter, OF103842.  
 Hasse, Leonard, Jr., O97576.  
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 Haynes, Howard R., OF109940.  
 Haywood, Charles E., O99179.  
 Hazen, David W., OF106646.  
 Hazen, Donald E., OF113663.  
 Heard, Allen B., OF110717.  
 Heard, Jerry D., OF114594.  
 Heiden, Heidi B., O98753.  
 Heilig, Donald M., OF105422.  
 Heim, Bruce K., O98754.  
 Heird, Joe J., OF110719.  
 Heller, Stephen M., O95555.  
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 Helvey, Robert L., O95281.  
 Henderson, Donald D., OF113669.  
 Henderson, Donnie W., OF108197.  
 Hendriks, Warren K., O98138.  
 Hennies, Clyde A., OF116571.  
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 Henry, James J., O96402.  
 Henry, Terence M., OF109160.  
 Herold, John M., OF106650.  
 Herrick, Thomas M., OF114109.  
 Hess, Hunter C., O96868.  
 Hess, Walter A., O97581.  
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 Hicks, Harold J., OF106652.  
 Hicks, Larry W., O98449.  
 Higdon, Thomas E., OF108198.  
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 Highlander, Richard, O97582.  
 Hightower, Dennis F., O96406.  
 Hildebrandt, John E., O96870.  
 Hill, Edward F., O98759.  
 Hill, Thomas F., O96564.  
 Hineman, Phillip D., O98871.  
 Hinkle, Donald E., OF102914.  
 Hirte, Douglas J., O97584.  
 Hitchcock, Gary, O98139.  
 Hix, William M., OF109949.  
 Hobbs, Charles E., O97826.  
 Hobbs, Thomas W., OF113673.  
 Hodsdon, Dennis K., OF109163.  
 Hoebeke, Terrell A., O98141.  
 Holbrook, Rudy H., OF117193.  
 Holdsworth, John W., O97587.  
 Holland, Guy H. II, OF113100.  
 Holland, Homer J., O98762.  
 Holland, Robert L., OF105328.  
 Hollander, Kenneth O98763.  
 Holman, Gerald F., OF113205.  
 Holmes, Larry L., O98875.  
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 Holterman, Gordon C., O98764.  
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 Honaker, Errol K., O96411.  
 Hood, Harvey R., III, OF109571.  
 Hooper, Lynn C., OF106140.  
 Hoover, Glenn D., Jr., O98452.  
 Horvath, Leroy L., O97591.  
 Hotman, Clyde W., Jr., O98765.  
 Hovey, Roy A., OF102724.  
 Howard, Ralph E., O98453.  
 Howard William A., OF100289.  
 Howe, Kenneth A., Jr., OF109830.  
 Howe, Michael B., OF106658.  
 Howell, Milton L., Jr., OF109168.  
 Howerton, William R., OF101141.  
 Howlett, Jack R., O97516.  
 Huggins, George T., O98454.  
 Hudson, Daniel L., OF109169.  
 Hudson, McKinley, O99184.  
 Hudson, Ronald B., O98766.  
 Huggins, Ansel L., Jr., OF103248.  
 Humphrey, James T., OF106472.  
 Hunt, George E., OF110285.  
 Hunter, James L., Jr., OF110737.  
 Hunter, Paul C., O94402.  
 Huntsberry, Henry C., OF108207.  
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 Hurt, Rodney E., OF109171.  
 Hurwitz, Martin R., OF117569.  
 Hustead, Stephen C., O98768.  
 Hutcherson, Nicky, OF113682.  
 Hylan, Bruce H., OF106660.  
 Ibanez, Armando R., O98456.  
 Indreland, Richard, OF106661.  
 Ingram, Lionel R., Jr., O98769.  
 Inman, David P., OF109172.  
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 Isaacson, Harold G., OF103994.  
 Isbell, Ernest L., OF114120.  
 Ischinger, Martin M., O98770.  
 Iwasaki, Robert H., O98458.  
 Jackson, Daniel J., O97599.  
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- Jacobs, Ronald R., O97600.  
 Jagielski, James R., OF104455.  
 James, Paul E., O95572.  
 James, Richard D., O98773.  
 Janelle, Gerald F., O97601.  
 January, Michael O., O97602.  
 Jarrett, Garnett L., OF105441.  
 Jaworowski, Joseph, O98775.  
 Jay, James R., O98459.  
 Jeffress, Charles E., O96872.  
 Jeffrey, Jerry R., OF109176.  
 Jellison, Robert J., OF118006.  
 Jenison, Raymond L., O98776.  
 Jenkins, Kenneth E., O98155.  
 Jenks, Michael M., O98777.  
 Jensen, Craig L., O98461.  
 Jessem, Otto W., O98157.  
 Johnson, Andrew J., O95440.  
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 Johnson, Harry B., O95576.  
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 Johnston, Eugene J., OF109960.  
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 Johnston, Reynold A., O98779.  
 Jones, Alan F., O98780.  
 Jones, Bobby A., O96418.  
 Jones, Bradley K., O98781.  
 Jones, James A., Jr., O98782.  
 Jones, Jesse F., III, OF114606.  
 Jones, Lavert W., OF109181.  
 Jones, Lee M., OF104451.  
 Jones, Matthew J., Jr., O95580.  
 Jones, Thomas A., O96873.  
 Jones, Thomas M., O95581.  
 Jones, Tommy M., O99188.  
 Jones, Wendell O., O96874.  
 Jordan, Kenneth M., O98160.  
 Joyner, James L., O98875.  
 Juergens, William A., O96876.  
 Justice, Larry L., O97140.  
 Justis, James C., O99189.  
 Kaiser, Jan L., OF109578.  
 Kalloch, Ronald, OF103180.  
 Kampf, Michael E., OF100729.  
 Kane, Philip C., OF117385.  
 Kapelka, Stephen R., O94230.  
 Kaplan, Harvey W., OF114128.  
 Kaplowitz, Daniel D., O97614.  
 Kaprielian, Edward, OF109184.  
 Karoly, Frank J., O98783.  
 Karr, Thomas W., O98784.  
 Kauza, John J., Jr., O98785.  
 Kay, Bruce F., OF110751.  
 Kearney, Willard P., OF117768.  
 Keaveney Michael W., O98786.  
 Kee, Lawrence L., OF114608.  
 Keefer, Marvin E., OF114433.  
 Keene, Kenneth P., OF109966.  
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 Piper, Billy J., OF102595.  
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 Silvey, William J., 098942.  
 Simmons, Michael D., 098944.  
 Simonetta, Russell, 098945.  
 Simpson, Patrick J., 096933.  
 Sirols, George A., 09109297.  
 Sivacek, Paul M., 097787.  
 Sivells, James B., 099249.  
 Skender, Louis E., 098284.  
 Slakie, Ronald J., 097788.  
 Sloane, Robert L., 098946.  
 Slominski, Michael, 096917.  
 Smart, Neil A., 098947.  
 Smelcer, Charles, 09103906.  
 Smith, Charles F., 09114213.  
 Smith, Donald J., 098948.  
 Smith, Edward C., 09106232.  
 Smith, Emmette W., 098949.  
 Smith, Gardner W., 098289.  
 Smith, George D., 09110069.  
 Smith, Glenn N., 098950.  
 Smith, Hubert G., 095757.  
 Smith, Jack H., 09102903.  
 Smith, Jimmy T., 096918.  
 Smith, Kenneth V., 097793.  
 Smith, Paul M., 098545.  
 Smith, Renzo D., 09109301.  
 Smith, Richard M., 09109302.  
 Smith, Richard M., 097795.  
 Smith, Roger M., 098952.  
 Smith, Vernon L., 099252.  
 Smith, William A., 09108308.  
 Smith, William D., Jr., 098953.  
 Smith, William L., 096624.  
 Smullen, Frederick, 09117449.  
 Snelgrove, Larris M., 09103433.  
 Snipes, Grover E., 09106823.  
 Snook, Larry, 098291.  
 Snuffer, Garner D., 09117450.  
 Solenberger, Thomas, 098954.  
 Sollinger, Jerry M., 099253.  
 Somerville, James B., 09109304.  
 Sorensen, James E., 098955.  
 Southard, Ralph C., 09117451.  
 Sowers, Errol G., 099254.  
 Sparks, Donald L., 0910906.  
 Speed, James W., 098957.  
 Speltz, Karl W., 09113848.  
 Splight Thomas, Jr., 098548.  
 Spirek, Dennis G., 096921.  
 Spohn, Larry L., 098958.  
 Sprague, Michael D., 09117453.  
 Spring, Michael C., 098219.  
 Sprinkle, Edgar E., 098293.  
 St. Amant, Philemon, 098959.  
 Stack, Robert J., 097076.  
 Stackhouse, William, 095701.  
 Stafford, James L., 09102273.  
 Stamey, Victor E., 098549.  
 Stanfield, Howard S., 09109647.  
 Stanley, Paul D., 098962.  
 Steadman, Kenneth A., 098550.  
 Steed, Emil E., 09104547.  
 Steele, Robert M., 098963.  
 Steinig, Ronald D., 098964.  
 Stephen, Thomas E., 09106236.  
 Sterrett, John D., 098298.  
 Stevens, Dale M., 095233.  
 Stevens, Pat M., IV, 098966.  
 Stevens, William L., 097800.  
 Stewart, Charles W., 098967.  
 Stewart, Jack C., 098127.  
 Stewart, John F., Jr., 096511.  
 Stiner, Tommy C., 099258.  
 Stock, Lawrence W., 09103744.  
 Stone, Wayne F., 09118061.  
 Story, Eddie B., 096513.  
 Straub, Delbert M., 09105558.  
 Strauss, Robert E., 098300.  
 Stretch, Donald F., 09110915.  
 Strickland, David S., 09104554.  
 Struble, Daniel O., 098971.  
 Stryker, James W., 098972.  
 Sturbois, Louis J., 098973.  
 Sturdivant, Robert, 096924.  
 Sturges, Scott L., 098154.  
 Stutz, Darvel C., 097807.  
 Sullivan, Gerald R., 097604.  
 Sullivan, John E., 097811.  
 Sullivan, John P., 097812.  
 Sullivan, Thomas F., 095714.  
 Summerford, Wheeler, 09105836.  
 Summers, Michael H., 098974.  
 Supinski, Richard E., 09114511.  
 Surette, Warren J., 09113855.  
 Sutton, Paul D., 098975.  
 Swanson, Gary D., 09109315.  
 Swayze, Fred C., 09105837.  
 Swearingen, Mark A., 097263.  
 Swedlund, Jerry G., 09114657.  
 Swift, Joe B., Jr., 097817.  
 Swisher, Arthur H., 098976.  
 Sydes, Thomas A., 09103749.  
 Szeremi, Robert C., 09106242.  
 Szymanowicz, Philip, 098552.  
 Taft, John M., 098303.  
 Taillie, Dennis K., 098977.  
 Takata, Alvin M., 098304.  
 Talbott, Charlie Y., 098305.  
 Talley, John W., 09106843.  
 Tallman, Harold S., 096651.  
 Talmadge, Roger S., 097192.  
 Tames, Robert G., 09103912.  
 Tate, Christopher P., 098978.  
 Taylor, Archie B., Jr., 097820.  
 Taylor, Daniel E., 09106844.  
 Taylor, Donald R., 09109653.  
 Taylor, Kenneth D., 09102644.  
 Taylor, Robert B., 09118064.  
 Taylor, Thomas L., 09106845.  
 Taylor, Warren H., 09116692.  
 Templeton, Allen E., 09106847.  
 Terrill, Joel B., 098554.  
 Terry, Elbridge W., 098555.  
 Terry, Millard D., 098307.  
 Tezak, Edward G., 098979.  
 Thakken, Thomas D., 09101191.  
 Thomas, Eddie L., 096519.  
 Thomas, Michael T., 098308.  
 Thomas, Steven A., 096630.  
 Thompson, Leon G., 098980.  
 Thompson, Tommy R., 098981.  
 Thorlin, Philip S., 098983.  
 Tiedemann, John J., 09117894.  
 Tilelli, John H., Jr., 098309.  
 Tillman, Samuel J., 09114515.  
 Tilson, James G., 099265.  
 Timpf, Richard H., 097828.  
 Tinberg, Larry R., 095568.  
 Tinscher, James C., 096526.  
 Tinker, Andrew C., 097077.  
 Tiwanak, Eugene N., 098181.  
 Todd, Patrick R., 09105846.  
 Todd, Thomas J., 095727.  
 Tofferi, Robert E., 09109323.  
 Tomita, Ralph S., 09105847.  
 Torres, Manuel, 09118065.  
 Towne, Thomas J., 097266.  
 Tragakis, Christopher J., 095249.  
 Traino, Joseph A., Jr., 09109327.  
 Trainor, Francis E., 095250.  
 Travis, James O., 097831.

Troth, Robert S., OF106853.  
 Trotter, Kenneth E., OF98312.  
 Trussell, James B., OF105853.  
 Tryon, Michael A., OF96652.  
 Tubbs, Lawrence A., OF110933.  
 Tucker, James E., OF98314.  
 Turbok, James M., OF97078.  
 Turecek, Jack L., OF117287.  
 Turner, Russell W., OF114664.  
 Tyler, Tyron S., OF98986.  
 Tyner, Harris W., OF99266.  
 Tysdal, Thomas P., OF103757.  
 Ulrich, Charles H., OF118067.  
 Ungerer, David C., OF114666.  
 Uyenoyama, Dennis H., OF98315.  
 Vail, John S., OF98192.  
 Valencia Romolo, OF98316.  
 Van Loon, Weston O., OF100363.  
 Van Orden, James T., OF109659.  
 Van Zandt, John H., Jr., OF105570.  
 Vande Hel, Richard, OF105600.  
 Vande Hel, Thomas F., OF98317.  
 Vandermosten, John, OF97838.  
 Vanderploog, Paul J., OF98318.  
 Varnell, Allan K., OF98988.  
 Vaughn, Robert H., OF99267.  
 Vaughn, Ronald K., OF98559.  
 Vaughn, Thomas B., OF106859.  
 Vaughn, Tom J., Jr., OF98990.  
 Vecchiarello, Robert N., OF98278.  
 Venes, Richard A., OF98991.  
 Verkamp, John G., OF110972.  
 Vesser, Thomas F., OF105348.  
 Vick, Prentice R., Jr., OF113872.  
 Viles, Ronald J., OF106862.  
 Virant, Leo B. II, OF98992.  
 Vogel, Melvin L., OF97079.  
 Vogel, Robert A., OF98993.  
 Volk, Paul J., Jr., OF117614.  
 Vollrath, Frederick, OF109663.  
 Vopatek, Michael J., OF98994.  
 Vote, Gary F., OF98996.  
 Wadham, Thomas A., OF96632.  
 Wahlbom, David M., OF101055.  
 Wahlbom, Philip C., OF102662.  
 Wainscott, George T., OF97217.  
 Wakefield, William OF105574.  
 Walburn, Richard L., OF114528.  
 Walgren, William E., OF96633.  
 Walker, Gerald S., OF106249.  
 Walker, Harvey C., Jr., OF95268.  
 Walker, Herbert A., OF105144.  
 Walker, John J., OF98343.  
 Walker, John S., Jr., OF98997.  
 Walker, Lyman J. II, OF106867.  
 Walker, Robert G., OF110974.  
 Wall, John C., OF98999.  
 Wall, Kenneth E., Jr., OF99000.  
 Wallace, Terrence M., OF98326.  
 Wallace, Thomas L., OF105923.  
 Waller, John S., OF99002.  
 Waller, Thomas S., OF110458.  
 Walsh, Cecil L., OF98560.  
 Walsh, John P., OF97843.  
 Walsh, Richard R., OF99004.  
 Walsh, Robert E., OF97844.  
 Walsh, William F., Jr., OF98327.  
 Waltrip, Lee A., OF101875.  
 Wandke, Richard D., OF99223.  
 Wangsgard, Chris P., OF99005.  
 Ward, Houston E., Jr., OF97846.  
 Ward, James A., Jr., OF97847.  
 Ward, Joel H., OF97848.  
 Ward, Richard F., OF99270.  
 Ware, Robert P., OF97698.  
 Warner, Lawrence E., OF106874.  
 Wascom, Charles L., OF117465.  
 Washington, Billy J., OF95275.  
 Wasielewski, Joseph, OF103068.  
 Waters, John K., Jr., OF98331.  
 Watson, Jerry L., OF99271.  
 Watts, William J., OF113879.  
 Webb, James T., OF110462.  
 Weber, Richard E., OF99007.  
 Weber, Richard L., OF97852.  
 Weeks, Thomas L., Jr., OF96539.  
 Weems, Kelly G., Jr., OF114239.  
 Weirich, Danford N., OF117291.  
 Weiss, Robert M., OF114240.  
 Weisz, Paul J., OF96540.  
 Weitzel, Kenneth P., OF117468.

Wells, Charles T., OF102665.  
 Wells, James V., OF106882.  
 Wells, Robert D., Jr., OF98562.  
 Wells, William L., OF109666.  
 West, Kenneth M., OF96928.  
 Westbrook, James P., OF103074.  
 Westbrook, Joseph A., OF99008.  
 Westermeyer, John T., OF99009.  
 Weyrauch, Paul T., OF99010.  
 Wharton, Richard R., OF96542.  
 Wheelan, John D., OF109338.  
 Wheeler, James E., OF110952.  
 Wheeler, John B., OF99011.  
 Whelan, Robert E., OF109339.  
 Whidden, David L., Jr., OF99012.  
 Whipple, William B., OF96929.  
 White, Charles T., Jr., OF99013.  
 White, Eddie J., OF106884.  
 White, John M., Jr., OF97723.  
 Whitehead, Charlie, OF95288.  
 Whitehead, Robert W., OF100041.  
 Whitesides, Leonard, OF97861.  
 Whitlock, Gary B., OF102671.  
 Whitmer, Dennis K., OF97863.  
 Whittington, Robert, OF96930.  
 Whitworth, William, OF114678.  
 Wiker, Charles M., OF113886.  
 Wilder, John D., OF105870.  
 Wildrick, Edward W., OF99015.  
 Wilkinson, John W., OF113889.  
 Wilkinson, Robert H., OF102295.  
 Willard, William B., OF117471.  
 Williams, Arthur E., OF113890.  
 Williams, Budge E., OF98564.  
 Williams, Douglas T., OF99016.  
 Williams, Gerald P., OF104164.  
 Williams, Robert G., OF99276.  
 Williams, William J., OF99277.  
 Williams, William J., OF98340.  
 Williamson, William R., OF96934.  
 Willman, Landon P., OF99278.  
 Wills, Edward L., OF96636.  
 Willson, Daniel A., OF99017.  
 Wilson, Eugene K., OF97082.  
 Wilson, Joe H. R., OF99018.  
 Wilson, John W., III, OF99019.  
 Wilson, Richard A., OF99021.  
 Wilson, Thomas A., II, OF99022.  
 Wilson, William L., OF99023.  
 Wilson, William R., OF118078.  
 Winder, Gordon L., OF99280.  
 Windsor, Thomas C., OF97868.  
 Winn, Robert B., OF97272.  
 Winn, Robert E., OF98247.  
 Winters, Robert F., OF99024.  
 Winton, Edward L., OF117476.  
 Wise, Jon R., OF97870.  
 Wishart, Francis E., OF97871.  
 Wishowski, Thomas M., OF99281.  
 Wissinger, Allen R., OF104249.  
 Witt, William W., OF99025.  
 Wittbrodt, Thomas A., OF103781.  
 Wolfgram, Richard E., OF108425.  
 Wolfkill, Harry H., OF97274.  
 Wolz, Donald J., OF99026.  
 Womble, Columbus M., OF103924.  
 Wood, Calvin S., Jr., OF95300.  
 Wood, Robert H., OF99027.  
 Wool, Shelton E., OF105881.  
 Woodham, Gary E., OF96552.  
 Woods, Luther L., OF99029.  
 Woods, Sanderson A., OF102301.  
 Woodward, Edward J., OF113312.  
 Woodward, James K., OF104439.  
 Woolums, Cecil R., OF117885.  
 Worcester, Theodore, OF100368.  
 Worthington, Douglas L., OF98346.  
 Woulfe, Robert J., OF103785.  
 Wright, Rodney L., OF110099.  
 Wright, Walter C., Jr., OF105883.  
 Wright, Wayne W., OF110959.  
 Wroblewski, Frank M., OF103732.  
 Wyatt, Robert L., OF96935.  
 Wykle, Kenneth R., OF98347.  
 Wylie, Edgar L., OF109670.  
 Wylie, William J., OF109350.  
 Wynn, David F., OF114248.  
 Wyrwas, John A., OF99030.  
 Yamashita, Teddy K., OF99031.  
 Yanagihara, Galen H., OF99032.  
 Yanness, Thomas D., OF112974.

Yeager, Frederick J., OF99033.  
 Yearout, Paul H., OF99282.  
 Yoshimura, John P., OF98348.  
 Yoshina, Lyod H., OF97225.  
 Youell, Charles C., OF106260.  
 Young, Leo M., OF105601.  
 Young, Richard G., Jr., OF99034.  
 Young, Timothy R., OF99035.  
 Youngblade, Walter, OF96638.  
 Zelley, Robert A., OF99036.  
 Zeltner, Richard L., OF98351.  
 Zerby, J. Gardner, Jr., OF94433.  
 Zikmund, Robert L., OF109353.  
 Zugel, Raymond J., OF96558.

*To be captain, chaplain*

De Veaux, William P., OF93243.  
 Gushwa, Robert L., OF116645.  
 Hunt, Henry L., OF114428.  
 Peterson, William F., OF110856.  
 Prutow, Dennis J., OF98894.  
 Rosheim, Waldron A., OF116676.  
 Szilvasy, John A., OF116691.

*To be captain, Women's Army Corps*

Higgins, Betty L., L630.  
 Swan, Leona M., L664.  
 Waters, Carol P., L639.

*To be captain, Medical Corps*

Allen, Gary W., OF113136.  
 Arends, Robert C., OF96561.  
 Baum, Edward S., OF117810.  
 Bergstrom, Jon F., OF116611.  
 Berry, Boyce M., Jr., OF113339.  
 Bickel, Arthur S., OF117316.  
 Bolling, David R., Jr., OF117321.  
 Brossmann, Gene F., OF117547.  
 Brown, Thomas L., OF117625.  
 Calhoun, William L., OF116619.  
 Christensen, Richard, OF117986.  
 Collins, John T., OF117338.  
 Coppa, Michael G., OF113591.  
 Curtis, Richard F., OF117988.  
 Dietze, William E., OF117820.  
 Ellwood, Ro, OF117626.  
 Fane, Larry, OF117821.  
 Fedde, Charles W., OF116639.  
 Flandermeyer, Kenneth, OF113624.  
 Funderburk, Marshal, OF113628.  
 Giberson, Eric S., OF114085.  
 Glass, Richard S., OF113637.  
 Graham, Jeffery J., OF114089.  
 Hall, Roger V., OF118001.  
 Hayes, Thomas D., OF113662.  
 Heckman, Aldred A., OF117565.  
 Hightshue, David C., OF117831.  
 Hilliard, Donald M., OF117373.  
 Hoppe, John W., Jr., OF117832.  
 Jenis, Edwin H., OF114122.  
 Jordan, Jan E., OF117205.  
 Judy, Kenneth L., OF113702.  
 Keeports, Richard L., OF116659.  
 Kelleher, Robert M., OF117572.  
 Kime, Lynn R., OF118016.  
 Kitchings, Olen E., OF114134.  
 Lawrence, Frank M., OF98185.  
 MacDonald, Richard, OF117776.  
 McAllister, Hugh A., Jr., OF92061.  
 McCarty, Garland, OF118951.  
 McEachern, Walter, OF113758.  
 Mitchell, Charles H., OF99494.  
 Nettles, Harry H., OF113786.  
 Parry, William H., OF117424.  
 Payne, Ronald J., OF113799.  
 Penney, Larry L., OF118045.  
 Phillips, James E., OF116672.  
 Provost, John M., OF98525.  
 Rosenberg, Donald M., OF117264.  
 Rossiter, Francis P., OF113276.  
 Sanders, Harold L., OF116679.  
 Sanders, Joe M., Jr., OF99055.  
 Sasada, Allan M., OF117789.  
 Shindle, Richard D., OF118054.  
 Shorb, Stanley R., OF118967.  
 Smith, David L., OF117872.  
 Stanzione, Steven J., OF117876.  
 Starke, William R., OF95704.  
 Teaford, Alan K., OF116693.  
 Thomas, Harry M., Jr., OF117609.  
 Tramont, Edmund S., OF118973.  
 Valente, Vincent P., OF118068.



Wagner, Stanley C., OF116699.  
Walther, John W., Jr., OF117880.  
Wayne, Richard S., OF117616.  
Whitmore, Paul V., O96545.  
Williams, Curtis S., OF118076.  
Zimmerly, James G., O96557.  
Zwerling, Louis R., OF113315.

*To be captain, Dental Corps*

Bell, Lester J., OF117811.  
Hartwell, Gary R., OF118939.  
Jagels, Arlen E., OF116654.  
Maupin, Clay C., Jr., OF109995.  
Nespeca, John A., OF118958.  
Parkinson, Thomas D., OF117423.  
Stocks, Robert B., O98180.

*To be captain, Veterinary Corps*

Kerr, William K., OF114131.  
Montgomery, Charles, OF114627.  
Palo, Matti W., OF117781.  
Polk, Harry H., OF109625.  
Renquist, David M., OF114644.  
Watson, William T., OF114237.

*To be captain, Medical Service Corps*

Andrew, Franklin H., O96816.  
Bell, George T., O96314.  
Bell, Sterling W., OF108111.  
Besterman, Gerald, OF114739.  
Boe, Gerard P., OF105330.  
Bradford, Jackie E., O98026.  
Brittain, Roy C., Jr., O96330.  
Brown, Carl D., OF102422.  
Bryant, Ray S., OF110619.  
Burrell, Charles F., O97288.  
Carroll, William F., OF105646.  
Coats, Rogers L., O95476.  
Colvin, John D., III, O96318.  
Connors, Richard A., OF100865.  
Copeland, Keith E., O97464.  
Covington, William R., OF102837.  
Cunningham, Clyde R., O96838.  
Cunningham, Jerry A., OF110220.  
Damian, Kenneth J., O94200.  
Danielski, Linn J., O97479.  
Davis, Charles T., OF101059.  
Dorogi, Louis T., O97497.  
Eason, Lloyd J., Jr., OF106103.  
Elliott, Robert F., O97301.  
Engelkirk, Paul G., OF104417.  
Erskine, John F., OF101059.  
Fadhi, Robert J., OF106107.  
Fahey, Thomas E., O97404.  
Finkelstein, Eugene, OF105386.  
Fleming, Jerry M., O97522.  
Fobbs, Benjamin F., O98420.  
Forrester, James K., OF106601.  
Garland, Franklin P., OF117996.  
Gatens, Paul D., O97543.  
Gayagas, Edwin J., O95531.  
Gill, Joseph E., O96858.  
Glove, Francis L., OF109925.  
Gmelich, James OF102715.  
Greenwood, Robert J., OF104432.  
Gregg, Jerry L., OF105413.  
Hacker, Helmut F., O96588.  
Halstead, Herbert L., O97311.  
Harrington, Jack O., OF100464.  
Hassell, William B., OF114102.  
Heisig, David W., OF102907.  
Helmbold, Richard F., O97975.  
Helton, Jimmy D., OF113201.  
Hofer, Refus S., OF104352.  
Holway, William K., OF106139.  
Hula, Roger P., II, O98149.  
Hunsaker, Ronald T., OF103489.  
Ingrando, Dominic P., OF110286.  
Intolubbe, James G., OF113685.  
Jeffers, James A., OF106149.  
Jones, Douglas E., OF106672.  
Jones, Lewis M., O99187.  
Katsuyoshi, Charles, O96854.  
Klingry, Roy L., Jr., O98794.  
Kitchin, David J., OF102943.  
Laaken B. Richard, OF109977.  
Ladestro, Ralph, OF105455.  
Laible, James P., O94355.  
Lindahl, James H., OF113738.  
Long, Freddie E., O96434.  
Mance, William W., Jr., O92864.  
McCauley, Charles, OF114458.  
Megehee, Jacob H., O99212.  
Meyer, Gregory C., OF102556.  
Miketinac, Bruce T., O97681.  
Miller, Gerald G., OF106190.  
Modderman, Melvin E., O97687.  
Momiyama, Augustine, OF110373.  
Moore, Thomas J., OF117234.  
Morrison, John B., OF105617.  
Morrisset, Blaise M., OF113778.  
Mumma, Patrick J., OF102989.  
Myles, Donald A. J., OF110831.  
Nason, Jesse N., OF105776.  
Oppenheimer, Keith D., O97340.  
Parker, Robert L., OF117248.  
Pauley, Richard E., O97724.  
Payne, Newel O., Jr., OF112967.  
Perkins, Jacob H., O92792.  
Picone, Gaspare P., OF100085.  
Pinson, Robert H., OF110858.  
Preston, Edward J., O95662.  
Quarles, Patrick A., OF110407.  
Reinert, John F., O95181.  
Rexrode, Robert W., OF102608.  
Rians, Charles W., OF103017.  
Rosenblum, Victor S., OF114791.  
Schnakenberg, David, O97767.  
Shoup, Kenneth J., OF116684.  
Simpson, Arthur E., O98541.  
Simpson, Gordon T., O98543.  
Skrzypek, George J., O96916.  
Smith, Frederick J., O95692.  
Sorber, Charles A., OF117797.  
Sylvester, Ernest J., OF106241.  
Tower, Gerald E., OF109326.  
Trick, George J., OF105569.  
Trucks, Robert C., O98984.  
Van Broekhoven, Rollin, O96653.  
Walker, Jimmy, OF103767.  
Warner, Lyle W., OF104573.  
White, Joseph S., O97081.  
Wichelt, Roger H., O99273.  
Williams, David G., OF103777.  
Williams, Jewel L., OF113308.  
Wimsett, Jimmie B., OF117807.  
Woodcome, Andrew H., OF114680.  
Yamanouchi, Kenneth, OF103787.  
Yoder, William G., OF103082.  
Yohman, Joseph F., OF106896.  
Zalkalns, Gundars, O97875.  
Zimmerman, Harry R., O95361.  
Zucker, Michael D., OF114250.

*To be captain, Army Nurse Corps*

Alden, Patricia B., N3378.  
Alleman, Jeanne F., N3675.  
Brasel, James B., MN3565.  
Carson, Amelia J., N3237.  
Daniel, Donna L., N3138.  
Dunphy, William J., MN3488.  
Ellingsworth, Jane, N3274.  
Ellis, Barbara S., N3308.  
Flecha-Agosto, Mari, N3322.  
Frank, Rita M., N3222.  
Galey, Joan L., N3383.  
Gray, Helen V., N3284.  
Grove, Annie R., N3273.  
Holley, Mary Y., N3298.  
Huddleston, Helen A., N3648.  
Kuntz, Mary K., N3254.  
Larrabee, Marvin L., MN3421.  
Lobody, Mary E., N3257.  
Marshall, Vanessa A., N3259.  
McDowell, Boyce N., MN3522.  
Montgomery, Raymond, MN3609.  
Roberts, Marvin B., MN3653.  
Sanders, Bobbye J., N3471.  
Selman, Charles J., MN3545.  
Sokoloski, James L., MN3477.  
Stevens, Lila C., N3206.  
Umphenour Jo H., N3532.  
Voisine, Marcia J., N3479.  
Wardrope, Donald A., MN3639.  
Washington, Lawrence, MN3441.  
Welsh, Joy A., N3303.  
Williams, Karyn S., N3166.  
Wise, Mary J., N3294.

*To be captain, Army Medical Specialist Corps*

Davis, Carl E., MR10242.  
Evans, Ida S., R10194.  
Gilbert, Bobby L., MJ10245.

Hawkes, Harold W., MM10216.  
Henry, Ralph E., MJ10217.  
Klavins, Ruta, J102.  
Richard, Ida, R10186.  
Roberts, James E., Jr., MM10232.

*IN THE MARINE CORPS*

The following-named officers of the Marine Corps for permanent appointment to the grade of captain:

Hugh E. Loftin	George C. Romano
Lee R. Overstreet	James A. Wessell

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant:

Robert J. Arboleda	Gerald B. McDowell
Victor V. Ashford	James J. McKnight
Clarence B. Cheatham	Nicholas J. Outtrakis
Ronald E. Crane	James H. Packer
Terrence R. Dake	John A. Panneton
Robert C. Douglass	Frank M. Platt III
David J. Ellison	Alexander W. Powell
David R. Fagerstrom	John M. Sconyers
Paul S. Hamilton	Dennis D. Shockley
David F. Herr	Gerald T. Smith
Phillip G. Higgins	Monty J. Tennes III
Frank Libutti	Jack S. Warner
Robert A. Longhouser	James M. Watson
Daniel J. McCormick	

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant:

Larry G. Adkins	Phillip N. Huth, II
John E. Allanson	Albert C. James
Steve N. Allen	Michael C. Jochum
Peter T. Bahry, Jr.	Stephen T.
George W. Ball	Kuykendall
Charles J. Barnhart	Charles R. Lane
Michael E. Barnhart	Gary W. Letson
William W. Baumann	Theodore T. Long
Bruce R. Belrose	Kendall A. Madaras
Thomas F. Brunk	Sidney E. McLaughlin
Bruce B. Byrum	Harvey R. Norton
John T. Caselli	Willie J. Oler
Robert A. Cheever	Leslie B. Petty
William A. Clark	William R. Purdy
Charles D. Cross	Robert W. Reid
James L. Dawson	John E. Rice
Albert A. Desantis	Larry S. Roadman
Larry W. Dudley	Sands A. Robnick
John W. Gerwig	Loren H. Shellabarger
Earl B. Hallston	Serge B. Simmons
George E. Halloran	Gary G. Todd
James H. Haney	John R. Todd
Jerry B. Hatfield	Robert A. Tretsch
Mathew J. Heck	Richard W. Vaughn
Dale W. Howard	Wayne M. Wynkoop

**CONFIRMATIONS**

Executive nominations confirmed by the Senate June 26, 1969:

**DEPARTMENT OF THE INTERIOR**

Charles H. Meacham, of Alaska, to be Commissioner of Fish and Wildlife, Department of the Interior.

**DEPARTMENT OF JUSTICE**

Keith S. Snyder, of North Carolina, to be U.S. attorney for the western district of North Carolina for the term of 4 years.

William R. Burkett, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

William L. Osteen, of North Carolina, to be U.S. attorney for the middle district of North Carolina for the term of 4 years.

John P. Milanowski, of Michigan, to be U.S. attorney for the western district of Michigan for the term of 4 years.

Fred C. Sink, of North Carolina, to be U.S. marshal for the middle district of North Carolina for the term of 4 years.

James W. Norton, Jr., of North Carolina, to be U.S. marshal for the eastern district of North Carolina for the term of 4 years.

Doyle W. James, of Colorado, to be U.S. marshal for the district of Colorado for the term of 4 years.