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In short, I support the extension of the Economic Opportunity Act because it continues work that is vital to our Nation's economic, social, and moral wellbeing. We all know that OEO is not perfect. Experience has taught us a number of lessons, and I hope we will be prudent enough to act with dispatch to correct deficiencies and improve effectiveness wherever possible. Above all, though, we must stand firm in our resolve to continue and expand our efforts to bring full human dignity to all Americans.

DAIRY PRICE SUPPORT LEVEL

Mr. HUGHES. Mr. President, American dairy farmers have been going out of business at a record rate. This has been happening despite the fact that milk and dairy products are the best source of life and vitality giving nutrients so badly needed by hungry people in America and in the world.

Secretary of Agriculture Hardin announced last Friday that the dairy price support level would remain at $4.66. Last April, the Secretary set the dairy price supports at $4.66 per hundred weight of milk. At that time, the dollar value amounted to 85 percent of parity. During the year, increasing farm costs caused it to drop to 80 percent of parity. At the present rate of $4.66 per hundred weight and if present trends continue, by April 1, 1972, dairy supports would be as low as 75 percent of parity.

The Senator from Wisconsin (Mr. NELSON) has introduced, and I am cosponsoring, a bill, S. 1277, to provide that dairy price supports for the next dairy marketing year beginning April 1, 1971, be not less than 85 percent of parity. This would increase the support level from $4.66 per hundred weight to close to $5. It is important that this legislation be passed. It would merely retain the support level at the same percentage as was established a year ago—85 percent. Also, the present dairy pay prices to farmers are above the projected support level of 85 percent of parity. If the support prices are not increased from the present $4.66, it is expected that milk prices will drop sharply. This could mean the loss of from $3 to $5 million in farm income during the next year. At a time when our national economy is suffering from cutbacks and unemployment and farm incomes have been steadily decreasing, a further drop in farm income will seriously affect rural Iowans and the cities and towns whose economy is directly affected by farm incomes. This legislation is necessary to protect the dairy farmer and provide him an opportunity for a more equitable return on his investment.

THE JAPANESE TEXTILE AGREEMENT

Mr. MONDALE. Mr. President, I was deeply disappointed last week when the President categorically refused to accept what I believe to have been a generous and even courageous offer on the part of the Japanese textile industry to voluntarily limit their exports of textile products into the United States.

I believe that there are, in fact, serious problems in international trade, and that the American worker is understandably and often rightfully fearful of a continued loss of American jobs in certain sectors of our industry.

However, as long as these extraordinarily complex and profound problems remain subservient to the politically motivated clamor for legislated textile quotas, we will continue to remain at an impasse, unable to look forward in responsible fashion to the solution of the real problems.

The unilateral agreement from the Japanese industry was a brilliant truimph for Chairman MILLS of the House Ways and Means Committee. Surely no one in the Congress, and quite possibly no one in Washington, is so thoroughly versed on the promises and problems of our international trade situation.

He knows full well the fears of the workingman. He understands the changing nature of international competition which has, indeed, rendered irrelevant some of our textbook allegiance to the pure concepts of "free trade" and "comparative advantage." And Mr. MILLS is as aware as any man of our experiences in the 1960—the great benefits from the expansion of world trade brought on by the Kennedy round together with the increasing evidence that our leadership has often been a lonely one in seeking expanded trade through a reduction in trade barriers.

Yet Mr. MILLS knows, too, the futility of bestowing a great governmental subsidy in the form of legislated import quotas on one industry alone—especially when that one industry, by virtually every meaningful measurement of injury due to imports, has not begun to make a credible case.

Last year, the employment decline in all manufacturing, from December to December, was 6.3 percent—a great national tragedy, but a direct result of the administration's recessionary game plan. In the durable goods category, in fact, employment declined by a phenomenal 8.8 percent.

The decline in textile employment was about 3.6 percent—4.5 percent in textile mill products and 2.3 percent in apparel and other textiles—hardly evidence of unemployment directly attributable to imports in light of the overall recessionary unemployment.

The average monthly unemployment in 1970 for all manufacturing declined 3.9 percent from the preceding year. And by this measure as well, textiles were less affected by the recession than industry as a whole, suffering a 3.4-percent decline in textile mill employment and a 1.9-percent decline in apparel employment.

Surely these declines are cause for great alarm and concern. But to look to the Japanese for a scapegoat—for what is basically a catastrophe in domestic economic policies—is misleading and counterproductive.

What the textile lobby has complained most about in their quest for special congressional treatment is import penetration. I do not deny that penetration in manmade fibers has increased quite rapidly from a very low base of only a few years ago. But to equate either a penetration rate or a percentage of imports over domestic consumption as injury is to open the door for a flood of protectionism such as this country has never seen.

This is the basis for Mr. MILLS warning that:

> I cannot understand how under any circumstances a statutory proposal for the protection of a single industry can be developed which is exclusive of consideration of statutory programs for other affected industries.

Mr. President, how can I accept this case for statutory quotas on textiles when literally dozens of other industries are experiencing far greater penetration than textiles?

Do I urge quotas on automobiles, iron ore, bicycles, hides, tobacco, sewing machines, clocks, and all other products where imports constitute a greater percentage of consumption than for textiles? Or do I say to them how unfortunate it is that they were not in a position to have cut a political deal with this administration?

Mr. President, let us look at the facts of domestic penetration. As reported in the Ways and Means Committee print of June, 1970, the ratio of imports to consumption in manmade fibers was 4.6 percent in 1969.

Here is where the clamor lies—a penetration of less than 5 percent in the category which the textiles industry claims was being taken over by a flood of foreign imports.

Mr. President, let us compare this penetration with a number of other categories of goods where other nations are competitive with our own producers. This list is by no means complete, but I would ask Senators if they would care to erect statutory quotas on each of these goods—or to justify how we can eliminate foreign competition in textiles only.

Ratio of imports over domestic consumption, 1969

	Percent
Man-made fibers	4.6
Steel mill products	13.7
Paper industry machinery	7.7
Ceramic mosaic and wall tile	38.0
New passenger cars	19.0
Lead	54.0
Zinc	54.0
Stainless steel flatware	49.4
Crude petroleum	13.0
Fish	80.0
Mink skins	46.0
Clocks	21.0
Bicycles	29.0
Tobacco	36.0
Iron ore	32.5
Household glassware	40.4
Bauxite	87.0
Chrome ore	100.0
Mercury	40.0
Wood screws	58.0
Nails	44.6
Sewing machines	58.0
Calculating machines	60.0
Wigs	79.0
Microphones, loudspeakers	20.0
T.V. receivers; T.V.-radio-phono comb.	30.0
Tape recorders, dictation machines	64.0
Baseball gloves	92.0

The tragedy, which I feel deeply and personally, is that many of us with an enormous sense of concern for the plight of the working man have been put into the position of fighting against these totally unjustified legislated quotas while the real problems have gone unattended. And the working man, suffering under a full scale recession, has had his understandable fears and frustrations exploited for political gain while the failure of our domestic economy and the complex problems of international trade remain virtually untouched.

Recently I joined with the Senator from Oklahoma (Mr. HARRIS), the Senator from New York (Mr. JAVITS), and six other Senators in introducing S. 834, the International Trade Act of 1971. None of us presents this bill as the final answer to the problems I have outlined. But it does attempt to move us toward an expansion of trade together with improved mechanisms to preserve and protect the legitimate interests of American workers, farmers, and businessmen. Our measure does liberalize the escape clause, improve and increase adjustment assistance, and increase the President's authority to retaliate against unfair competition from abroad. But the thrust of this kind of legislation, which I believe to be both responsive and responsible, stands no chance even of consideration as long as the President holds progressive trade policies hostage to quotas on textiles.

Chairman MILLS saw this problem and took the single step which afforded a way out of this impasse—a step which promises fair relief to the textile industry and a generous way out of the President's self-imposed dilemma.

In light of the true situation within the textile industry; in light of the obvious impossibility of legislating quotas for textile only, in light of the international trade war which lies just across the brink of congressionally imposed quotas; and in light of the great need to move beyond the phony issue of textile quotas into the real problems of multinationalism and the export of technology and capital, the Japanese agreement is an opportunity which deserves the fullest measure of support.

Its rejection by the President marks the beginning of a new round, I am afraid, of congressional trade wars in which the real problems will continue to go unsolved while the President plays out this tiresome and dangerous round of the Southern strategy.

Mr. MILLS apparently looked at 2 years of futile—indeed, monstrously inept—negotiations on the part of this administration and recognized that our administration would never formally agree to anything short of total capitulation by the other side. No agreement in any sense of a fair compromise was possible while our side labored under the thumb of our textile lobby. The result of the administration's position was to render impossible any negotiated settlement while unfairly keeping alive the hopes of the textile industry for congressional disposal of its international competition.

To claim that Chairman MILLS "went around" our negotiators is totally untrue. There were no negotiations going on, and there have not been since January, when talks were disbanded due to our negotiators backing away from agreement under pressure from our textile lobby. I would refer Senators to my remarks on the floor of the Senate on the 19th of December. At that time I charged our negotiators from backing away from this near agreement. I place in the CONGRESSIONAL RECORD, volume 116, part 33, pages 44368 and 44369, materials which I believe corroborated this charge. What Mr. MILLS did, then, was to resurrect the aims of our totally unsuccessful textile negotiations and not in any way to circumvent the prerogatives of the administration to conduct governmental negotiations.

Mr. President, I invite attention to the statement made by Chairman MILLS upon hearing of the President's most recent action. I feel it is an example of the finest statemanship and wisdom on our most crucial trade matters, and I ask unanimous consent that it be printed in the RECORD.

I also ask unanimous consent that recent editorials published in the Washington Post and the New York Times, a column by Tom Wicker, of the New York Times, a column by Messrs. Evans and Novak, and a recent article from Newsweek all be printed at the close of my remarks.

While, again, I am deeply disappointed in the President's opposition, I am hopeful that this agreement can still, in fact, become the basis for a resolution of this particular issue so that we may all begin working once again together on responsible solutions to the real problem.

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

STATEMENT OF HONORABLE WILBUR D. MILLS (D., ARK.), CONCERNING THE PRESIDENT'S REJECTION OF THE JAPANESE TEXTILE FEDERATION'S PROPOSAL TO LIMIT TEXTILE EXPORTS TO THE UNITED STATES

I understand that the President and his advisors, after considering the recent initiative of the Japanese Textile Federation toward a solution to the problem of textile imports, have decided to reject the Japanese proposal. Having responded on many occasions to requests from Administration officials during the past two years to assist in furthering a negotiated settlement of this problem, I am both surprised and disappointed at this decision. This rejection of the Japanese initiative not only involves honest differences of opinion as to the extent and the nature of restraints on textile exports to the United States, it involves the very core of our trade relations with the textile exporting countries and indeed with our ability to deal on a realistic basis with the problems all out industries face in competing in our own markets and abroad.

While I can perhaps understand the position taken by the leaders in the textile industry in opposing the proposal, and I assume that they have given it serious study, it is difficult to understand an out-of-hand rejection of the proposal after two years of unsuccessful attempts to negotiate a settlement. My support of the industry's efforts and my support of the Administration's efforts to obtain a solution to this problem are a matter of public record. I regret that at this time the decision has been made to reject this avenue toward a meaningful accommodation of the international textile trade problem.

The President apparently knows of another way to obtain the protection which the textile industry is seeking and, at the same time, prevent other protectionist developments from accompanying that relief, but I do not.

I am sure that the President has made this decision taking into careful consideration all aspects of the matter, including growing opposition to any legislative quotas. In view of his decision refusing to give the announcement of the Japanese Textile Federation even a trial run, this opposition will become even greater. It is my hope that this decision is retractable and the opportunity presented by the Japanese initiative will be kept open so that all of the countries involved may counsel with our government toward a better understanding and mutual cooperation so necessary to the future growth of both their economies and ours.

As I have pointed out before in several different ways, the stakes involved in an early settlement of the textile controversy are very great. Obviously our trade problems go far beyond just the question of textiles and I cannot understand how under any circumstances a statutory program for the protection of a single industry can be developed which is exclusive of consideration of statutory programs for other deeply affected industries. As I have already said, I await with considerable interest the presentation of such a program by the Administration.

FOLLY ON TEXTILES

President Nixon has angrily rejected the Japanese plan for restricting textile exports to this country—a plan submitted in response to an initiative by Chairman Wilbur D. Mills of the House Ways and Means Committee. Mr. Mills, a man not easily pleased, had welcomed the Japanese plan as one that might eliminate any strong Congressional push this year for compulsory import quota legislation. Such an outcome would have removed the danger of an international wave of protectionism and opened the way for a return to the more liberal trade principles that Mr. Nixon enunciated in his State of the World message.

Now, however, the President says that he will "strongly" support the compulsory textile quota provisions of the trade bill fathered by Mr. Mills before the Japanese put forward their plan for self-limitation.

But Mr. Nixon can have no real expectation that Congress will put through a bill limited to textiles when Mr. Mills himself warns that it is simply not possible to limit statutory quotas to a single industry. It is even more difficult to understand why the President would want to incur the opposition of Chairman Mills, who is important to the Administration not only on trade legislation but on taxes, welfare reform, revenue sharing and other issues critical to his entire legislative program.

It is the essence of rashness to jeopardize vital national and international interests for the sake of an ill-considered campaign promise to one industry, a promise that runs counter to the President's own stated commitment to free trade. The Japanese intend to go ahead anyway with their plan, which they say would avoid "undue distortions" that would hurt particular sectors of the American textile industry. Mr. Mills says he will oppose compulsory quotas until the Japanese plan is given a fair trial. The Administration could spare itself a lot of needless trouble if it adopted the same reasonable attitude.

A RESPONSIBLE JAPANESE INITIATIVE ON TRADE

A major boost has been given the cause of freer trade by the decision of the Japanese textile industry unilaterally to limit exports to the United States. This initiative, no less praiseworthy for being long overdue, ought to take much of the steam out of the Congressional protectionist movement that almost produced an abominable trade-restricting bill last year. That the Japanese initiative was solicited and then praised by House Ways and Means Committee Chairman Wilbur Mills, the key figure in such matters, bodes well. For it will be very difficult to pass any kind of import-quota bill over his objections. Mr. Mills not only opposes quotas on sound principle but he now has his own alternative, the Japanese initiative, to look after.

The administration's attitude is unhelpful It was bad enough that Mr. Nixon, to discharge a campaign debt to Southern textile interests, sponsored legislation in the last Congress to impose quotas on Japanese and other textile imports. He did this without making any serious effort to determine whether inflation and inefficiency were not more to blame than foreign competition for the domestic industry's grievances, and without considering how he would keep other competition-shy industries from grabbing for quotas too. It was bad enough as well that in two years Mr. Nixon could not negotiate a textile agreement with the Japanese government; perhaps the essential reason he failed was that he would not ask American textile companies and unions to moderate their demands.

Now the President has unnecessarily compounded these errors by refusing to accept with grace the way out offered him by the Japanese initiative. If political obligations to the South prevented him from endorsing that act publicly, at least he could have gone along quietly. To authorize his press secretary to grumble yesterday—as he did—can only encourage American textile interests to maintain their inflexible posture. Such grumbles will also encourage Hong Kong, Taiwan and South Korea, on whose agreement to limit exports Japan's offer is hinged, to hold out longer too.

In truth, the United States simply cannot afford to waste another two years, in its trade policy, arguing the narrow and divisive issue of import quotas. Even if legislated quotas are again defeated, the fight will have meant a costly distraction from the large and pressing requirement of adjusting American laws to changed world conditions. The essential need is for the Congress to consider legislation, like the bill offered by Senators Mondale and Javits, whose purpose is to expand international trade in a progressive and orderly way and, while doing so, to give a fair break to American firms and workers found to have been injured by foreign competition.

If Mr. Nixon insists on continuing to seek a negotiated textile accord with the Japanese, or if he insists on sending up another trade bill including textile quotas, then he can be virtually assured of further trouble—trouble in Congress, trouble with Japan, and trouble from American consumers and businesses interested in freer trade.

NIXON'S TEXTILE FETISH

So intensely does President Nixon feel the obligation of his 1968 campaign commitment to the textile industry that he very nearly issued a statement last week denouncing the voluntary Japanese textile import limitation in a way that would have inflicted irremediable damage on himself.

Even the more restrained statement he finally made put him in bad enough trouble. It risks another congressional struggle over trade legislation and an international trade war.

In a President whose flexibility and pragmatism are normally invaluable assets, this unyielding adherence to his old campaign pledge of textile quotas defies rational explanation. Still more puzzling, Mr. Nixon calls himself a free trader, and yet by any objective test the case for textile relief is notably weaker than for several other industries.

Moreover, an argument can be made that Mr. Nixon has fulfilled his 1968 bargain. He risked much by aggressively pushing a textile quota bill in 1970, but the textile lobby responded by logrolling the measure into a protectionist grabbag. A 1970 admonition to textile lobbyists on this score from White House aide Peter Flanigan did no good.

Similarly, the intransigent textile men last year rejected an offer from the Japanese government considerably better than the voluntary limitation negotiated last week by Rep. Wilbur Mills (D-Ark.) and the Japanese manufacturers. With the mandatory quota bill at that time still alive in Congress, Flanigan said no.

Thus, as the new Congress convened in January, negotiations were dead. Mills reintroduced a quota bill at White House request, with no intention of pushing it. Presidential agents pondered attaching it to some innocuous bill on the Senate floor. But if that happened, the logrolling would breed proliferating quotas for other commodities, confronting Mr. Nixon with a bill for beyond textiles.

Mr. Nixon would not be the only one back on the hook. As chairman of the House Ways and Means Committee, Mills' plate is overflowing with welfare reform and national health insurance. He does not need another trade nightmare, where control of his own committee would be tenuous. Accordingly, he was most receptive when Japanese textile representatives paid him a secret visit to seek help on a voluntary limitation.

Nor should this have surprised the White House. The Feb. 10 New York Journal of Commerce reported that Michael Daniels, Japanese textile lobbyist here, carried Mills' proposal to Tokyo. Besides, Mills informed the White House through chief George Shultz (though how completely is now disputed).

When the Japanese announced their voluntary limitation March 8, Mills tried his hardest for at least grudging White House acceptance (using free trade Republican congressmen as emissaries). He never had a chance. Although staffers offered such an option to the President early last week, he felt his commitment to the textile men was inflexible that not even Shultz, an ardent free trader, actively promoted it.

Pressed by Secretary of Commerce Maurice Stans and political aide Harry Dent, Mr. Nixon was actually primed to issue a statement eviscerating Mills for infringing on Presidential prerogatives and promising a crash effort to pass a textile bill. Apart from alienating Mills, that would have provoked an immediate trade fight.

Cooler heads—especially domestic policy chief John Ehrlichman and the President's new trade expert, ex-Bell and Howell camera president Peter G. Peterson—prevailed to get a softer stand. But they could not remove a recommendation for a textile quota bill. The adamant President refused even to permit a trial period for the Mills plan.

That puts Mr. Nixon squarely on the trade hook. At best, he will appear impotent before his Southern constituents while the Mills proposal goes into effect. At worst, he risks a ruinously protectionist bill in Congress with horrendous international implications.

MR. MILLS PLAYS IT ROUGH

(By Tom Wicker)

WASHINGTON, March 13—"Politics ain't beanbag," Mr. Dooley said, and that is exactly the way Representative Wilbur D. Mills sees it. In fact, at the moment, Arkansas' gift to the Ways and Means Committee is playing the game so hard and so astutely that he has Mr. Nixon floundering and foreign diplomats watching open-mouthed. The latter cannot quite grasp how, in the peculiar American system, one small state Congressman who by the accident of seniority heads an important committee can have (a) worked out an agreement with a foreign power, (b) thus concluded a negotiation that the Nixon Administration botched last year and (c) virtually killed the prospect of another import-quota bill like the one that passed the House last year.

Well the diplomats might wonder. As interpreted by knowledgeable persons, few episodes have more clearly demonstrated the extent to which the American system is a government of men, as well as of laws and procedures; or the extent to which hard, partisan politics plays a part in dealing with some of the most important issues of American life—for instance, welfare reform.

When Congress failed last year to pass the Administration's Family Assistance Plan (F.A.P.), which would institute a minimum-income approach to welfare, the White House publicly pledged to push through the F.A.P. this year by tying it to a 10 percent increase in Social Security benefits, which everyone favored.

But Mr. Nixon then disclosed his sweeping new revenue-sharing proposals. Mr. Mills has long been a passionate opponent of revenue sharing, and he set out to defeat the Nixon plan. The strategy Mr. Mills settled upon was to substitute some form of Federal assumption of welfare costs.

This would improve the position of the states by relieving them of burdensome costs, rather than by handing them more Federal money. Under this plan, it might also be possible to use some of the funds proposed for revenue sharing to increase welfare benefits—and thus a Democratic party position could be developed to counter the President's "new American revolution."

But this over-all campaign to substitute a welfare take-over for revenue sharing dictated that Mr. Mills block Mr. Nixon's plan to piggy-back the unpopular F.A.P. on the popular Social Security increases. The problem was that the chairman and other Democratic leaders feared that Congressional protectionists would try to attach textile and other import quotas to the attractive Social Security bill, if it stood alone.

Mr. Mills, who sponsored quota legislation and pushed it through the House last year, only to see it die in the Senate, apparently has turned against quotas. Friends say that, in the first place, he never did have his heart in restrictive trade legislation but was responding to pressures he thought irresistible. But the chairman, who told friends last June that there would not be "five votes" against the quota bill, is said to have been surprised and impressed at the free-trade opposition it aroused.

The experience of 1970 also taught Mr. Mills, as he said this week, that there was no way to provide the textile import quotas Mr. Nixon wants and still "prevent other protectionist developments from accompanying that relief"—for instance, the quotas on shoe imports that were tacked on last year.

These considerations apparently led the chairman to the extraordinary personal interventions that produced voluntary agreement by the Japanese textile industry, subsequently endorsed by the Japanese Government, to restrict exports to the United States. The chairman apparently did not deal directly with Japanese officials but with industry representatives; and sources close to him say that he "touched base" even for these private dealings with such White House officials as Henry Kissinger and John Ehrlichman.

At least partially as a fruit of the Japanese arrangement, the Social Security benefit increases passed the Senate this week incorporated in a rider on a debt-ceiling bill already passed in the House. The new benefits, perhaps in somewhat modified form, will be accepted by the House, but neither the F.A.P. nor import-quota legislation can now be added to the legislative package. No wonder, therefore, that Mr. Nixon reacted with anger and rejected the voluntary Japanese agreement. Not only did it commit the Japanese to less than the Administration had sought in relief of the American textile industry; not only had Mr. Mills, nevertheless, brought off an agreement that lessened Congressional pressure for quotas; but the chairman now says flatly that he need no longer support the quota legislation Mr. Nixon wants, which would have to originate in his committee. Without the threat of such legislation in the background, Mr. Nixon has almost no hope of negotiating a more restrictive arrangement with the Japanese.

Moreover, the way now appears open for Mr. Mills to incorporate the main features of the F.A.P. in his proposed Federal take-over of the welfare system and to substitute that package for the Nixon revenue-sharing proposals, thus cutting the heart out of the "new American revolution."

In that light, the President's refusal to accept the voluntary agreements and his renewed demand for quota legislation are not as quixotic as they seem. Rather they appear to be a new version, for the hard fight ahead in 1972, of the pledge to relieve the textile industry that was so valuable to Mr. Nixon in the South in 1968.

NIXON'S REBUFF TO JAPAN: HE TURNS DOWN ITS OFFER TO RESTRICT TEXTILE EXPORTS

For two hectic years, President Nixon has striven mightily to redeem his campaign pledge to the Southern textile industry to stem the tide of textile imports. The effort has focused on Japan, the biggest single exporter, accounting for about 25 per cent of the $2.3 billion in textiles entering the U.S. each year; it has ranged from delicate behind-the-scenes negotiations to full-dress visits to Tokyo by Commerce Secretary Maurice Stans and other dignitaries. When the President agreed in 1969 to a timetable for return of Okinawa to Japan, his price was a pledge by the Japanese Government to persuade its textile industry to accept voluntary export controls. And to add to the pressure, Mr. Nixon persuaded House Ways and Means Committee chairman Wilbur Mills to introduce a bill in Congress setting quotas on textile imports.

But problems dogged the President's efforts from the start. Stans's overbearing manner enraged the sensitive Japanese, and their textile makers refused to exercise even a modicum of self-restraint. In the U.S., the trade bill that Mills had introduced as a bargaining ploy became a Christmas tree of protectionist clauses affecting scores of industries. Before it died in the Senate last session, the measure roiled political waters overseas and raised the specter of a world trade war.

Plan: Thus, when the Japan Textile Federation announced last week it would put into effect a voluntary three-year plan to limit textile shipments to the U.S., the betting on Capitol Hill was that it would effectively take Mr. Nixon, Mills and everyone else off the hook. To be sure, the proposal, which would restrict the growth of textile exports to the U.S. to 5 per cent in the first year and 6 per cent in each of the next two, was denounced as "unworkable" by the American Textile Manufacturers Institute; the manufacturers argued that the absence of limits on specific product categories left the Japanese free to "wreck entire segments of the domestic industry." But since Japan explicitly promised to avoid "undue distortions" affecting particular industry sectors, most observers—including Mills, who had been negotiating informally with Japanese textile producers before the announcement—regarded the plan as a reasonable compromise.

Not so Mr. Nixon. In a sharply worded statement presented by White House press secretary Ronald Ziegler, the President rejected the Japanese plan as "short of the terms essential to the U.S." and vowed to support the textile quota provisions of the trade bill, which Mills had reintroduced in the House in January. The Japanese action, Mr. Nixon charged, "effectively precluded further meaningful government-to-government negotiations." He added, however, that he would welcome renewed talks.

Both the vehemence and the apparent firmness of the President's rejection startled political and financial experts alike. Considering the government's notable lack of progress in negotiating with the Japanese and the possible damage that protectionist trade legislation could cause, why hadn't Mr. Nixon—with a proper show of reluctance—chosen to accept the Japanese plan as the basis for compromise?

Part of the answer was obvious: clearly, the President was miffed at the role played by Mills in negotiating with the Japanese. Indeed, at the White House news conference to release the President's statement, Rep. John W. Byrnes of Wisconsin, the ranking Republican on the Ways and Means Committee, pointedly expressed alarm at Mills' negotiations and deplored any "end-run attempt to bypass constitutional authority."

SHORT CIRCUIT

But Mr. Nixon's heated reaction was governed by more than pique at a Democratic congressman. In fact, Newsweek's Rich Thomas learned, the Administration as long ago as last December had firmly rejected a Japanese proposal for voluntary restraints that was essentially the same deal as the Mills package, except that it showed an implicit willingness to negotiate on product categories and thus might have been even more stringent. Mr. Nixon apparently believed that the threat of an import quota bill would eventually force the Japanese to come up with an even better deal. He was in the process of waiting them out when they approached Mills for new talks. And as Mr. Nixon saw the outcome, Mills short-circuited the President's own strategy.

That strategy, however, was almost entirely political. Indeed, Mr. Nixon's decision to reject the latest Japanese proposal was taken in the face of contrary economic arguments from a whole chorus of White House advisers, ranging from Secretary of State William Rogers and Henry Kissinger of the National Security Council to Paul McCracken, chairman of the Council of Economic Advisers, and George Shultz, director of the Office of Management and the Budget. "It was a reasonable basis, economically, on which to work out a settlement," insisted a high Administration source after the battle. But Mr. Nixon owes his 1968 nomination to South Carolina's Sen. Strom Thurmond, and he regards that debt as a near-sacred obligation—besides which, he is mindful of the political weight swung by textile makers and unions. Mills' maneuver would have robbed the President of credit for redeeming his own campaign pledge—and yet, if he had accepted it, Mr. Nixon would still have been open to criticism that the deal wasn't sweet enough for the industry.

It was open to question, however, whether rejection of the offer left the President any better off. The Japanese, expressing surprise and disappointment, said they would observe the terms of their offer in any case. But it seemed doubtful that they could, since the plan depended all along on similar restraint by Hong Kong, Taiwan and Korea—which now had no incentive to go along.

STANDOFF

In the upshot, Mr. Nixon's rejection of the Japanese offer seemed to have created a standoff. What he wanted, for the record at least, was the Draconian textile import quota in the bill now in the House. But even if Mills could be persuaded to put the measure through his committee—a highly dubious prospect, in view of Mr. Nixon's treatment of his plan—this course raised all of last year's dangers of a flock of protectionist amendments and a world trade war. Mills, for the moment, was maintaining cool reticence, and it remained to be seen how cooperative he would be in handling the rest of the Administration's economic measures. The Japanese might be lured back to the bargaining table, but they remained free to export as much as they liked. Considering everything, said a bitter official at the State Department, "I'm glad we had no part of that one. The White House managed to antagonize the Japanese, Nixon's own advisers and Wilbur Mills at one stroke. That was a pretty good day's work."

ATTITUDES OF AMERICAN PEOPLE TOWARD CONGRESS

Mr. BAKER. Mr. President, I have recently had brought to my attention a poll conducted by the Harris survey on attitudes of the American people toward Congress. The poll reveals that two-thirds of the people of the Nation find the performance of Congress either "only fair" or "poor", the lowest such rating since the question was first put by the survey in 1963.

Much is said and written about a so-called "credibility gap" between the Executive and the public. But we should be as much concerned, if not more concerned, about the confidence gap that exists between the National Legislature and the American people.

This poll reveals that Congress got its highest marks for that provision of Clean Air Act Amendments of 1970 requiring the manufacture of a virtually pollution-free automobile by 1975. But the poll also reveals that the Congress gets its lowest marks for its failure to enact revenue sharing.

The 92d Congress has a unique opportunity to restore the confidence of the Nation in its governmental institutions, at the Federal, State, and local level, through the enactment of revenue sharing. For more than 50 years, revenues and power have flowed from the people to the Central Government. By enacting revenue sharing, this trend could at least be tempered, if not reversed. By actually surrendering a small part of its power, rather than continually increasing it, the Federal Government would demonstrate a rare willingness to respond to the legitimate needs of State and local governments.

An earlier poll by the Gallup organization revealed that fully 77 percent of the people support the concept of revenue sharing. If representative democracy means anything it means that the National Legislature should respond to the clear wishes of a clear majority.

I ask unanimous consent that the results of the Harris survey, as described in Congressional Quarterly, be printed in the RECORD.

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

PUBLIC OPINION POLL: MANY DISSATISFIED WITH CONGRESS

Dissatisfaction with the job done by Congress reached a record high for recent years among the American people in 1970, according to a Harris Survey released March 1.

Almost two-thirds of the individuals in a nationwide sample judged the record of the second session of the 91st Congress as "only fair" or "poor." Only about one-fourth viewed the job done as "excellent" or "pretty good"—the lowest rating since the question was first asked by the survey in 1963.

President Nixon's handling of Congress in 1970 was also assigned low marks. Fifty-nine