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author of the Guadalupe National Park and the Padre Island National Seashore bills. He led the fight which culminated in the passage earlier this month of the Big Thicket National Park bill.

I am grateful to him for his leadership and help in connection with conservation and environmental matters that have emanated from the committee that I chair, the Interior and Insular Affairs Committee.

RALPH YARBOROUGH cares; he cares about people. His presence will be missed in this Chamber, but I am sure he will continue to make a meaningful contribution to his State of Texas and the Nation.

## MINNESOTA CITIZENS WOULD LOSE THROUGH PROTECTIONISM

Mr. MONDALE. Mr. President, one of the most significant developments in the emerging battle over the direction of our country's future trade policies is the emergence of a far better understanding on the part of all of our population as to the issues involved.

The opponents of the protectionism are by no means confined to economists and public officials. Farm groups, women clubs, and literally hundreds of citizens throughout my State have written to me urging my continued opposition to protectionism. Many of the newspapers have also spoken out strongly against the protectionist legislation which was pending, reflecting what I feel to be a most enlightened and progressive editorial stand toward this matter.

I would like to insert at this point in the RECORD a number of these editorials from Minnesota newspapers. I would like to call a number of these editorials to the attention of my colleagues, and I ask unanimous consent that they be printed at this point in the RECORD:

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

### PINHEADED PROTECTIONISM

The present "protectionist" legislation before Congress is anything but. While it would protect the interest of a few, it would be destructive to the interests of many.

At a time when communications and air travel are shrinking the globe toward one-worldism, protectionism is anachronistic, shortsighted and destructive. It is the gospel of provincialism, a futile act to prevent inevitable developments in world trade.

While protectionism might line the pockets of a few in the short run, it would remove the seat of pants of many in the long run. It could leave the United States as an island in terms of international trade, isolated from world markets because of its own selfishness.

Minnesota Sen. Walter Mondale has been leading a fight against present protectionist legislation, likely to be debated this week. According to Mondale, the proposed quotas on imports of shoes and textiles could lead to price increases for Americans of $3–4 billion. And because the quotas would mean the disappearance of much low-priced clothing and footwear from American stores, the quotas would punish the poorest families and the thousands of merchants whose customers they are.

The proposed legislation also includes keeping the present oil quota system instead of changing to a tariff system. "The President's own Task Force on Oil Imports," Mondale says, "estimated the cost to the consumer of the present quota system at $5 billion a year—some $29 to every man, woman and child in my own state of Minnesota alone."

Aside from these drawbacks, Mondale estimates that approval of new import quotas could jeopardize the jobs of millions of Americans involved in making, handling and shipping some $40 billion worth of export goods a year.

Without question, some nations now are abusing their privilege of trading with the United States, particularly in the way they "dump" goods here. But tactful, fair negotiations are a better alternative to correcting these abuses than are import quotas. If a few quotas are allowed now, it is estimated that new quotas could be placed on more than 100 other items, from canned goods to cars, to brass band instruments.

The minor gains of import quotas would be outweighed greatly by the losses. World trade, more than any other force, is removing national barriers and making a community of nations. The United States should work to be part of that community, not isolate itself through archaic trade barriers.

### TRADE BILL ENDANGERS OUR AMERICAN ECONOMY

(By Gene O'Brien)

To accomplish "the greatest good for the greatest number" has been the underlying philosophy, at least theoretically, in enacting legislation in this country. Now comes the threat of "protectionism" to the American consumer, in the form of a trade bill already passed by the House, and now under consideration in the Senate.

U.S. Senator Walter F. Mondale calls the bill "violently and unequivocally anti-consumer." He further stated a responsible and fair trade policy can be achieved without sacrificing the American consumer to shortsighted special interest protectionism.

According to TRB in the NR, Mr. Nixon during the campaign gave the Southern textile industry, an IOU for quota protection and now, two years later, they are attempting to cash this in through the enactment of the broadly based protectionist trade bill. He predicted further that if the measure is passed, it will produce a world trade war with the worst victims being the American farmer, for Europe won't buy our farms exports if we restrict their finished goods.

Mondale trumps this observation in spades. "Under the guise of protecting American jobs, it (the bill) threatens to unleash a world trade war which could only, in the end, damage the American dollar, seriously retard the economic growth of the underdeveloped nations, and jeopardize the livelihood of millions of American farmers and workers dependent upon exports."

Under the imposition of legislated quotas, according to the American Retail Federation which represents 800,000 retail stores it is estimated that shoe and clothing prices would rise anywhere from 15 to 25 percent. Another estimate from the Federal Reserve Board Governor, Andrew Brimmer, indicates that quotas on shoes and textiles could cost the American consumer $3.7 billion by 1975.

Mondale stated, "That's like a tax of over $66 per family—and the most regressive possible kind of tax falling most heavily on the poorest families which buy most of the low cost shoes and clothing. For sheer regressivity this would be the most imaginative tax since the French kings put a tax on salt which ultimately cost the heads of most of the aristocracy of France."

The Minnesota Senator also criticized the bill for locking in the current oil quota system thus removing Presidential discretion for some alternative program for insuring a continuing supply of domestic oil at less cost to consumers.

"The President's own Task Force on Oil Imports last year recommended just such a switch—from quota to tariff system—primarily for the good of American consumers. This Task Force estimated the cost to the consumer of the present quota system at $5 billion annually—some $29 to every man, woman and child in my own State of Minnesota alone," the Senator asserted.

In calling for the defeat of the pending legislation, Mondale called for improved measures "to carry forward the spirit of the Kennedy round, but with greater assistance and sensitivity to problems of foreign dumping, declining industries, unemployment and the protectionism of other countries . . . these ends can be accomplished responsibly."

### MINNESOTA FARMERS STAND TO BE LOSERS IF TRADE BILL PASSES

The current controversy in Congress over the foreign trade bill may seem like a remote affair to most Minnesotans. However, the fact is that if the Senate passes a bill similar to the version the House has already approved, Southern textile mills may be the winners and Minnesota farmers the losers.

Without getting into all the complexities of the issue, it goes something like this: The legislation (known as the Mills foreign trade bill) would place quota restrictions on imported shoes, textiles and a number of other items. The quotas, lobbied for by Southern textile and New England shoe interests mainly, would roll imports on these products back to 1967–69 average levels.

Opposed to the bill are most of the nation's farm groups, including the Farm Bureau, the Farmers Union and National Grange, as well as soybean, wheat and feed grains growers associations. They fear that foreign nations whose industries are affected by the new quotas will retaliate against American farm experts, many of them from Minnesota and surrounding states.

Already, Japan, Spain and other foreign sellers to the U.S. have threatened retaliation by buying less of this country's agricultural commodities.

Minnesota Sen. Walter Mondale, one of the leading opponents of the bill, has called the pending legislation "disastrous to the American farmer and to all of rural America." Speaking to a Farmers Union meeting last week, he pointed out that farmers in Minnesota, Montana and the Dakotas last year exported $444 million worth of wheat, feed grains and soybeans.

"Over half of the country's soybeans, 40 percent of our wheat, and over 20 percent of our feed grains are exported," Mondale said. "Anything which jeopardizes these world markets is a grave threat to the farmers of our own region."

The legislation in effect would reverse the free trade tendency that dominated American policy in the 20th Century and establish restrictions in violation of the International General Agreement on Tariffs and Trade.

While we don't claim to be an expert on foreign trade, it seems that this bill would revert to the protection and economic isolation of the 1930s, something hardly in keeping with the 1970s.

### WHAT WORLD TRADE MEANS TO US

It's difficult in a town like Red Wing—which has approximately 1,100 shoe and leather-related jobs—to argue against the import restrictions just proposed by the House Ways and Means Committee. The Shoe Workers' Journal says, for example: "It is a fact, and has been a fact for more than 12 years, that shoeworkers have been suffering job losses, shortened work weeks, shoe factory closings, and steadily increasing resistance to wage needs. Foreign-made shoes coming into our U.S. shoe stores have already taken about 25 per cent of our normal market away from American shoe producers . . ."

Fortunately, the Red Wing story is considerably different. While the shoe and leather industry as a whole has been hurting, our own local firms have been expanding production year after year. Nevertheless, there is bound to be at least an indirect effect in time at the local level. And it's for that reason that the current trend toward protectionism in Congress is welcomed in many local circles.

We can't share the enthusiasm for this reversal of a 35-year trend toward freer trade, and we believe firmly in the principle the President voiced last month when he said: "Mandatory quota legislation is not in the interest of the United States. We are an exporting nation rather than an importing nation. It would mean in the end, while it would save some jobs, it would cost us more jobs in the exports that would be denied us; and, second, even more important, it is highly inflationary, as anybody who has studied tariffs and quotas through the years is well aware."

The question is not whether this principle is sound. Most all agree it is—protectionists and free traders alike. But the question is whether the U.S. is being victimized in the world market by those nations who are sharper dealers than we are. The New York Times says not. In an editorial reprinted on this page today it presents strong evidence that the U.S. has no need of new quotas. In another article on this page, the Drummonds reveal that a little bit of protectionism is like being a little bit pregnant—there ain't no such thing. In fact, more than 500 bills for import restrictions are pending in Congress.

Nonetheless, these arguments are not decisive proof that the bill before the Ways and Means Committee has no merit. Some of the reasons are examined below.

WHY PROTECTION?

Using shoe imports as an example, the argument for quotas follows these lines:

1. The U.S. shoe industry as a whole is facing what may be its least productive year since 1954. Some protection is required to prevent the very foundation of the industry from being eroded.

2. The industry doesn't argue that a flat ceiling be placed on imports. Instead, it is seeking import quotas that reflect the current foreign penetration of the domestic market, plus a right by importers to share in the growth of the market. This would have the effect of allowing competition (beneficial to the consumer) to continue, but at the same time preventing foreign shoes (sometimes produced by child labor) from further enlarging their share of the market.

3. The U.S. already has gone too far toward free trade without receiving equal concessions in return. An example is the sale of Japanees shoes and baseball gloves in the U.S., but a flat Japanese ban on the entry of U.S. leather into their country. Other examples include the value added tax in many European nations which raises prices on imports and reduces prices on exports; the restrictions by Japan of a free flow of capital; the limitations placed by the United Kingdom on coal imports, and the discrimination against U.S. agricultural products by the nations of the European Economic Community.

The protectionists further claim that the upsurge of textile imports—which have more than doubled in the last 10 years—has not had the beneficial effect claimed on prices paid by U.S. consumers. A consultant for the Amalgamated Clothing Workers of America says: "Price increases of apparel items were responsible for more of the total increase in the Consumer Price Index during the latter part of the decade—when the volume of imports was ballooning—than during the first part of the decade."

But the trouble with adopting a sympathetic stance to the textile plight—as has been done by the Nixon administration—is that it then becomes immediately impossible to control the other demands for protection. Some solutions are examined below.

LET'S NOT ACT ALONE

The Washington Post reports from Brussels—headquarters of the Common Market—that foreign officials are not unsympathetic to the U.S. problem. They appreciate that the U.S. protectionists have been presented solid ammunition in the form of first, an economic boom and a resultant increase in imports; then came inflation, a balance of payments deficit, and, finally, a rise in unemployment. But sympathetic though they may be, foreign trade officials nevertheless are set to retaliate if the bill now in Congress is passed. Soybeans would be one major export certain to be hit. And just where does that leave the Red Wing shoe worker who has a crop of soybeans back home on the farm?

Therein lies the danger when one nation decides to tinker single-handedly with trade barriers. And we're not convinced the U.S. has exhausted its efforts before the General Agreement on Trade and Tariffs (GATT), the 77-member body which oversees most of the world's trading relations. Established GATT procedure allows any member, proven to be hurt by another's unilaterally imposed trade restrictions, to ask to take retaliatory measures.

If the Congress believes the President needs a bigger stick for the purposes of negotiation in these procedures, then perhaps the House bill is part of the answer. But if the bill results in our acting entirely out of concert with our world neighbors, we fear it is a mistake and a mistake that will haunt us.

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PUBLIC LOSES IF TRADE BILL BECOMES LAW

The consuming public in general and Midwest farmers in particular will lose money if the protectionist trade bill passed by the House of Representatives becomes law.

Consumers will have to pay higher prices for shoes and textile products as a starter, with the likelihood that other necessities will manage to get on the bandwagon later. Farmers stand to suffer reduced sales abroad of soybeans and other products if foreign countries retaliate against the proposed U.S. import bars, as they threaten to do. Lower farm income of course would mean less buying of American products by the farmers.

Andrew Brimmer, a member of the Federal Reserve Board, estimates that if the House bill passes the Senate and is signed by President Nixon, American families will pay nearly $2 billion more for their shoes in the next few years, and nearly another $2 billion in higher prices on textile goods. Other economists say a wide range of higher prices could up the cost of living by $3.5 billion a year.

This would come about by protecting American manufacturers from competition of imported goods. As the volume of imports go down, so also would the volume of American manufactured goods now sold abroad. To sell abroad, Americans also must buy from abroad. State Department officials warn that the House bill "could trigger a classic international trade war" injurious to the entire American economy. The President's Council of Economic Advisers strongly opposes the House bill.

The Nixon Administration inadvertently opened the door for the protectionist drive in Congress some months ago when it promised southern textile interests more support against foreign competition. Taking advantage of that opening, an influential lobby against foreign imports of many kinds went into action, broadening the House bill into a Christmas tree of special favors for various interests. Ironically, Brimmer and other economists assert the American textile industry is suffering more from inefficiency than from foreign competition.

The question now is what the Senate will do with the House bill, and whether President Nixon will veto a broadly protectionist measure if it passes. At one time he threatened a veto, but lately has indicated uncertainty.

Protectionists in the Senate threaten to tie the trade bill into a package involving Social Security benefits in order to make a veto more difficult.

Senators favoring continuing traditional United States open trade policies will try to defeat the House bill, but if that appears impossible they may be able to delay final action on it until time runs out for the present congressional session in December. In that event the whole issue would be thrown back into the hands of the House Ways and Means Committee for a new start in the 1971 session.

The legislation in its present form is injurious to the national interest and should be defeated.

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A THREAT TO AMERICAN JOBS

(By Harold Chucker)

High tariffs, the senator said, would breed "a high level of self-sufficiency." They would ease unemployment and get American business moving again.

That was Sen. Reed Smoot of Utah talking, and the year was 1930. He and his "partner," Rep. Willis C. Hawley, of Oregon, were the authors of what is now called the infamous Smoot-Hawley Tariff Act. The measure was opposed by a thousand members of the American Economics Association, but few people were listening to economists in those days, and it was passed and signed by President Hoover.

The tariff act did immeasureable economic damage to this country and to other trading nations. It did breed self-sufficiency, but in an interdependent world, self-sufficiency was a fantasy, carrying with it the germs of high unemployment and economic stagnation.

Five years after passage of the Smoot-Hawley Act, the laborious task of tearing down the high tariff walls began, and has been going on since. But memories, it appears, are short, and there is once again a strong effort to build up those walls through the use of import quotas. Economists are speaking up again in strong opposition, and so are a few congressmen and senators, notably Sen. Walter Mondale, DFL-Minn.

The protectionists, especially those in the shoe and textile industries, believe they have a strong case. In a period of high unemployment, they have sympathetic listeners when they relate the plight of New England shoe workers and employees of Southern textile mills who are losing their jobs because of "cheap" imports from Italy, Japan, Hong Kong, Taiwan and Korea.

There would be some who would gain, of course, from import quotas. The profits of some companies would be increased, and the jobs of some workers would be saved. But the American consumer, as Mondale said, would be sacrificed to "short-sighted special interest protectionism." He would have to pay higher prices for the goods protected from foreign competition—$3-4 billion more on shoes and textiles alone.

What about that issue of unemployed workers in the shoe, textile, and perhaps steel industries, then? Don't they deserve some special consideration?

Dr. Anne O. Krueger, professor of economics at the University of Minnesota, has examined the impact of U.S. import quotas on employment and has published an analysis showing that the final result of adoption of the import quotas would be a net loss of American jobs.

In some sectors of the textile, shoe and steel industries, she said, there are genuine problems associated with competition from imports, and policy measures (but not quotas) are needed. She noted, however, that "the likely employment effect of quotas and the inevitable foreign retaliation that would result is, in almost every instance, going to be negative."

Dr. Krueger computed, on an industry-by-industry basis, what employment would be if all goods which were imported were produced domestically. She compared this with the direct plus the indirect employment actually generated by American exports. She found there would be an overall loss of employment if exports would be cut off because of foreign retaliation against our quota system.

Her analysis shows that in the nonelectric machinery industry—an important source of employment in the Upper Midwest—149,300 jobs are attributable to direct and indirect exports. If all imports of such machinery had been replaced with domestically-made goods, and assuming that costs would not rise and consumer demand would stay the same, 48,900 jobs would be provided by the needs of the domestic market. In other words, there would be a net decrease of 100,400 jobs in the industry if exports were shut off by a trade war.

There would be employment gains in some industries, of course: footwear, lumber and wood products, paper and allied products, petroleum refining, textiles and apparel. But the gains shown in the analysis assume that costs would not rise and demand would stay the same. As Dr. Krueger notes, "Of course, this is an extreme assumption."

The analysis shows that 1,031,000 American workers are dependent for their jobs on direct or indirect exports. If the import quotas were to be adopted and a trade war were to result, with all imports shut off, the total job potential to produce domestic substitutes for the imports would be 885,900. Therefore, according to Dr. Krueger, a trade war would mean the sacrifice of about 144,000 manufacturing jobs.

The net loss to American labor would be even greater than comparisons of job numbers alone might suggest, according to Dr. Krueger. The average wage in the export industries that would be big losers in a trade war—machinery, engines and turbines, transportation equipment, and chemicals—is more than half again as high as the wages paid in the textile and shoe industries.

Instead of quotas, Dr. Krueger argues, the "economically sound and fair solution" to the problem of industries hard hit by foreign competition would be an effective system of direct assistance to the firms and workers. "It would meet the problem of workers whose jobs were endangered by imports without inflicting the enormous costs on the rest of American labor—not to mention agriculture and the consumer—that quotas and the consequent shrinkage of our foreign markets would entail."

## TAX DISCRIMINATION

Mr. MURPHY. Mr. President, shortly after I was elected to the Senate I received a letter from a constituent who wrote: "While I admit you know a lot about show business and a lot about the business world, do you know anything at all about taxes?" I responded to her that I had the makings of an expert having paid what I consider far more than my share of taxes during my lifetime.

During the time it has been my privilege to serve in this distinguished body it has come to my attention, that a far greater tax inequity than I have ever suffered exists. That is the inequity we impose upon the widow, the widower, the unmarried man or woman and to all who file as individual taxpayers.

These days when we are all working so hard to end discrimination in all its ugly forms, no one can deny we are discriminating unfairly against those who through circumstances beyond their control or choice, are taxed at a rate which imposes an unfair tax burden on them.

The penalties we heap upon the taxpayer filing as an individual can amount to an impressive amount over a lifetime of earnings. An unmarried school teacher for example after 30 years of service, retires with a net worth of some $30,000 less than her married associate because of the burden of the extra tax she has paid and interest she would have earned on those tax moneys.

In granting to individual taxpayers the right to file as unmarried heads of households, this Congress recognized the heavy inequity which exists. It was a step in the right direction, but it at best must be viewed as conscience legislation, as our recognition that we have been unfair to the individual taxpayer and that the time has arrived to correct the inequity.

In the past there have been those who have justified our tax discrimination on the grounds that it was doing something for the institution of matrimony, whatever its adverse effect on the individual taxpayer.

As one who has had 44 years of the finest marriage on earth, no one ever will convince me the institution of marriage needs the crutch of discrimination against the unmarried. I move we end that discrimination and I urge you who will be Members of the 92d Congress to work for legislation to accomplish it and see that it gets early and complete attention.

## THE NEW HAMPSHIRE FARM BUREAU SPEAKS UP ON OIL

Mr. McINTYRE. Mr. President, despite some hopeful signs recently, the Northeast area of the United States still has critical needs for oil for home and business use.

Furthermore, there has been no price break and the shortage of oil has been accompanied by steadily rising prices.

The elderly and those on fixed incomes who must heat their homes in the midst of a bitterly cold winter are particularly hard hit.

Many businesses, schools, and public users of oil are suffering from the shortage and the prices.

There is increasing efforts by leading groups in New Hampshire to see that something is done. I have just received from Richard G. Kelley, the Executive Secretary of the New Hampshire Farm Bureau Federation a resolution recently passed by the voting delegates of that fine organization.

Mr. President, I want to bring that Resolution to the attention of the Senate because it represents the views of hundreds upon hundreds of the able and dedicated members of the Farm Bureau in New Hampshire.

This Resolution reads:

### FUEL OIL SUPPLIES

*Be it resolved,* That the New Hampsire Farm Bureau commends and strongly supports legislative efforts to obtain sufficient supplies of fuel oil at reasonable rates for the New England area.

## THE COTTON PROGRAM

Mr. TALMADGE. Mr. President, I am dismayed at the U.S. Department of Agriculture's actions in regard to the cotton program for 1971. I regret that this administration forced its unfavorable farm program on the Senate of the United States. At the time the Senate debated the conference report on H.R. 18546, the general farm bill, I pointed out that this was not good legislation—that its only virtue was that it was preferable to no farm bill at all.

I explained that I did not sign the conference report on the farm bill because I had concrete figures to show that the administration bill would mean a sharp reduction in income to cotton farmers.

However, I did express the hope that the Department of Agriculture would administer the new cotton program in such a manner as to avoid disastrous drops in cotton income.

My hopes were given a sharp jolt when the Department of Agriculture issued a press release announcing the new cotton program on December 8. While I realized that a fair implementation of the new law would mean a reduction in cotton income, I did not think that this administration would add insult to injury by using its administrative discretion to reduce cotton income even further.

The administrative action to which I refer is the change from gross weight to net weight in making cotton loans.

For years, farmers have been selling their cotton on a gross weight basis, which means simply that they are paid for the full weight of the bale, including the bagging and ties. After all, since the farmer pays about $4.50 for the bagging and ties, it is only fair that he regain some of the expense when he sells his cotton.

Actually, he does not now recoup all of his outlay. The average weight of these packaging materials is about 21 pounds. So if the farmer sells his cotton for 20.25 cents per pound, he presently gets back only $4.25 when the cotton is sold on a gross weight basis.

Now that the USDA has announced that price support loans will be made only on a net weight basis, farmers will get back nothing for the cost of the bale wrappings. This applies not only to cotton placed under loan with the Commodity Credit Corporation, but also to all cotton moving in normal trade channels.

As I pointed out on the Senate floor on November 19, cotton farmers will suffer a marked reduction in income because of the lower guarantee of the House bill. In 1970, cotton farmers realized a return of 38.55 cents per pound on middling 1-inch cotton. That was due to the fact that the cotton farmers received a 20.25 cent per pound loan level and payments of 16.80 cents per pound under the old law. These two figures total 37.05 cents per pound. In addition, the market price exceeded the loan level by 1½ cents per pound, which means that the cotton farmers received a total of 38.55 cents per pound for middling 1-inch cotton.